



The AML/CFT EU Package: A New Legislative Framework

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The European Union is introducing a comprehensive Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) package.

This new framework aims to strengthen the EU's defenses against financial crimes through harmonized regulations, enhanced supervision, and improved coordination among member states.



Key Components of the AML/CFT Package

1 Single Rulebook

- The 6th AML Directive
- The 1st AML Regulation

2 Transfer of Funds Regulation

Covers crypto-assets and expands reporting requirements

3 AMLA Regulation

Establishes the EU Anti-Money Laundering Authority (AMLA)

1.1. The Single Rulebook: The AML Directive

Implementation

Member States must incorporate the Directive into national legislation by July 2027, with some exceptions.

Key Provisions

Defines powers of supervisory authorities, enhances FIU capabilities, and establishes rules for various registers including beneficial ownership and bank accounts.



1.2. The Single Rulebook: The AML Regulation

Direct Applicability

Ensures harmonization across the EU, coming into effect July 10, 2027.

New Obligated Entities

Expands coverage to crypto-asset providers, crowdfunding services, and more.

Enhanced Due Diligence

Lowers thresholds for occasional transactions and introduces new reporting requirements.

1.2. The Single Rulebook: The AML Regulation

New Obligated Entities

■ Crypto-asset Service Providers

All types of crypto-asset service providers are now included.

■ High-Value Goods

Includes high-value goods traders

■ Crowdfunding

■ Professional football clubs / agents

■ Operators of investor residence schemes

■ Consumer/mortgage credit intermediaries (other than Financial Institutions)





1.2. AMLR - Customer Due Diligence Measures

1

Threshold Changes

Occasional transaction threshold lowered to €10,000.

2

Cash Transactions

Identification required for cash transactions above €3,000.

3

Deposit Insurance Service Providers

identification and verification of transactions below EUR 1,000, customer due diligence operations above EUR 1,000.



1.2. AMLR - Customer Due Diligence Measures

4

De-risking/Risk reduction

Obligated entities must record the steps taken when onboarding or rejecting a customer

5

SDD and EDD

Harmonized rules including criteria and possible measures

6

Beneficial Owner Discrepancies

•Obligations to report discrepancies regarding beneficial owner information

1.2. AMLR - Internal Policies and Controls



Independent Audit

Entities must establish independent audit functions.



Staff Training

Implement comprehensive staff training programs.



Compliance Officers

Define roles and responsibilities for compliance officers.



Group-level requirements for multinational entities



1.2. AMLR - Beneficial Ownership Rules

Corporate Entities

Determination of ownership/control through equity stakes or other means.

Other Structures

Includes trusts, discretionary trusts, and collective/alternative investment funds.

High-Risk Threshold

Commission identifies categories with lower thresholds (maximum 15%).



Detailed rules for identifying the beneficial owners of different types of entities and arrangements, to ensure harmonized interpretations across the Union.

1.2. AMLR - Beneficial Ownership Rules

Foreign legal entities must register their beneficial owners when

1

Property Acquisition

Acquiring property within the EU (retroactive to January 1, 2014).

2

Business Relationships

Establishing business relationships with obliged entities.

3

High-Value Asset Purchases

Purchasing high-value assets (vehicles, yachts, aircraft) for non-commercial purposes..



1.2. AMLR - Reporting Thresholds

Traders of high-value goods & credit/financial institutions must report to the FIU:
transactions:

€250K

Vehicles

Sale of goods for non-commercial purposes.

€7.5M

Yachts

Not a Suspicious Transaction Report.

€7.5M

Aircraft

1.2. AMLR - Cash Payment Limits

Cash Limit

€10,000 threshold for cash payments across the EU.

Reporting Obligations

Cash Deposits exceeding this threshold must be reported to FIUs.

Member States can set lower thresholds after consulting the ECB.



1.2. AMLR - Professional Secrecy

Exemption

Providing legal advice related to defense rights.

Exemption

Engaging in legal evaluations of a client's case.

Non-Exempt Situations

When participating in money laundering or terrorism financing activities.
When providing legal advice for such purposes.



2. Transfer of Funds and Crypto-Assets Regulation

1

Expanded Coverage

Includes crypto-asset transfers alongside traditional fund transfers.

2

Information Collection

Requires crypto-asset service providers to collect and make accessible information about transaction parties.
Objective: Identify parties in crypto transfers and detect suspicious transactions

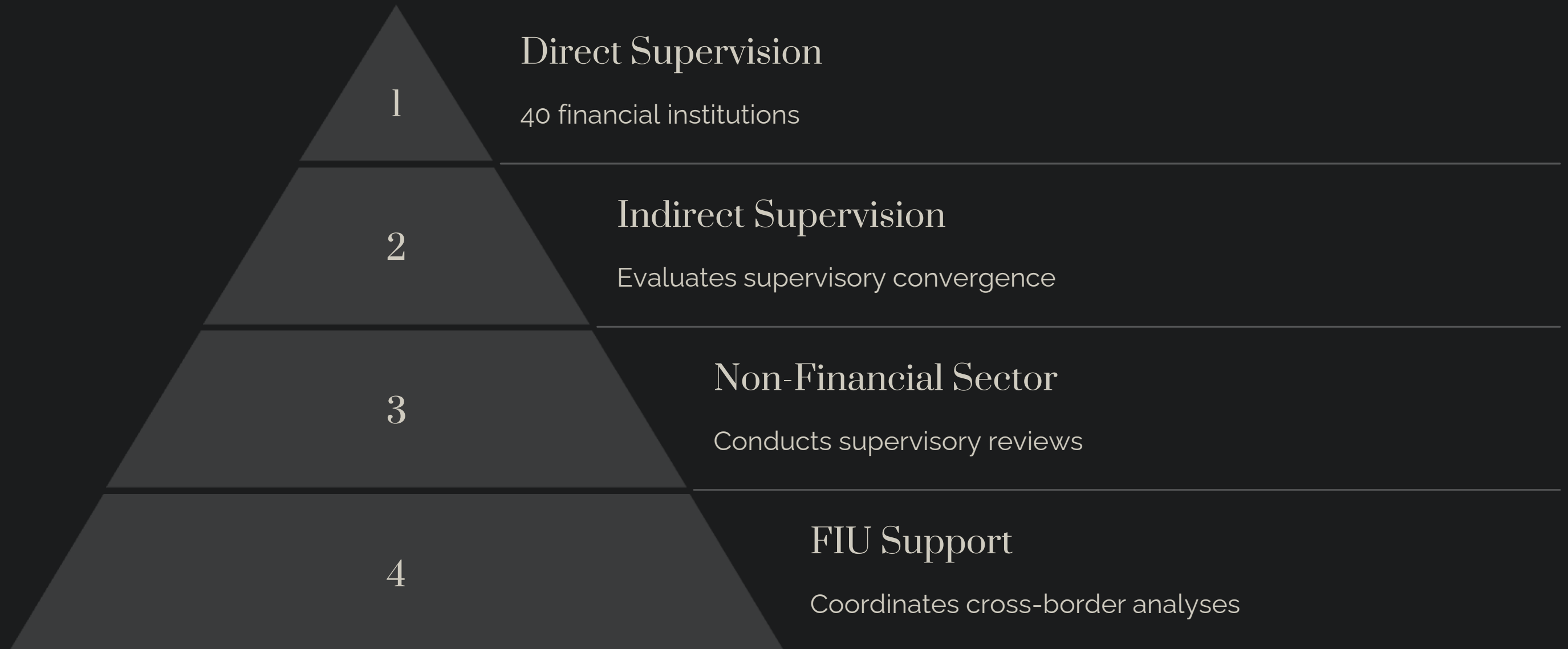
3

Implementation Date

Applicable starting December 30, 2024
Replaces Regulation (EU) 847/2015



3. The EU AML Authority (AMLA)



Spotlight on Targeted Financial Sanctions (TFS)



Risk Mitigation

Obligated entities must manage risks of TFS non-implementation and circumvention.



Verification

Checks for TFS compliance in money / crypto transfers and beneficial ownership.



Asset Freezing

Procedures for freezing or seizing assets related to TFS.



Spotlight on Targeted Financial Sanctions (TFS)



Beneficial Ownership Registers

Check whether information relates to designated persons/entities .



Financial Intelligence Units

Access to information on funds and assets frozen / seized under the TFS



Supervisors

Assess the money laundering/terrorist financing and TFS risks to which obliged entities are exposed & monitor compliance.



Implementation Timeline

1	AMLA Establishment July 2024
2	AML Regulation starts to apply (except professional football – July 2029) AML Directive needs to be transposed (with some exceptions) AMLA fully operational July 10, 2027
3	AMLA Direct Supervision Starting 2028
4	Professional football clubs/ agents = obliged entities 2029

The AML Directive has various deadlines for transposition, with the main deadline set for July 2027.

Stay informed!

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