

Prevention of the use of the financial system for the purposes of money laundering or terrorist financing

2013/0025(COD) - 21/04/2015 - Council position

The Council's position at first reading reflects the compromise reached in negotiations between the Council and the European Parliament, with the support of the Commission.

The purpose of the [Anti-Money Laundering Regulation](#) (AMLR), which was adopted at the same time as the Anti-Money Laundering Directive, is to update and revise the existing 3rd AMLR with the aim of further strengthening the EUs defences against money laundering and terrorist financing and of ensuring the soundness, integrity and stability of the financial system.

The amendments of the Council aim to strengthen the EUs defences against money laundering and terrorist financing while ensuring consistency with the approach followed at international level, notably the FATF recommendations. On some issues, the new EU rules expand on the FATF's requirements and provide additional safeguards.

The amendments introduced by the Council and accepted by the Parliament concern the following issues:

Gambling: for gambling services posing higher risks, the Directive requires service providers to conduct due diligence for transactions of 2000 or more. With the exception of casinos, Member States will be allowed to exempt gambling services from some or all requirements, in strictly limited and justified circumstances. Such exemptions will be subject to an appropriate risk assessment.

Furthermore, in certain proven low-risk circumstances and under strict mitigating conditions, Member States are allowed to exempt electronic money products from certain customer due diligence measures.

Risk assessment: the Directive applies a risk-based approach to better target risks. The Commission has been entrusted with the responsibility of coordinating the assessment of money laundering and terrorist financing risks affecting the internal market and relating to cross-border activities.

Treatment of politically exposed persons: the Council's position does not distinguish between persons who hold or have held prominent functions domestically and those who hold or have held such functions abroad.

Beneficial ownership information on corporate and other legal entities: this information will have to be held in a central register in each Member State. Member States that so wish may use a public register.

Beneficial ownership information will be accessible to competent authorities and financial intelligence units and, in the framework of the conduct of customer due diligence, to obliged entities.

The Directive also enables persons or organisations that can demonstrate a legitimate interest to access at least the following information on the beneficial owner: its name, month and year of birth, nationality and country of residence, as well as the nature and extent of the beneficial interest held.

As for trusts, central registration of beneficial ownership information will be used when the trust generates tax consequences.

Sanctions: the text provides for maximum administrative pecuniary sanctions of at least twice the amount of the benefit derived from the breach, where that benefit can be determined, or at least 1 million. For breaches involving credit or financial institutions, it provides for:

- a maximum pecuniary sanction of at least 5 million or 10% of the total annual turnover in the case of a legal person;
- a maximum pecuniary sanction of at least 5 million in the case of a natural person.

Delegated acts: the Commission will identify, by means of delegated acts, third country jurisdictions which have strategic deficiencies in their national regimes in the field of anti-money laundering and countering the financing of terrorism.