

Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) 2021/0250(COD) Directive</p>	Awaiting Parliament's position in 1st reading
<p>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</p> <p>Repealing Directive 2015/849 2013/0025(COD)</p> <p>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</p> <p>Legislative priorities Joint Declaration 2022 Joint Declaration 2021 Joint Declaration 2023-24</p>	

Key players			
European Parliament	Joint Committee Responsible	Rapporteur	Appointed
	 Economic and Monetary Affairs		25/11/2021
		 NIEDERMAYER Luděk	25/11/2021
		 TANG Paul	
		Shadow rapporteur	
		 RESSLER Karlo	
		 REGNER Evelyn	
		 POPTCHEVA Eva Maria	
		 STRUGARIU Ramona	
		 CARÊME Damien	
		 PETER-HANSEN Kira Marie	
		 GARRAUD Jean-Paul	
		 ZANNI Marco	
		 JAKI Patryk	



[ZILE Roberts](#)



[DALY Clare](#)



[SCHIRDEWAN Martin](#)

LIBE [Civil Liberties, Justice and Home Affairs](#)

Committee for opinion

Rapporteur for opinion Appointed

JURI [Legal Affairs](#)

The committee decided not to give an opinion.

Commission DG

Commissioner

[Financial Stability, Financial Services and Capital Markets Union](#)

MCGUINNESS Mairead

Council of the European Union
European Commission

European Economic and
Social Committee

Key events

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 71)		
19/04/2023	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		

Technical information

Procedure reference	2021/0250(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Repealing Directive 2015/849 2013/0025(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 114-p1; Rules of Procedure EP 58
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting Parliament's position in 1st reading
Committee dossier	CJ12/9/07898

Documentation gateway

Legislative proposal		COM(2021)0423	20/07/2021	EC	Summary
Document attached to the procedure		N9-0001/2022	22/09/2021	EDPS	
Economic and Social Committee: opinion, report		CES2524/2021	08/12/2021	ESC	
European Central Bank: opinion, guideline, report		CON/2022/0005 OJ C 210 25.05.2022, p. 0015	16/02/2022	ECB	
Committee draft report		PE730.070	18/05/2022	EP	
Amendments tabled in committee		PE734.213	24/06/2022	EP	
Amendments tabled in committee		PE734.214	24/06/2022	EP	
Amendments tabled in committee		PE734.215	24/06/2022	EP	
Committee report tabled for plenary, 1st reading/single reading		A9-0150/2023	14/04/2023	EP	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

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 EUs 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 [EUs Security Union Strategy](#) for 2020-2025 highlighted the importance of enhancing the EUs 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 EUs anti-money laundering and countering the financing of terrorism (AML/CFT) rules. It is part of the Commissions 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.

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

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.

Transparency				
TANG Paul	Rapporteur	LIBE	24/05/2023	European Association of Co-operative Banks
ZANNI Marco	Shadow rapporteur	ECON	24/05/2023	Satispay Europe SA
TANG Paul	Rapporteur	LIBE	20/03/2023	EDPS
TANG Paul	Rapporteur	LIBE	14/03/2023	RELX
TANG Paul	Rapporteur	LIBE	09/03/2023	EDPS
TANG Paul	Shadow rapporteur	LIBE	07/02/2023	Fédération bancaire française Kangaroo Group Deutscher Sparkassen- und Giroverband Lysis Group
TANG Paul	Rapporteur	LIBE	25/01/2023	European Central Bank (ECB)
TANG Paul	Rapporteur	LIBE	25/01/2023	European Banking Authority
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
DE LANGE Esther	Member	14/03/2023	Branchevereniging Cadeaukaarten Nederland	
DE LANGE Esther	Member	28/02/2023	Nederlandse Vereniging van Banken / Dutch Banking Association	
DE LANGE Esther	Member	08/12/2022	De Nederlandse boekenbon BV	
BOYER Gilles	Member	22/09/2022	Stripe, Inc.	
REGNER Evelyn	Member	25/03/2022	Bankenverband	
TANG Paul	Member	21/09/2021	Gemeente Rotterdam	