Basic information

2021/0250(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Prevention of the use of the financial system for the purposes of money laundering or terrorist financing: mechanisms to be put in place by the Member States Repealing Directive 2015/849 2013/0025(COD) **Subject** 2.50.04.02 Electronic money and payments, cross-border credit transfers 2.50.10 Financial supervision 7.30.20 Action to combat terrorism 7.30.30.08 Capital outflow, money laundering **Legislative priorities** Joint Declaration 2021 Joint Declaration 2022 Joint Declaration 2023-24	

Key players

	Joint committee responsible	Rapporteur	Appointed
European Parliament	ECON Economic and Monetary Affairs	NIEDERMAYER Luděk (EPP)	25/11/2021
	LIBE Civil Liberties, Justice and Home Affairs	TANG Paul (S&D)	25/11/2021
		Shadow rapporteur RESSLER Karlo (EPP) REGNER Evelyn (S&D) STRUGARIU Ramona (Renew) CARÊME Damien (Greens/EFA) PETER-HANSEN Kira Marie (Greens/EFA) ZĪLE Roberts (ECR) JAKI Patryk (ECR) GARRAUD Jean-Paul (ID) ZANNI Marco (ID) DALY Clare (The Left) SCHIRDEWAN Martin (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
JURI Legal Affairs	The committee decided not to give an opinion.	

Council of the European Union	
European Commission	Commission DG: Financial Stability, Financial Services and Capital Markets Union; Commissioner: MCGUINNESS Mairead
European Economic and Social Committee	

Key events

Date	Event	Reference	Summary
20/07/2021	Legislative proposal published	COM(2021)0423	Summary
04/10/2021	Committee referral announced in Parliament, 1st reading		
16/12/2021	Referral to joint committee announced in Parliament		
28/03/2023	Vote in committee, 1st reading		
28/03/2023	Committee decision to open interinstitutional negotiations with report adopted in committee		
14/04/2023	Committee report tabled for plenary, 1st reading	A9-0150/2023	Summary
17/04/2023	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
19/04/2023	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72)		
19/03/2024	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	GEDA/A/(2024)000995 PE759.084 PE759.086	
24/04/2024	Decision by Parliament, 1st reading	T9-0364/2024	Summary
24/04/2024	Results of vote in Parliament		
24/04/2024	Debate in Parliament		
30/05/2024	Act adopted by Council after Parliament's 1st reading		
31/05/2024	Final act signed		
19/06/2024	Final act published in Official Journal		

Technical information

Procedure reference	2021/0250(COD)

Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Repealing Directive 2015/849 2013/0025(COD)
Legal basis	Rules of Procedure EP 59 Treaty on the Functioning of the European Union TFEU 114-p1
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	CJ12/9/07898

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE730.070	18/05/2022	
Amendments tabled in committee		PE734.213	24/06/2022	
Amendments tabled in committee		PE734.214	24/06/2022	
Amendments tabled in committee		PE734.215	24/06/2022	
Committee report tabled for plenary, 1st reading/single reading		A9-0150/2023	14/04/2023	Summary
Text agreed during interinstitutional negotiations		PE759.084	13/02/2024	
Committee letter confirming interinstitutional agreement		PE759.086	14/02/2024	
Text adopted by Parliament, 1st reading/single reading		T9-0364/2024	24/04/2024	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2024)000995	14/02/2024	
Draft final act	00037/2024/LEX	31/05/2024	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2021)0423	20/07/2021	Summary
Commission response to text adopted in plenary	SP(2024)394	08/08/2024	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	PT_PARLIAMENT	COM(2021)0423	08/11/2021	

Contribution	ES_PARLIAMENT	COM(2021)0423	22/11/2021	
Contribution	CZ_SENATE	COM(2021)0423	03/01/2022	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EDPS	Document attached to the procedure	N9-0001/2022	22/09/2021	
EESC	Economic and Social Committee: opinion, report	CES2524/2021	08/12/2021	
ECB	European Central Bank: opinion, guideline, report	CON/2022/0005 OJ C 210 25.05.2022, p. 0015	16/02/2022	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
TANG Paul	Rapporteur	LIBE	21/02/2024	ING Group Eurofi
TANG Paul	Rapporteur	LIBE	08/12/2023	Europol
TANG Paul	Rapporteur	LIBE	29/08/2023	Autoriteit Persoonsgegevens
SCHIRDEWAN Martin	Shadow rapporteur	ECON	29/06/2023	Geldwäscheaufsicht der Senatsverwaltung von Berlin
TANG Paul	Rapporteur	LIBE	20/06/2023	Banco d'Italia
TANG Paul	Rapporteur	LIBE	14/06/2023	Autoriteit Persoonsgegevens
ZANNI Marco	Shadow rapporteur	ECON	24/05/2023	Satispay Europe SA
TANG Paul	Rapporteur	LIBE	24/05/2023	European Association of Co-operative Banks
TANG Paul	Rapporteur	LIBE	20/03/2023	EDPS
TANG Paul	Rapporteur	LIBE	14/03/2023	RELX
TANG Paul	Rapporteur	LIBE	09/03/2023	EDPS
	Shadow			Fédération bancaire française Kangaroo Group

TANG Paul	rapporteur	LIBE	07/02/2023	Deutscher Sparkassen- und Giroverband Lysis Group
TANG Paul	Rapporteur	LIBE	25/01/2023	European Banking Authority
TANG Paul	Rapporteur	LIBE	25/01/2023	European Central Bank (ECB)
TANG Paul	Rapporteur	LIBE	17/01/2023	Investigative Europe Paper Trail Media OCCRP .lu
PETER-HANSEN Kira Marie	Shadow rapporteur	ECON	30/11/2022	Transparency International
NIEDERMAYER Luděk	Rapporteur	ECON	28/11/2022	Erste Group Bank AG
TANG Paul	Rapporteur	LIBE	24/11/2022	Hague Corporate Affairs VVV Nederland FashionCheque
NIEDERMAYER Luděk	Rapporteur	ECON	11/11/2022	Transparency International Czechia
TANG Paul	Rapporteur	LIBE	10/10/2022	Federation Bancaire Francaise (FBF)
TANG Paul	Rapporteur	LIBE	27/09/2022	European Central Bank
TANG Paul	Rapporteur	LIBE	21/09/2022	Nederlands Vereniging van Banken (NVB)
NIEDERMAYER Luděk	Rapporteur	ECON	07/09/2022	Deutsche Bank AG
NIEDERMAYER Luděk	Rapporteur	ECON	07/09/2022	Western Union
TANG Paul	Rapporteur	LIBE	14/06/2022	European Savings and Retail Banking Group World Savings and Retail Banking Institute
TANG Paul	Rapporteur	LIBE	31/05/2022	Nederlandse Vereniging van Banken / Dutch Banking Association
ZANNI Marco	Shadow rapporteur	ECON	31/05/2022	Intesa Sanpaolo
TANG Paul	Rapporteur	LIBE	21/04/2022	Transparency International Liaison Office to the European Union
TANG Paul	Rapporteur	LIBE	20/04/2022	Nederlandse Vereniging van Banken / Dutch Banking Association Nordea Bank Abp FIU Nederland ING Bank
PETER-HANSEN Kira Marie	Shadow rapporteur	ECON	08/04/2022	Finans Danmark
TANG Paul	Rapporteur	LIBE	08/04/2022	Transactie Monitoring Nederland (TMNL) ING Bank
TANG Paul	Rapporteur	LIBE	08/04/2022	Gemeente Amsterdam
PETER-HANSEN Kira Marie	Shadow rapporteur	ECON	07/04/2022	Meeting with CEO's from the Nordic Banking Associations - and MEP Kira Marie Peter-Hansen + members of the Green's Secretariat
TANG Paul	Rapporteur	LIBE	30/03/2022	Association of Charity Lotteries in Europe AxHA Postcodeloterij
TANG Paul	Rapporteur	LIBE	23/03/2022	La Française des Jeux
TANG Paul	Rapporteur	LIBE	15/03/2022	European Banking Federation

TANG Paul	Rapporteur	LIBE	04/03/2022	FIU Netherlands
NIEDERMAYER Luděk	Rapporteur	ECON	02/03/2022	FIU Italy Council of European Notaries European Central Bank
TANG Paul	Rapporteur	LIBE	02/03/2022	FIU Italy Council of European Notaries European Central Bank
NIEDERMAYER Luděk	Rapporteur	ECON	18/02/2022	Council of Bars and Law Societies of Europe Transparency International Liaison Office to the European Union la Cellule de Renseignement Financier (CRF)
TANG Paul	Rapporteur	LIBE	18/02/2022	Council of Bars and Law Societies of Europe Transparency International Liaison Office to the European Union la Cellule de Renseignement Financier (CRF)
NIEDERMAYER Luděk	Rapporteur	ECON	04/02/2022	European Data Protection Supervisor (EDPS) Europol
TANG Paul	Rapporteur	LIBE	04/02/2022	European Data Protection Supervisor (EDPS) Europol
TANG Paul	Rapporteur	LIBE	12/01/2022	ING Bank
TANG Paul	Rapporteur	LIBE	01/12/2021	Europol

Other Members

Transparency

Name	Date	Interest representatives
DE LANGE Esther	14/03/2023	Branchevereniging Cadeaukaarten Nederland
DE LANGE Esther	28/02/2023	Nederlandse Vereniging van Banken / Dutch Banking Association
DE LANGE Esther	08/12/2022	De Nederlandse boekenbon BV
BOYER Gilles	22/09/2022	Stripe, Inc.
REGNER Evelyn	25/03/2022	Bankenverband
TANG Paul	21/09/2021	Gemeente Rotterdam

Final act

Directive 2024/1640
OJ OJ L 19.06.2024 — Summary

Prevention of the use of the financial system for the purposes of money laundering or terrorist financing: mechanisms to be put in place by the Member States

2021/0250(COD) - 14/04/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs jointly adopted the report by Luděk NIEDERMAYER (EPP, CZ) and Paul TANG (S&D, NL) on the proposal for a directive of the European Parliament and of the Council on the mechanisms to be put in place by the Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and repealing Directive (EU) 2015/849.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Subject matter

Given that land and real estate is an attractive commodity for criminals to launder the proceeds of their illicit activities, the amended text suggested that the Directive should also lay down rules concerning access to information on beneficial ownership, bank accounts, land or real estate registers and relevant goods.

Regarding real estate, Member States should set-up registers or electronic data retrieval systems to effectively put an end to real estate or land as a means to launder money. It is important that Member States provide FIUs and competent authorities with access to information through a single access point in each Member State, which allows the identification in a timely manner of natural or legal person owning land and real estate. Moreover, Member States should ensure that estate agents develop or have in place training programmes for professionals. The nature and extent of training should be tailored to the scale and complexity of the business and be appropriate to the level of the risk of money laundering and terrorist financing faced by the obliged entity.

National risk assessment

Each Member State should designate an authority or establish a mechanism to coordinate the national response to the risks set out in the risk assessment. The identity of this authority or the description of the mechanism should be notified to the Commission, the anti-money laundering authority (AMLA), Europol and the other Member States.

Central register of beneficial ownership information

Central registers of beneficial ownership information are crucial in combating the misuse of legal entities. Therefore, Member States should ensure that beneficial ownership information of legal entities incorporated outside the Union or of express trusts or similar legal arrangements administered outside the Union are held in the central register.

Searches in Beneficial Ownership Register

Beneficial ownership registers are well placed to identify, in a rapid and efficient manner, the individuals who ultimately own or control legal entities and arrangements, including individuals designated in relation to targeted financial sanctions.

The report includes a new article stating that the European Central Platform should serve as a central search service, making available all information related to beneficial ownership. Competent authorities, AMLA, self-regulatory bodies and obliged entities should be able to make searches of beneficial ownership information through the European Central Platform.

Bank account registers and electronic data retrieval systems

Member States should take adequate measures to ensure that information on holders of closed customer-accounts, bank or payment accounts, custodial crypto-asset wallets and safe-deposit boxes is made available through their national centralised automated mechanisms and through the single access point interconnecting the centralised automated mechanisms for a period of five years after the closure of the account or wallet.

National FIUs and AMLA should be granted immediate and unfiltered access to the information on payment and bank accounts and safe-deposit boxes in other Member States available through the single access point interconnecting the centralised automated mechanisms.

Strengthening the role of the ALMA

Members wish to strengthen the role of the ALMA in the context of the rules and procedures set out in this Directive. In particular, they say that the ALMA should:

- issue guidelines on the elements to be taken into account by supervisors when assessing whether: (i) the senior managers and the beneficial owners of obliged entities act with honesty and integrity; (ii) the senior management of obliged entities are of good repute and possess proven knowledge and expertise necessary to carry out their functions; (iii) there are reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted, or that the risk thereof could increase in connection with that obliged entity;

- maintain a register of responsible national authorities or mechanisms established to coordinate the national response to risks, identified at national level;

- play a role in conducting peer reviews of some or all of the activities of the entities in charge of the central beneficial ownership registers with the purpose of assessing whether those entities have mechanisms to fulfil the requirements of this Directive and effectively check whether the beneficial ownership information held in those register is accurate, adequate and up to date.

Information on motor vehicles, aircrafts and watercrafts

Member States should provide competent authorities with timely access to information which allows the identification of any natural person or the beneficial owner of any legal person owning motor vehicles, aircrafts or watercrafts whose estimated value is above EUR 200 000 or the equivalent in national currency. Information set out in the purchase contract or other proof of transaction, including at least the identification of all parties involved in the transaction, the means of payment and the source of funds, is included and available as part of the information should be provided to competent authorities and AMLA without delay.

Prevention of the use of the financial system for the purposes of money laundering or terrorist financing: mechanisms to be put in place by the Member States

2021/0250(COD) - 24/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 513 votes to 25 with 33 abstentions, a legislative resolution on the proposal for a directive of the European Parliament and of the Council on the mechanisms to be put in place by the Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and repealing Directive (EU) 2015/849.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

Requirements relating to the granting of residence rights in exchange for investment

Member States whose national law enables the granting of residence rights in exchange for any kind of investment, such as capital transfers, purchase or renting of property, investment in government bonds, investment in corporate entities, donation or endowment of an activity contributing to the public good and contributions to the state budget, should put in place measures to **mitigate the associated risks** of money laundering, its predicate offences or terrorist financing.

Risk assessment

The Commission should conduct an assessment of the risks of money laundering and terrorist financing and of non-implementation and evasion of targeted financial sanctions affecting the internal market and relating to cross-border activities. By four years from the date of entry into force of this Directive, it should draw up a report identifying, analysing and evaluating those risks at Union level. Where new risks are identified, the Commission may recommend that Member States consider updating their national risk assessments. Member States should also carry out risk assessments at national level.

Central registers of beneficial owners

The new laws ensure that people with a legitimate interest, including journalists, media professionals, civil society organisations, competent authorities, and supervisory bodies, should have **immediate, unfiltered, direct and free access to beneficial ownership information** held in national registries and interconnected at EU level. In addition to current information, the registries should also include data going back at least five years.

Member States should ensure that the information contained in the central registers indicates that the legal entity is associated with persons or entities subject to targeted financial sanctions.

Member States should provide Financial Intelligence Units (FIUs) with immediate and direct access to information to enable the proper analysis and investigation of potential criminal cases involving **real estate**. This information provided free of charge through a single point of access, by digital means, must include information on the history of real estate ownership, the prices at which real estate has been acquired in the past and the associated charges on that property, in order to enable the detection of any suspicious activity linked to property transactions, including real estate, which could indicate cases of money laundering.

Establishment of the Financial Intelligence Units (FIUs)

Each Member State should establish an FIU in order to prevent, detect and effectively combat money laundering and terrorist financing. The FIU should designate a Fundamental Rights Officer.

Member States should ensure that FIUs, regardless of their organisational status, have **access to the information** that they require to fulfil their tasks, including financial, administrative and law enforcement information. This includes tax information, information on transfers of funds and transfers of crypto-assets, information on procedures for awarding public contracts for goods or services, national registers of motor vehicles, aircraft and watercraft, customs data, national arms registers and information on funds and other assets frozen or immobilised in application of targeted financial sanctions, among others.

FIUs should be able to respond in a timely manner to reasoned requests for information justified by concerns relating to money laundering, its predicate offences or terrorist financing by the competent authorities. They should provide supervisors, spontaneously or upon request, information that may be relevant for the purposes of supervision.

Financial Intelligence Units should have more powers to analyse and detect money laundering and terrorist financing cases as well as to suspend suspicious transactions.

FIUs should also provide customs authorities with feedback, at least once per year, on the effectiveness and follow-up to reports on cross-border physical movements of cash. They are encouraged to conclude bilateral agreements and memoranda of understanding with counterparts from third countries.

Anti-money laundering supervision

Each Member State should ensure that all obligated entities established within its territory are subject to adequate and effective supervision by one or more **supervisors**.

National supervisors should, *inter alia*, disseminate relevant information to obliged entities, to regularly verify and monitor money laundering and terrorist financing risks as well as risks of non-implementation and targeted circumvention of financial sanctions, and to carry out remote or on-site inspections.

Supervisors should communicate to the FIU the list of establishments operating in the respective Member State and the list of infrastructure under their supervision and of any changes to those lists as well as any relevant findings indicating serious weaknesses of the reporting systems of obliged entities.

Where obliged entities that are not part of a group carry out cross-border activities and supervision is shared between the supervisors of the home and host Member States, Member States should ensure that those supervisors **cooperate** with each other to the greatest extent possible and assist each other in the performance of supervision.

Member States should ensure that dedicated AML/CFT **supervisory colleges** are set up by the financial supervisor in charge of the parent undertaking of a group of credit institutions or financial institutions or of the head office of a credit institution or financial institution in certain situations. New supervisory measures for the non-financial sector have also been introduced, with the establishment of supervisory colleges.

Prevention of the use of the financial system for the purposes of money laundering or terrorist financing: mechanisms to be put in place by the Member States

2021/0250(COD) - 19/06/2024 - Final act

PURPOSE: to establish a coordinated and coherent mechanism on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

LEGISLATIVE ACT: Directive (EU) 2024/1640 of the European Parliament and of the Council on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive(EU) 2019/1937, and amending and repealing Directive (EU) 2015/849.

CONTENT: this Directive is part of a package of new rules that will protect EU citizens and the EU financial system against money laundering and terrorist financing. The Directive will improve the organisation of national anti-money laundering systems by establishing clear rules on:

- the measures applicable to sectors exposed to money laundering and terrorist financing, at national level;

- the requirements in relation to registration of, identification of, and checks on, senior management and beneficial owners of obliged entities;

- the identification of money laundering and terrorist financing risks at Union and Member State level;

- the set-up of and access to beneficial ownership and bank account registers and access to real estate information;

- the responsibilities and tasks of Financial Intelligence Units (FIUs);

- the responsibilities and tasks of bodies involved in the supervision of obliged entities;

- cooperation between competent authorities and cooperation with authorities covered by other Union legal acts.

Risk assessment

The Commission will conduct an assessment of the risks of money laundering and terrorist financing and of non-implementation and evasion of targeted financial sanctions affecting the internal market and relating to cross-border activities. Member States should also carry out risk assessments at national level.

Access to beneficial ownership registers

The new rules ensure that people with a legitimate interest, including journalists, media professionals, civil society organisations, competent authorities, and supervisory bodies, will have immediate, unfiltered, direct and free access to beneficial ownership information held in national registries and interconnected at EU level.

Member States will put in place centralised automated mechanisms, such as central registers or central electronic data retrieval systems, which allow the identification, in a timely manner, of any natural or legal persons holding or controlling payment accounts, or bank accounts identified by IBAN, including virtual IBANs, securities accounts, crypto-asset accounts and safe-deposit boxes held by a credit institution or financial institution within their territory.

Single access point to real estate information

Competent authorities will have immediate and direct access free of charge to information which allows for the identification in a timely manner of any real estate property and of the natural persons or legal entities or legal arrangements owning that property, as well as to information allowing for the identification and analysis of transactions involving real estate. That access will be provided via a **single access point** to be established in each Member State which allows competent authorities to access, via electronic means, information in digital format, which will be, where possible machine-readable.

The information should include historical information, including the history of real estate ownership, the prices at which the real estate has been acquired in the past and related encumbrances over a defined period in the past in order to enable FIUs and other competent authorities in that Member State to analyse and identify any suspicious activities pertaining to real estate, including land, property transactions which could be indicative of money laundering or other types of criminality.

Establishment of the Financial Intelligence Units (FIUs)

Each Member State will establish an FIU in order to prevent, detect and effectively combat money laundering and terrorist financing.

FIUs will have access to the information that they require to fulfil their tasks, including financial, administrative and law enforcement information. This includes tax information, information on transfers of funds and transfers of crypto-assets, information on procedures for awarding public contracts for goods or services, national registers of motor vehicles, aircraft and watercraft, customs data, national arms registers and information on funds and other assets frozen or immobilised in application of targeted financial sanctions, among others.

Financial Intelligence Units should have more powers to analyse and detect money laundering and terrorist financing cases as well as to **suspend suspicious transactions**.

Anti-money laundering supervision

Each Member State will ensure that all obligated entities established within its territory are subject to adequate and effective supervision by **one or more supervisors**.

National supervisors will, *inter alia*, disseminate relevant information to obliged entities, to regularly verify and monitor money laundering and terrorist financing risks as well as risks of non-implementation and targeted circumvention of financial sanctions, and to carry out remote or on-site inspections.

The directive will improve the organisation of national anti-money laundering systems by setting out clear rules on how financial intelligence units and supervisors work together.

ENTRY INTO FORCE: 9.7.2024.

TRANSPOSITION: from 10.7.2027.

Prevention of the use of the financial system for the purposes of money laundering or terrorist financing: mechanisms to be put in place by the Member States

2021/0250(COD) - 20/07/2021 - Legislative proposal

PURPOSE: to establish a coordinated and coherent mechanism on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and repealing Directive (EU) 2015/849.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: money laundering and terrorist financing pose a serious threat to the integrity of the EU economy and financial system and the security of its citizens. Europol estimated that around 1% of the EU's annual Gross Domestic Product is 'detected as being involved in suspect financial activity'. The fight against money laundering and terrorist financing is vital for financial stability and security in Europe.

Legislative gaps in one Member State have an impact on the EU as a whole.

The proposed directive repeals Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

The EU's Security Union Strategy for 2020-2025 highlighted the importance of enhancing the EU's framework for anti-money laundering and countering terrorist financing in order to protect Europeans from terrorism and organised crime.

Furthermore, on 20 July 2021, the European Commission presented an ambitious package of legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules. It is part of the Commission's commitment to protect EU citizens and the EU's financial system from money laundering and terrorist financing. The aim is to improve the detection of suspicious transactions and activities, and close loopholes used by criminals to launder illicit proceeds or finance terrorist activities through the financial system.

CONTENT: the proposed directive will replace the existing Directive 2015/849/EU containing provisions that will be transposed into national law, such as rules on national supervisors and financial intelligence units in Member States.

The present proposal does not simply transfers provisions from the current Directive to a future one; a number of changes of substance are made in order to bring about a greater level of convergence in the practices of supervisors and FIUs and in relation to cooperation among competent authorities.

The proposed directive:

- enables Member States to extend the requirements of the accompanying draft Regulation to other sectors not covered in the scope of that Regulation. A consolidated list of the sectors to which Member States have extended the list of obliged entities will be published by the Commission in the Official Journal of the European Union on an annual basis;

- sets out specific **regulatory requirements** that Member States are to implement in national law for certain sectors. Specifically, currency exchange and cheque cashing offices, and trust or company service providers must be subject to either licensing or registration requirements; gambling service providers must be regulated;

- allows **supervisors** of the Member States where electronic money issuers, payment service providers and crypto-assets service providers are active via freedom to provide services to appoint contact points in those Member States;

- confirms the probity requirements for **senior managers** in certain obliged entities as in the current framework, complementing fit and proper requirements in other EU acts, and clarifies that certain requirements also apply to beneficial owners of those obliged entities. For other obliged entities, it confirms the prohibition for persons convicted of money laundering, its predicate offences or terrorist financing to operate them. This draft Directive grants certain powers to national supervisors over the senior management of certain obliged entities, especially in the case of conviction for money laundering or terrorist financing;

- obliges Member States to create and maintain mechanisms, such as a **central register** or a central electronic data retrieval system, to allow identification of holders of bank accounts and safe deposit boxes, contained in the current AML Directive;

- lays down the creation of a cross-border interconnection between such mechanisms;

- includes new provisions on the responsibilities and tasks of the Financial Intelligence Units (**FIUs**) such as clarifications on the financial analysis function of FIUs and on their operational independence, their resources and their security; provisions on information exchange between FIUs and other competent authorities.