



Committee on Economic and Monetary Affairs

Committee on Civil Liberties, Justice and Home Affairs

2021/0239(COD)

15.3.2022

*****I**

DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council
on the prevention of the use of the financial system for the purposes of money
laundering or terrorist financing
(COM(2021)0420 – C9-0339/2021 – 2021/0239(COD))

Committee on Economic and Monetary Affairs
Committee on Civil Liberties, Justice and Home Affairs

Rapporteur: Eero Heinäluoma, Damien Carême

(Joint committee procedure – Rule 58 of the Rules of Procedure)

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing

(COM(2021)0420 – C9-0339/2021 – 2021/0239(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2021)0420),
 - having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0339/2021),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union, having regard to the opinion of the European Central Bank of 17 February 2022¹,
 - having regard to the opinion of the European Economic and Social Committee of 8 December 2021²,
 - having regard to Rule 59 and 40 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs (A9-0000/2022),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 1

¹ Not yet published in the Official Journal.

² OJ C ... / Not yet published in the Official Journal.

Text proposed by the Commission

(1) Directive (EU) 2015/849 of the European Parliament and of the Council²³ constitutes the main legal instrument for the prevention of the use of the Union financial system for the purposes of money laundering and terrorist financing. That Directive sets out a comprehensive legal framework, which Directive (EU) 2018/843 of the European Parliament and the Council²⁴ further strengthened by addressing emerging risks and increasing transparency of beneficial ownership. Notwithstanding *its* achievements, experience has shown that further improvements should be introduced to adequately mitigate risks and to effectively detect criminal attempts to misuse the Union financial system for criminal purposes.

²³ Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).

²⁴ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and

Amendment

(1) Directive (EU) 2015/849 of the European Parliament and of the Council²³ constitutes the main legal instrument for the prevention of the use of the Union financial system for the purposes of money laundering and terrorist financing. That Directive sets out a comprehensive legal framework, which Directive (EU) 2018/843 of the European Parliament and the Council²⁴ further strengthened by addressing emerging risks and increasing transparency of beneficial ownership. Notwithstanding *the* achievements *of Directive (EU) 2015/849, divergent practices regarding its enforcement and the lack of correct implementation of minimum standards have led to a fragmented, ineffective and inefficient regulatory landscape in the Union.* *Therefore,* experience has shown that further improvements should be introduced to adequately mitigate risks and to effectively detect criminal attempts to misuse the Union financial system for criminal purposes

²³ Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).

²⁴ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and

Amendment 2**Proposal for a regulation
Recital 9***Text proposed by the Commission*

(9) Independent legal professionals should be subject to this Regulation when participating in financial or corporate transactions, including when providing tax advice, where there is the risk of the services provided by those legal professionals being misused for the purpose of laundering the proceeds of criminal activity or for the purpose of terrorist financing. There should, however, be exemptions from any obligation to report information obtained before, during or after judicial proceedings, or in the course of ascertaining the legal position of a client, which should be covered by the legal privilege. Therefore, legal advice should remain subject to the obligation of professional secrecy, except *where the legal professional is taking part in money laundering or terrorist financing, the legal advice is provided for the purposes of money laundering or terrorist financing, or where the legal professional knows that the client is seeking legal advice for the purposes of money laundering or terrorist financing.*

Amendment

(9) Independent legal professionals should be subject to this Regulation when participating in financial or corporate transactions, including when providing tax advice, where there is the risk of the services provided by those legal professionals being misused for the purpose of laundering the proceeds of criminal activity or for the purpose of terrorist financing. There should, however, be exemptions from any obligation to report information obtained before, during or after judicial proceedings, or in the course of ascertaining the legal position of a client, which should be covered by the legal privilege. Therefore, legal advice should remain subject to the obligation of professional secrecy, except *in the circumstances laid down in this Regulation. The ascertainment of client's legal position by an independent legal professional should not be covered by the obligation of professional secrecy, in particular where the main purpose of the ascertainment is either to prepare or execute a commercial or financial transaction or activity, subject to the client's instructions or on behalf of the client, with a view to identifying, in particular, the most favourable scenario economically for the client, and without any link with ongoing or planned judicial proceedings. Such ascertainment should also not be covered by the obligation of professional secrecy where the ascertainment is inconsistent with*

applicable law and where the legal position is sought in bad faith or where the ascertainment clearly exceeds legal matters pertaining to the client's legal position. Finally, such ascertainment should not be covered by the obligation of professional secrecy where the independent legal professional provides information to a client for the purpose of money laundering, or its predicate offences, or terrorist financing and has the knowledge or a well-grounded suspicion that the client requested it for that purpose.

Or. en

Amendment 3

Proposal for a regulation Recital 10

Text proposed by the Commission

(10) In order to ensure respect for the rights guaranteed by the Charter of Fundamental Rights of the European Union (the 'Charter'), in the case of auditors, external accountants and tax advisors, who, in some Member States, are entitled to defend or represent a client in the context of judicial proceedings or to ascertain a client's legal position, the information they obtain in the performance of those tasks should not be subject to reporting obligations.

Amendment

(10) In order to ensure respect for the rights guaranteed by the Charter of Fundamental Rights of the European Union (the 'Charter'), in the case of auditors, external accountants and tax advisors, who, in some Member States, are entitled to defend or represent a client in the context of judicial proceedings or to ascertain a client's legal position, the information they obtain in the performance of those tasks should not be subject to reporting obligations, *except in the circumstances laid down in this Regulation. The ascertainment of a client's legal position by an auditor, external accountant or tax advisor should not be covered by the obligation of professional secrecy, in particular where the main purpose of the ascertainment is either to prepare or execute a commercial or financial transaction or activity, subject to the client's instructions or on behalf of the client, with a view to identifying, in*

particular, the most favourable scenario economically for the client, and without any link with ongoing or planned judicial proceedings. Such ascertainment should also not be covered by the obligation of professional secrecy where the ascertainment is inconsistent with applicable law and the legal position is sought in bad faith or where the ascertainment clearly exceeds legal matters pertaining to the client's legal position. Finally, such ascertainment should not be covered by the obligation of professional secrecy where the auditor, external accountant or tax advisor provides information to a client for the purpose of money laundering, or its predicate offences, or terrorist financing and has the knowledge or a well-grounded suspicion that the client requested it for that purpose.

Or. en

Amendment 4

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) Directive (EU) 2015/849 set out to mitigate the money laundering and terrorist financing risks posed by large cash payments by including persons trading in goods among obliged entities when they make or receive payments in cash above EUR 10 000, whilst allowing Member States to introduce stricter measures. Such approach has shown to be ineffective in light of the poor understanding and application of AML/CFT requirements, lack of supervision and limited number of suspicious transactions reported to the FIU. In order to adequately mitigate risks deriving from the misuse of large cash sums, a Union-wide limit to large cash

Amendment

(14) Directive (EU) 2015/849 set out to mitigate the money laundering and terrorist financing risks posed by large cash payments by including persons trading in goods among obliged entities when they make or receive payments in cash above EUR 10 000, whilst allowing Member States to introduce stricter measures. Such approach has shown to be ineffective in light of the poor understanding and application of AML/CFT requirements, lack of supervision and limited number of suspicious transactions reported to the FIU. In order to adequately mitigate risks deriving from the misuse of large cash sums, a Union-wide limit to large cash

transactions above EUR **10 000** should be laid down. As a consequence, persons trading in goods should no longer be subject to AML/CFT obligations.

transactions above EUR **5 000** should be laid down. As a consequence, persons trading in goods should no longer be subject to AML/CFT obligations.

Or. en

Amendment 5

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) Investment migration operators are private companies, bodies or persons acting or interacting directly with the competent authorities of the Member States on behalf of third-country nationals or providing intermediary services to third-country nationals seeking to obtain residence rights in a Member State in exchange of any kind of investments, including 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. Investor residence schemes present risks and vulnerabilities in relation to money laundering, corruption and tax evasion. Such risks are exacerbated by the cross-border rights associated with residence in a Member State. Therefore, it is necessary that investment migration operators are subject to AML/CFT obligations. ***This Regulation should not apply to investor citizenship schemes, which result in the acquisition of nationality in exchange for such investments, as such schemes must be considered as undermining the fundamental status of Union citizenship and sincere cooperation among Member States.***

Amendment

(16) Investment migration operators are private companies, bodies or persons acting or interacting directly with the competent authorities of the Member States on behalf of third-country nationals or providing intermediary services to third-country nationals seeking to obtain residence rights in a Member State in exchange of any kind of investments, including 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. Investor residence schemes present risks and vulnerabilities in relation to money laundering, corruption and tax evasion. Such risks are exacerbated by the cross-border rights associated with residence in a Member State. Therefore, it is necessary that investment migration operators are subject to AML/CFT obligations. ***In view of the risks and vulnerabilities presented by investor schemes, which result in the acquisition of either residence rights or nationality in exchange for such investments, it is necessary to provide for minimum requirements in the assessment of applicants by Member States' public authorities, to ensure that enhanced due diligence measures are applied with regard to applicants and to ensure that***

nationals from high-risk third countries are not granted any status on the basis of such schemes.

Or. en

Amendment 6

Proposal for a regulation Recital 18 a (new)

Text proposed by the Commission

Amendment

(18a) According to a report from the FATF of July 2009 entitled ‘Money Laundering through the Football Sector’, “the professional football market has undergone an accentuated growth due to a process of commercialisation. Money invested in football surged mainly as a result from increases in television rights and corporate sponsorship. Simultaneously, the labour market for professional football players has experienced unprecedented globalisation – with more and more football players contracted by teams outside their country and transfer payments of astounding dimensions. The cross border money flows that are involved may largely fall outside the control of national and supranational football organisations, giving opportunities to move and launder money. At the same time money from private investors is pouring into football clubs to keep them operating and can give the investor long term returns in terms of media rights, ticket sales, proceeds of sales of players and merchandising.” In its report of 24 July 2019 to the European Parliament and the Council on the assessment of the risk of money laundering and terrorist financing affecting the internal market and relating to cross-border activities, the Commission assessed professional football and stated that “whilst it remains a popular sport it is

also a global industry with significant economic impact. Professional football's complex organisation and lack of transparency have created fertile ground for the use of illegal resources. Questionable sums of money with no apparent or explicable financial return or gain are being invested in the sport." Professional football is therefore a new sector posing high risks and high-level professional football clubs, along with sports agents in the football sector and football associations in Member States which are members of the Union of European Football Associations, should be considered obliged entities for the purposes of this Regulation.

Or. en

Amendment 7

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) It is important that AML/CFT requirements apply in a proportionate manner and that the imposition of any requirement is proportionate to the role that obliged entities can play in the prevention of money laundering and terrorist financing. To this end, it should be possible for Member States in line with the risk base approach of this Regulation to exempt *certain* operators from AML/CFT requirements, where the activities they perform present low money laundering and terrorist financing risks and where the activities are limited in nature. To ensure transparent and consistent application of such exemptions across the Union, a mechanism should be put in place allowing the Commission to verify the necessity of the exemptions to be granted. The Commission should also publish such

Amendment

(19) It is important that AML/CFT requirements apply in a proportionate manner and that the imposition of any requirement is proportionate to the role that obliged entities can play in the prevention of money laundering and terrorist financing. To this end, it should be possible for Member States in line with the risk base approach of this Regulation to exempt *a limited group of* operators from AML/CFT requirements, where the activities they perform present low money laundering and terrorist financing risks and where the activities are limited in nature. To ensure transparent and consistent application of such exemptions across the Union, a mechanism should be put in place allowing the Commission to verify the necessity of the exemptions to be granted. The Commission should also publish such

exemptions on a yearly basis in the Official Journal of the European Union.

exemptions on a yearly basis in the Official Journal of the European Union..

Or. en

Amendment 8

Proposal for a regulation Recital 24

Text proposed by the Commission

(24) In order to reflect the latest developments at international level, a requirement has been introduced by this Regulation to identify, understand, manage and mitigate risks of potential non-implementation or evasion of proliferation financing-related targeted financial sanctions at obliged entity level.

Amendment

(24) In order to reflect the latest developments at international level, a requirement has been introduced by this Regulation to identify, understand, manage and mitigate risks of potential non-implementation or evasion of **targeted financial sanctions and** proliferation financing-related targeted financial sanctions at obliged entity level.

Or. en

Amendment 9

Proposal for a regulation Recital 27 a (new)

Text proposed by the Commission

Amendment

(27a) Given that AML/CFT requirements are applicable to a wide range of obliged entities in both nature and size, AMLA should have the task of developing draft regulatory technical standards concerning minimum requirements and standards by obliged entities which are sole traders, single operators or microenterprises.

Or. en

Amendment 10

Proposal for a regulation Recital 47

Text proposed by the Commission

(47) Cross-border correspondent relationships with a third-country's respondent institution are characterised by their on-going, repetitive nature. Moreover, not all cross-border correspondent banking services present the same level of money laundering and terrorist financing risks. Therefore, the intensity of the enhanced due diligence measures should be determined by application of the principles of the risk based approach. However, the risk based approach should not be applied when interacting with third-country's respondent institutions that have no physical presence where they are incorporated. Given the high risk of money laundering and terrorist financing inherent in shell banks, credit institutions **and** financial institutions should refrain from entertaining any correspondent relationship with such shell banks.

Amendment

(47) Cross-border correspondent relationships with a third-country's respondent institution are characterised by their on-going, repetitive nature. Moreover, not all cross-border correspondent banking services present the same level of money laundering and terrorist financing risks. Therefore, the intensity of the enhanced due diligence measures should be determined by application of the principles of the risk based approach. However, the risk based approach should not be applied when interacting with third-country's respondent institutions that have no physical presence where they are incorporated ***or with non-compliant crypto-asset service providers***. Given the high risk of money laundering and terrorist financing inherent in shell banks ***and non-compliant crypto-asset service providers***, credit institutions, financial institutions ***and other obliged entities, such as crypto-asset service providers***, should refrain from entertaining any correspondent relationship with such shell banks ***and with non-compliant crypto-asset service providers***. ***In order to facilitate compliance by obliged entities, AMLA should establish and maintain a non-exhaustive public register of entities identified as shell banks or non-compliant crypto-asset service providers on the basis of information submitted by competent authorities, supervisors and other obliged entities. The inclusion of a specific entity in the public register is merely indicative and should not replace the obligation on obliged entities to take adequate and effective measures to comply with the prohibition on entering into a correspondent relationship with those entities.***

Amendment 11

Proposal for a regulation Recital 53 a (new)

Text proposed by the Commission

Amendment

(53a) Certain credit institutions or financial institutions or crypto-asset service providers not established in the Union could also pose a specific and serious threat to the financial system of the Union. To mitigate that threat, the Commission should be able, on its own initiative or at the request of the specific bodies set out in this Regulation, to take action by identifying credit institutions or financial institutions or crypto-asset service providers not established in the Union which poses a specific and serious threat to the Union's financial system. Depending on the level of risk posed to the Union's financial system, the Commission should require obliged entities to apply concrete enhanced due diligence measures and specific countermeasures.

Or. en

Amendment 12

Proposal for a regulation Recital 60 a (new)

Text proposed by the Commission

Amendment

(60a) Business relationships and transactions involving high-net-worth individuals who present one or several factors of higher risk could seriously compromise the integrity of the Union's financial system and cause serious

vulnerabilities in the internal market. Obligated entities should therefore apply enhanced customer due diligence measures as laid down in this Regulation with respect to those individuals .

Or. en

Amendment 13

Proposal for a regulation

Recital 65

Text proposed by the Commission

(65) Detailed rules should be laid down to identify the beneficial owners of corporate and other legal entities and to harmonise definitions of beneficial ownership. While a specified percentage shareholding or ownership interest does not automatically determine the beneficial owners, it should be one factor among others to be taken into account. ***Member States should be able, however, to decide that a percentage lower than 25% may be an indication of ownership or control.*** Control through ownership interest of 25% plus one of the shares or voting rights or other ownership interest should be assessed on every level of ownership, meaning that this threshold should apply to every link in the ownership structure and that every link in the ownership structure and the combination of them should be properly examined.

Amendment

(65) Detailed rules should be laid down to identify the beneficial owners of corporate and other legal entities and to harmonise definitions of beneficial ownership. While a specified percentage shareholding or ownership interest does not automatically determine the beneficial owners, it should be one factor among others to be taken into account. Control through ownership interest of 5% plus one of the shares or voting rights or other ownership interest should be assessed on every level of ownership, meaning that this threshold should apply to every link in the ownership structure and that every link in the ownership structure and the combination of them should be properly examined.

Or. en

Amendment 14

Proposal for a regulation

Recital 75

Text proposed by the Commission

(75) The risks posed by foreign corporate entities and legal arrangements, which are misused to channel proceeds of funds into the Union's financial system, need to be mitigated. Since beneficial ownership standards in place in third countries might not be sufficient to allow for the same level of transparency and timely availability of beneficial ownership information as in the Union, there is a need to ensure adequate means to identify the beneficial owners of foreign corporate entities or legal arrangements in specific circumstances. Therefore, legal entities incorporated outside the Union and express trusts or similar legal arrangements administered outside the Union should be required to disclose their beneficial owners whenever they operate in the Union by entering into a business relationship with a Union's obliged entity or by acquiring real estate in the Union.

Amendment

(75) The risks posed by foreign corporate entities and legal arrangements, which are misused to channel proceeds of funds into the Union's financial system, need to be mitigated. Since beneficial ownership standards in place in third countries might not be sufficient to allow for the same level of transparency and timely availability of beneficial ownership information as in the Union, there is a need to ensure adequate means to identify the beneficial owners of foreign corporate entities or legal arrangements in specific circumstances. Therefore, legal entities incorporated outside the Union and express trusts or similar legal arrangements administered outside the Union should be required to disclose their beneficial owners whenever they operate in the Union by ***being in or*** entering into a business relationship with a Union's obliged entity or by ***owning or*** acquiring real estate in the Union.

Or. en

Amendment 15

Proposal for a regulation

Recital 81

Text proposed by the Commission

(81) Where a Member State decides to designate such a self-regulatory body, it may allow or require that body not to transmit to the FIU any information obtained from persons represented by that body where such information has been received from, or obtained on, one of their clients, in the course of ascertaining the legal position of their client, or in performing their task of defending or representing that client in, or concerning,

Amendment

(81) Where a Member State decides to designate such a self-regulatory body, it may allow or require that body not to transmit to the FIU any information obtained from persons represented by that body where such information has been received from, or obtained on, one of their clients, in the course of ascertaining the legal position of their client ***subject to the rules laid down in this Regulation***, or in performing their task of defending or

judicial proceedings, including providing advice on instituting or avoiding such proceedings, whether such information is received or obtained before, during or after such proceedings.

representing that client in, or concerning, judicial proceedings, including providing advice on instituting or avoiding such proceedings, whether such information is received or obtained before, during or after such proceedings. *The exemption should not apply, however, where the main purpose of the ascertainment of the client's legal position is either to prepare or execute a commercial or financial transaction or activity, subject to the client's instructions or on behalf of the client, with a view to identifying, in particular, the most favourable scenario economically for the client, and without any link with ongoing or planned judicial proceedings. The exemption should also not apply where the ascertainment is inconsistent with applicable law and the client's legal position is sought in bad faith or where the ascertainment clearly exceeds legal matters pertaining to the client's legal position. Finally, the exemption should not apply where a person represented by a self-regulatory body provides information to a client for the purpose of money laundering, or its predicate offences, or terrorist financing and has the knowledge or a well-grounded suspicion that the client requested it for that purpose.*

Or. en

Amendment 16

Proposal for a regulation Recital 86

Text proposed by the Commission

(86) It is essential that the alignment of the AML/CFT framework with the revised FATF Recommendations is carried out in full compliance with Union law, in particular as regards Union data protection law and the protection of fundamental

Amendment

(86) It is essential that the alignment of the AML/CFT framework with the revised FATF Recommendations is carried out in full compliance with Union law, in particular as regards Union data protection law and the protection of fundamental

rights as enshrined in the Charter. Certain aspects of the implementation of the AML/CFT framework involve the collection, analysis, storage and sharing of data. Such processing of personal data should be permitted, while fully respecting fundamental rights, only for the purposes laid down in this Regulation, and for carrying out customer due diligence, ongoing monitoring, analysis and reporting of unusual and suspicious transactions, identification of the beneficial owner of a legal person or legal arrangement, identification of a politically exposed person and sharing of information by credit institutions and financial institutions and other obliged entities. The collection and subsequent processing of personal data by obliged entities should be limited to what is necessary for the purpose of complying with AML/CFT requirements and personal data should not be further processed in a way that is incompatible with that purpose. In particular, further processing of personal data for commercial purposes should be strictly prohibited.

rights as enshrined in the Charter. Certain aspects of the implementation of the AML/CFT framework involve the collection, analysis, storage and sharing of data. Such processing of personal data should be permitted, while fully respecting fundamental rights, only for the purposes laid down in this Regulation, and for carrying out customer due diligence, ongoing monitoring, analysis and reporting of unusual and suspicious transactions, identification of the beneficial owner of a legal person or legal arrangement, identification of a politically exposed person and sharing of information by credit institutions and financial institutions and other obliged entities. The collection and subsequent processing of personal data by obliged entities should be limited to what is necessary for the purpose of complying with AML/CFT requirements and personal data should not be further processed in a way that is incompatible with that purpose. In particular, ***processing of special categories of personal data and of personal data relating to criminal convictions and offences should be subject to appropriate safeguards laid down in this Regulation.*** Further processing of personal data for commercial purposes should be strictly prohibited.

Or. en

Amendment 17

Proposal for a regulation Recital 94

Text proposed by the Commission

(94) The use of large cash payments is highly vulnerable to money laundering and terrorist financing; this has not been sufficiently mitigated by the requirement for traders in goods to be subject to anti-money laundering rules when making or

Amendment

(94) The use of large cash payments is highly vulnerable to money laundering and terrorist financing; this has not been sufficiently mitigated by the requirement for traders in goods to be subject to anti-money laundering rules when making or

receiving cash payments of EUR 10 000 or more. At the same time, differences in approaches among Member States have undermined the level playing field within the internal market to the detriment of businesses located in Member States with stricter controls. It is therefore necessary to introduce a Union-wide limit to large cash payments of EUR **10 000**. Member States should be able to adopt lower thresholds and further stricter provisions.

receiving cash payments of EUR 10 000 or more. At the same time, differences in approaches among Member States have undermined the level playing field within the internal market to the detriment of businesses located in Member States with stricter controls. It is therefore necessary to introduce a Union-wide limit to large cash payments of EUR **5 000**. Member States should be able to adopt lower thresholds and further stricter provisions

Or. en

Amendment 18

Proposal for a regulation

Recital 97

Text proposed by the Commission

(97) In order to ensure consistent application of AML/CFT requirements, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to supplement this Regulation by adopting delegated acts identifying high-risk third countries, third countries with compliance weaknesses and countries that pose a threat to the Union's financial system and defining harmonised and proportionate enhanced due diligence measures as well as, where relevant, mitigating measures as well as the regulatory technical standards setting out the minimum requirements of group-wide policies, controls and procedures and the conditions under which structures which share common ownership, management or compliance controls are required to apply group-wide policies, controls and procedures, the actions to be taken by groups when the laws of third countries do not permit the application of group-wide policies, controls and procedures and supervisory measures, the

Amendment

(97) In order to ensure consistent application of AML/CFT requirements, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission to supplement this Regulation by adopting delegated acts identifying high-risk third countries, third countries with compliance weaknesses, and countries **and specific entities** that pose a threat to the Union's financial system and defining harmonised and proportionate enhanced due diligence measures as well as, where relevant, mitigating measures as well as the regulatory technical standards setting out the minimum requirements of group-wide policies, controls and procedures and the conditions under which structures which share common ownership, management or compliance controls are required to apply group-wide policies, controls and procedures, the actions to be taken by groups when the laws of third countries do not permit the application of group-wide policies, controls and procedures and

sectors and transactions subject to lower thresholds for the performance of customer due diligence and the information necessary for the performance of customer due diligence. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making³⁹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

³⁹ OJ L 123, 12.5.2016, p. 1.

supervisory measures, the sectors and transactions subject to lower thresholds for the performance of customer due diligence and the information necessary for the performance of customer due diligence. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

³⁹ OJ L 123, 12.5.2016, p. 1.

Or. en

Amendment 19

Proposal for a regulation

Article 1 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) the prevention of money laundering and terrorist financing in Member States which allow for citizenship or residence rights in exchange for any kind of investment, including 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;

Or. en

Amendment 20

Proposal for a regulation

Article 1 – paragraph 1 – point c

Text proposed by the Commission

(c) measures to **limit the misuse** of bearer instruments.

Amendment

(c) measures to **ban the use** of bearer instruments.

Or. en

Amendment 21

Proposal for a regulation

Article 2 – paragraph 1 – point 7 – point b

Text proposed by the Commission

(b) acting as, or arranging for another person to act as, a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;

Amendment

(b) acting as, or arranging for another person to act as, a director or secretary of a company, **namely as a nominee**, a partner of a partnership, or a similar position in relation to other legal persons;

Or. en

Amendment 22

Proposal for a regulation

Article 2 – paragraph 1 – point 7 a (new)

Text proposed by the Commission

Amendment

(7a) ‘wealth or asset manager’ means a natural or legal person that, by way of its business, provides services and offers products designed to grow, protect, utilise and disseminate the wealth of third parties;

Or. en

Amendment 23

Proposal for a regulation Article 2 – paragraph 1 – point 14 a (new)

Text proposed by the Commission

Amendment

(14a) ‘high-level professional football club’ means a legal entity established in a Member State which owns or manages a professional football club of which at least one team plays in the championship or championships of the highest level of the competition in that Member State;

Or. en

Amendment 24

Proposal for a regulation Article 2 – paragraph 1 – point 14 b (new)

Text proposed by the Commission

Amendment

(14b) ‘sports agent in the football sector’ means a person that provides private job placement in the football sector for prospective paid football players or for employers with a view to signing an employment contract for paid football players;

Or. en

Amendment 25

Proposal for a regulation Article 2 – paragraph 1 – point 20 a (new)

Text proposed by the Commission

Amendment

(20a) ‘non-compliant crypto-asset service provider’ means a crypto-asset service provider that is not established in

any jurisdiction or does not have a central contact point or substantive management presence in any jurisdiction and that is unaffiliated with a regulated entity or that operates in the Union without authorisation under Regulation (EU) 2021/... [Regulation on Markets in Crypto-assets];

Or. en

Amendment 26

Proposal for a regulation

Article 2 – paragraph 1 – point 25 – point a - point vii a (new)

Text proposed by the Commission

Amendment

(vii a) heads of regional and local authorities including groupings of municipalities and metropolitan regions;

Or. en

Amendment 27

Proposal for a regulation

Article 2 – paragraph 1 – point 26 – point c

Text proposed by the Commission

Amendment

(c) the parents;

(c) the parents *and the siblings*;

Or. en

Amendment 28

Proposal for a regulation

Article 2 – paragraph 1 – point 27 a (new)

Text proposed by the Commission

Amendment

(27a) ‘high-net-worth individual’ means

a natural person who owns at least EUR 1 million or the equivalent in national currency in liquid financial assets;

Or. en

Amendment 29

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point a

Text proposed by the Commission

(a) auditors, external accountants and tax advisors, and any other natural or legal person that undertakes to provide, directly or by means of other persons to which that other person is related, material aid, assistance or advice on tax matters as principal business or professional activity;

Amendment

(a) auditors, external accountants, ***wealth or asset managers*** and tax advisors, and any other natural or legal person that undertakes to provide, directly or by means of other persons to which that other person is related, material aid, assistance or advice on tax, ***investment or personal finance*** matters as principal business or professional activity;

Or. en

Amendment 30

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point b – introductory part

Text proposed by the Commission

(b) notaries and other independent legal professionals, where they participate, whether by acting on behalf of and for their client in any financial or real estate transaction, or by assisting in the planning or carrying out of transactions for their client concerning any of the following:

Amendment

(b) notaries, ***lawyers*** and other independent legal professionals, where they participate, whether by acting on behalf of and for their client in any financial or real estate transaction, or by assisting in the planning or carrying out of transactions for their client concerning any of the following:

Or. en

Amendment 31

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point d

Text proposed by the Commission

(d) estate agents, including when acting as intermediaries in the letting of immovable property for transactions for which the monthly rent amounts to EUR **10 000** or more, or the equivalent in national currency;

Amendment

(d) estate agents, including when acting as intermediaries in the letting of immovable property for transactions for which the monthly rent amounts to EUR **5 000** or more, or the equivalent in national currency;

Or. en

Amendment 32

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point h

Text proposed by the Commission

(h) crowdfunding service providers *other than those regulated by Regulation (EU) 2020/1503*;

Amendment

(h) crowdfunding service providers;

Or. en

Amendment 33

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point i

Text proposed by the Commission

(i) persons trading or acting as intermediaries in the trade of works of art, including when this is carried out by art galleries and auction houses, where the value of the transaction or linked transactions amounts to at least EUR **10 000** or the equivalent in national currency;

Amendment

(i) persons trading or acting as intermediaries in the trade of works of art, including when this is carried out by art galleries and auction houses, where the value of the transaction or linked transactions amounts to at least EUR **5 000** or the equivalent in national currency;

Or. en

Amendment 34

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point j

Text proposed by the Commission

(j) persons storing, trading or acting as intermediaries in the trade of works of art when this is carried out within free zones and customs warehouses, where the value of the transaction or linked transactions amounts to at least EUR **10 000** or the equivalent in national currency;

Amendment

(j) persons storing, trading or acting as intermediaries in the trade of works of art **and other high-value goods** when this is carried out within free zones and customs warehouses, where the value of the transaction or linked transactions amounts to at least EUR **5 000** or the equivalent in national currency

Or. en

Amendment 35

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point l

Text proposed by the Commission

(l) investment migration operators permitted to represent or offer intermediation services to third country nationals seeking to obtain residence rights in a Member State in exchange of any kind of investment, including capital transfers, purchase or renting of property, investment in government bonds, investment in corporate entities, donation or endowment of an activity to the public good and contributions to the state budget.

Amendment

(l) investment migration operators permitted to represent or offer intermediation services to third country nationals seeking to obtain **the citizenship of or** residence rights in a Member State in exchange for any kind of investment, including capital transfers, purchase or renting of property, investment in government bonds, investment in corporate entities, donation or endowment of an activity to the public good and contributions to the state budget;

Or. en

Amendment 36

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point 1 a (new)

Text proposed by the Commission

Amendment

(1a) sports agents in the football sector;

Or. en

Amendment 37

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point 1 b (new)

Text proposed by the Commission

Amendment

(1b) high-level professional football clubs;

Or. en

Amendment 38

Proposal for a regulation

Article 3 – paragraph 1 – point 3 – point 1 c (new)

Text proposed by the Commission

Amendment

(1c) football associations in Member States which are members of the Union of European Football Associations.

Or. en

Amendment 39

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

Amendment

1. With the exception of casinos,

1. With the exception of casinos,

Member States may decide to exempt, in full or in part, providers of gambling services from the requirements set out in this Regulation on the basis of the proven low risk posed by the nature and, where appropriate, the scale of operations of such services.

online gambling platforms and sports betting providers, Member States may decide to exempt, in full or in part, providers of gambling services from the requirements set out in this Regulation on the basis of the proven low risk posed by the nature and, where appropriate, the scale of operations of such services.

Or. en

Amendment 40

Proposal for a regulation Article 6 a (new)

Text proposed by the Commission

Amendment

Article 6a

Minimum requirements regarding citizenship and residence by investment schemes

A Member State whose national law grants citizenship or 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, shall ensure that public authorities that process applications for such citizenship and residence rights carry out at least the following measures:

- (a) require that transactions are carried out by means of a business relationship with an obliged entity established in that Member State;***
- (b) request information from involved obliged entities about customer due diligence measures carried out;***
- (c) obtain and record detailed information, substantiated by verified documents, on the identity of the***

applicant, on any of the applicant's business interests and employment activities in the previous 10 years and on the applicant's source of funds and source of wealth;

(d) require clearance from law enforcement authorities, substantiated by evidence of the absence of any criminal activities on the part of the applicant.

Or. en

Amendment 41

Proposal for a regulation

Article 7 – paragraph 1 – point b

Text proposed by the Commission

(b) in addition to the obligation to apply targeted financial sanctions, mitigate and manage the risks of non-implementation and evasion of proliferation financing-related targeted financial sanctions.

Amendment

(b) in addition to the obligation to apply targeted financial sanctions, mitigate and manage the risks of non-implementation and evasion of **targeted financial sanctions** and proliferation financing-related targeted financial sanctions.

Or. en

Amendment 42

Proposal for a regulation

Article 7 – paragraph 4

Text proposed by the Commission

4. By [2 years after the entry into force of this Regulation], AMLA shall issue guidelines on the elements that obliged entities should take into account when deciding on the extent of their internal policies, controls and procedures.

Amendment

4. By ...[2 years after the entry into force of this Regulation], AMLA shall issue guidelines on the elements that obliged entities should take into account when deciding on the extent of their internal policies, controls and procedures **based on their assessed level of risk, including further guidance on how to determine the number of staff to be**

entrusted with compliance functions as set out in Article 9, taking into account the nature and size of obliged entities and the inherent risks of the sector in which they operate.

Or. en

Amendment 43

Proposal for a regulation Article 9 – paragraph 1

Text proposed by the Commission

1. Obligated entities shall appoint one executive member of their board of directors or, if there is no board, of its equivalent governing body who shall be responsible for the implementation of measures to ensure compliance with this Regulation ('compliance manager'). Where the entity has no governing body, the function should be performed by a member of its senior management.

Amendment

1. Obligated entities shall appoint one executive member of their board of directors or, if there is no board, of its equivalent governing body who shall be responsible for the implementation of measures to ensure compliance with this Regulation ('compliance manager'). Where the entity has no governing body, the function should be performed by a member of its senior management. ***This paragraph is without prejudice to national provisions on joint civil or criminal liability of governing bodies.***

Or. en

Amendment 44

Proposal for a regulation Article 9 – paragraph 3 – subparagraph 3

Text proposed by the Commission

An obliged entity that is part of a group may appoint as its compliance officer an individual who performs that function in another entity within that group.

Amendment

An obliged entity that is part of a group may appoint as its compliance officer an individual who performs that function in another entity within that group, ***provided that that entity is established in the same Member State in which the obliged entity is established.***

Amendment 45

Proposal for a regulation

Article 11 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Obligated entities shall take measures to ensure that employees, managers or agents who report breaches pursuant to the first subparagraph are protected ***against retaliation, discrimination and any other unfair treatment.***

Amendment

Obligated entities shall take measures to ensure that employees, managers or agents who report breaches pursuant to the first subparagraph are ***legally protected from being exposed to threats, retaliatory or hostile action and, in particular, adverse or discriminatory employment actions in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council^{1a}.***

^{1a} ***Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17).***

Amendment 46

Proposal for a regulation

Article 12 a (new)

Text proposed by the Commission

Amendment

Article 12a

Minimum requirements for sole traders, single operators or microenterprises

1. By ... [2 years from the date of entry into force of this Regulation], AMLA shall develop draft regulatory technical standards and submit them to the Commission for adoption concerning minimum requirements and standards for

compliance with this Chapter by obliged entities which are sole traders, single operators or microenterprises.

When developing the draft regulatory technical standards referred to in the first subparagraph, AMLA shall take due account of the inherent levels of risks of the business models of the different types of obliged entities.

2. The Commission is empowered to supplement this Regulation by adopting the regulatory technical standards referred to in paragraph 1 of this Article in accordance with Articles 38 to 41 of [please insert reference – proposal for establishment of an Anti-Money Laundering Authority - COM/2021/421 final].

Or. en

Amendment 47

Proposal for a regulation Article 13 – paragraph 1

Text proposed by the Commission

1. A parent undertaking shall **ensure that** the requirements on internal procedures, risk assessment and staff referred to in Section 1 of this Chapter apply in all branches and subsidiaries of the group in the Member States **and, for groups whose** parent undertaking is established in the Union in third countries. The group-wide policies, controls and procedures shall also include data protection policies and policies, controls and procedures for sharing information within the group for AML/CFT purposes.

Amendment

1. **Each** parent undertaking **established in the Union** shall **put in place group-wide policies, controls and procedures to comply with this Regulation and shall ensure that** the requirements on internal procedures, risk assessment and staff referred to in Section 1 of this Chapter apply in all branches and subsidiaries of the group in the Member States. **Where a** parent undertaking is established in the Union, **it shall ensure that those requirements also apply in all branches and subsidiaries of the group** in third countries. The group-wide policies, controls and procedures shall also include data protection policies and policies, controls and procedures for sharing information within the group for

Amendment 48

Proposal for a regulation

Article 15 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

By way of derogation from the first subparagraph, point (b), obliged entities shall apply customer due diligence measures when involved in or carrying out an occasional transaction involving crypto-assets that amounts to EUR 1 000 or more, or the equivalent in national currency, whether the transaction is carried out in a single operation or through linked transactions.

Amendment 49

Proposal for a regulation

Article 15 – paragraph 2

Text proposed by the Commission

Amendment

2. In addition to the circumstances referred to in paragraph 1, credit and financial institutions ***and crypto-asset service providers*** shall apply customer due diligence when ***either*** initiating or executing an occasional transaction that constitutes a transfer of funds as defined in Article 3, point (9) of Regulation [please insert reference – proposal for a recast of Regulation (EU) 2015/847 - COM/2021/422 final], ***or a transfer of crypto-assets as defined in Article 3, point (10) of that Regulation, exceeding EUR 1 000 or the equivalent in national currency.***

2. In addition to the circumstances referred to in paragraph 1, credit and financial institutions shall apply customer due diligence when initiating or executing an occasional transaction that constitutes a transfer of funds as defined in Article 3, point (9) of Regulation [please insert reference – proposal for a recast of Regulation (EU) 2015/847 - COM/2021/422 final] ***that amounts to EUR 1 000 or more*** or the equivalent in national currency.

Amendment 50**Proposal for a regulation
Article 15 – paragraph 4***Text proposed by the Commission*

4. In the case of credit institutions, the performance of customer due diligence shall also take place, under the oversight of supervisors, at the moment that the institution has been determined failing or likely to fail pursuant to Article 32(1) of Directive 2014/59/EU of the European Parliament and of the Council⁵² or when the deposits are unavailable in accordance with Article 2(1)(8) of Directive 2014/49/EU of the European Parliament and of the Council⁵³. Supervisors shall decide on the intensity and scope of such customer due diligence measures having regard to the specific circumstances of the credit institution.

⁵² Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council Text with EEA relevance (OJ L 173, 12.6.2014, p. 190).

⁵³ Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes Text with EEA relevance (OJ L 173, 12.6.2014, p. 149).

Amendment

4. In the case of credit institutions, the performance of customer due diligence shall also take place, **where necessary**, under the oversight of supervisors, at the moment that the institution has been determined failing or likely to fail pursuant to Article 32(1) of Directive 2014/59/EU of the European Parliament and of the Council⁵² or when the deposits are unavailable in accordance with Article 2(1)(8) of Directive 2014/49/EU of the European Parliament and of the Council⁵³. Supervisors shall decide on the intensity and scope of such customer due diligence measures having regard to the specific circumstances of the credit institution.

⁵² Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council Text with EEA relevance (OJ L 173, 12.6.2014, p. 190).

⁵³ Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes Text with EEA relevance (OJ L 173, 12.6.2014, p. 149).

Amendment 51

Proposal for a regulation

Article 15 – paragraph 5 – subparagraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the criteria for identifying occasional transactions involving crypto-assets;

Or. en

Amendment 52

Proposal for a regulation

Article 16 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) identify and record the identity of nominee shareholders and nominee directors of a corporate or other legal entity and identify their status as such, where appropriate;

Or. en

Amendment 53

Proposal for a regulation

Article 17 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

The first subparagraph shall not apply to notaries, lawyers and other independent legal professionals, auditors, external accountants and tax advisors, to the strict extent that those persons ascertain the legal position of their client, ***or perform the task of defending or representing that client in,***

The first subparagraph shall not apply to notaries, lawyers and other independent legal professionals, auditors, external accountants and tax advisors, to the strict extent that those persons ascertain the legal position of their client, ***except where:***

*or concerning, judicial proceedings,
including providing advice on instituting
or avoiding such proceedings.*

Or. en

Amendment 54

Proposal for a regulation

Article 17 – paragraph 1 – subparagraph 2 – point a (new)

Text proposed by the Commission

Amendment

*(a) the ascertainment is inconsistent
with applicable law and the legal position
is sought in bad faith; or*

Or. en

Amendment 55

Proposal for a regulation

Article 17 – paragraph 1 – subparagraph 2 – point b (new)

Text proposed by the Commission

Amendment

*(b) the ascertainment clearly exceeds
legal matters pertaining to the client's
legal position;*

Or. en

Amendment 56

Proposal for a regulation

Article 17 – paragraph 1 – subparagraph 2 – point c (new)

Text proposed by the Commission

Amendment

*(c) the notary, lawyer, other
independent legal professional, auditor,
external accountant or tax advisor
provides information to the client for the*

purpose of money laundering, or its predicate offences, or terrorist financing and has the knowledge or a well-grounded suspicion that the client requested it for that purpose.

Or. en

Amendment 57

Proposal for a regulation

Article 17 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

The first subparagraph shall not apply to persons as referred to in the second subparagraph when performing their task of defending or representing their client in, or concerning, judicial proceedings, including when providing advice on instituting or avoiding judicial proceedings.

Or. en

Amendment 58

Proposal for a regulation

Article 18 – paragraph 4 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) the submission of the identity document, passport or equivalent ***and the acquisition of information from reliable and independent sources, whether accessed directly or provided by the customer;***

(a) the submission of the identity document, passport or equivalent ***for customers who are natural persons and beneficial owners or the submission of the Legal Entity Identifier, registration number and tax identification number, or equivalent, for customers who are legal persons;***

Or. en

Amendment 59

Proposal for a regulation

Article 18 – paragraph 4 – subparagraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the submission of proof of registration in the central register referred to in Article 10 of Directive [please insert reference – proposal for 6th Anti-Money Laundering Directive - COM/2021/423 final] for customers who are legal entities incorporated outside the Union, in accordance with Article 48 of this Regulation.

Or. en

Amendment 60

Proposal for a regulation

Article 18 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Amendment

For the purposes of verifying the information on the beneficial owner(s), obliged entities shall also consult the central registers referred to in Article 10 of Directive [please insert reference – proposal for 6th Anti-Money Laundering Directive - COM/2021/423 final] as well as additional information. Obligated entities shall determine the extent of the additional information to be consulted, having regard to the risks posed by the transaction or the business relationship and the beneficial owner.

For the purposes of verifying the information on the beneficial owner(s), obliged entities shall also consult the central registers referred to in Article 10 of Directive [please insert reference – proposal for 6th Anti-Money Laundering Directive - COM/2021/423 final] as well as additional information, ***where appropriate***. Obligated entities shall determine the extent of the additional information to be consulted, having regard to the risks posed by the transaction or the business relationship and the beneficial owner. ***Obligated entities shall report to the entity in charge of the central registers any discrepancies they find between the beneficial ownership information available therein and the beneficial ownership information available to them pursuant to this Article. National law pertaining to banking secrecy and***

confidentiality shall not hinder compliance with that obligation.

Or. en

Amendment 61

Proposal for a regulation

Article 22 – paragraph 1 – point c

Text proposed by the Commission

(c) the reliable and independent sources of information that may be used to verify the identification data of natural or legal persons for the purposes of Article 18(4);

Amendment

(c) the reliable and independent sources of information that may be used to verify the identification data of natural or legal persons for the purposes of Article 18(4) ***in addition to minimum requirements to be complied with and necessary steps to be taken by obliged entities where discrepancies are found;***

Or. en

Amendment 62

Proposal for a regulation

Article 23 – paragraph 2 – subparagraph 1 – point a

Text proposed by the Commission

(a) significant strategic deficiencies in the legal and institutional AML/CFT framework of the third country have been identified;

Amendment

(a) significant strategic deficiencies in the legal and institutional AML/CFT framework of the third country have been identified; ***or***

Or. en

Amendment 63

Proposal for a regulation

Article 25 – paragraph 2 – point a – point i

Text proposed by the Commission

(i) the criminalisation of money laundering and terrorist financing;

Amendment

(i) the criminalisation of money laundering ***and its predicate offences*** and terrorist financing;

Or. en

Amendment 64

Proposal for a regulation

Article 25 – paragraph 2 – point a – point v

Text proposed by the Commission

(v) the availability of accurate and timely information of the beneficial ownership of legal persons and arrangements ***to competent authorities***;

Amendment

(v) ***requirements relating to*** the availability of accurate and timely information of the beneficial ownership of legal persons and arrangements ***held by a public authority or body functioning as a beneficial ownership register, or an alternative mechanism that is as efficient***;

Or. en

Amendment 65

Proposal for a regulation

Article 25 – paragraph 2 – point a – point v a (new)

Text proposed by the Commission

(va) requirements for competent authorities and judicial authorities to cooperate with competent authorities and judicial authorities of the Member States;

Or. en

Amendment 66

Proposal for a regulation

Article 25 – paragraph 2 – point a – point v b (new)

Text proposed by the Commission

Amendment

(vb) alignment with targeted financial sanctions and proliferation financing-related targeted financial sanctions;

Or. en

Amendment 67

Proposal for a regulation

Article 25 – paragraph 2 – point a – point v c (new)

Text proposed by the Commission

Amendment

(vc) requirements to mitigate and manage the risks of non-implementation and evasion of targeted financial sanctions and proliferation financing-related targeted financial sanctions.

Or. en

Amendment 68

Proposal for a regulation

Article 25 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The delegated acts referred to in paragraph 1 shall be adopted within one month after the Commission has ascertained that the criteria set out in point (a), (b) or (c) of the first subparagraph of this paragraph have been taken into account.

Or. en

Amendment 69

Proposal for a regulation Article 25 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. Following a request from the European Parliament or the Council, the Commission shall analyse whether a third country poses a specific and serious threat to the financial system of the Union and the proper functioning of the internal market and submit a report to the requesting institution within 30 days of receipt of the request stating the reasons for its decision as to whether a delegated act should be adopted in accordance with paragraph 1, taking into account public revelations and relevant evaluations, assessments or reports drawn up by international organisations and standard setters with competence in the field of preventing money laundering and combating terrorist financing.

Or. en

Amendment 70

Proposal for a regulation Article 25 a (new)

Text proposed by the Commission

Amendment

Article 25a

Identification of credit institutions or financial institutions or crypto-asset service providers not established in the Union posing a specific threat to the Union's financial system

1. Following a request from the European Parliament or the Council, AMLA or a supervisor, the Commission

shall analyse whether a specific credit institution or financial institution or crypto-asset service provider not established in the Union poses a specific and serious threat to the financial system of the Union.

The Commission may also carry out analysis as referred to in the first subparagraph on its own initiative.

2. In the analysis referred to in paragraph 1, the Commission shall take into account information submitted by the requestor, public revelations and relevant evaluations, assessments or reports drawn up by international organisations and standard setters with competence in the field of preventing money laundering and combating terrorist financing.

3. Where the Commission, after consulting AMLA, the European Central Bank and, where appropriate, the European Banking Authority and the European Securities and Markets Authority, concludes that a specific credit institution or financial institution or crypto-asset service provider not established in the Union poses a specific and serious threat to the financial system of the Union, it shall adopt a delegated act in accordance with Article 60.

4. The delegated act referred to in paragraph 3 shall include one or more of the following measures, which obliged entities are to apply to mitigate risks related to business relationships or occasional transactions involving that specific credit institution or financial institution or crypto-asset service provider:

(a) the application of elements of enhanced due diligence;

(b) the introduction of enhanced relevant reporting mechanisms or systematic reporting of financial transactions;

(c) conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination;

(d) limiting business relationships or transactions with that credit institution or financial institution.

5. Where the analysis referred to in paragraph 1 is requested by the European Parliament, by the Council, by AMLA or by a supervisor, and the Commission concludes that a specific credit institution or financial institution or crypto-asset service provider not established in the Union does not pose a specific and serious threat to the financial system of the Union justifying the adoption of a delegated act, it shall provide a reasoned justification to the requestor within 30 days.

Or. en

Amendment 71

Proposal for a regulation

Article 27 – paragraph 5 – point d a (new)

Text proposed by the Commission

Amendment

(da) any of the circumstances set out in Articles 28, 31b, 32, 36 and 36a apply.

Or. en

Amendment 72

Proposal for a regulation

Article 28 – paragraph 4 – introductory part

Text proposed by the Commission

Amendment

4. With the exception of the cases

4. With the exception of the cases

covered by Section 2 of this Chapter, in cases of higher risk, obliged entities **may** apply any of the following enhanced customer due diligence measures, proportionate to the higher risks identified:

covered by Section 2 of this Chapter, in cases of higher risk, obliged entities **shall** apply **one or more** of the following enhanced customer due diligence measures, proportionate to the higher risks identified:

Or. en

Amendment 73

Proposal for a regulation Article 28 – paragraph 6

Text proposed by the Commission

Amendment

6. Enhanced customer due diligence measures shall not be invoked automatically with respect to branches or subsidiaries of obliged entities established in the Union which are located third countries referred to in Articles 23, 24 and 25 where those branches or subsidiaries fully comply with the group-wide policies, controls and procedures in accordance with Article 14.

deleted

Or. en

Amendment 74

Proposal for a regulation Article 29 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

For the purposes of Articles 23 and 25, the Commission **may** choose from among the following countermeasures:

For the purposes of Articles 23 and 25, the Commission **shall** choose from among the following countermeasures:

Or. en

Amendment 75

Proposal for a regulation Article 29 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

In addition to the countermeasures chosen under this Article for the purposes of Articles 23 and 25, Member States shall not grant citizenship or residence status to nationals of countries designated under Article 23, 24 or 25 on the basis of national schemes which grant citizenship or residence in exchange for any kind of investments, including 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.

Or. en

Amendment 76

Proposal for a regulation Article 30 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

With respect to cross-border correspondent relationships, including relationships established for securities transactions or fund transfers, involving the execution of payments with a third-country respondent institution, in addition to the customer due diligence measures laid down in Article 16, credit institutions and financial institutions shall be required, when entering into a business relationship, to:

With respect to cross-border correspondent relationships, including relationships established for securities transactions or fund transfers ***or crypto-assets transactions***, involving the execution of payments with a third-country respondent ***institution, or the provision of crypto-asset services to a crypto-asset service provider or other financial*** institution, in addition to the customer due diligence measures laid down in Article 16, credit institutions and financial institutions shall be required, when entering into a business relationship, to:

Amendment 77

Proposal for a regulation

Article 30 – paragraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) satisfy itself, with respect to accounts or crypto-assets wallets that can be directly accessed by the customer of the respondent institution on the customer's own behalf, that the respondent institution has verified the identity of, and performs ongoing due diligence on, such customers and that is able to provide relevant customer due diligence data on request, without prejudice to the applicable rules concerning the confidentiality and protection of personal data.

Or. en

Amendment 78

Proposal for a regulation

Article 30 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Credit institutions, financial institutions and crypto-asset service providers shall update the due diligence information for the correspondent relationship on a regular basis or when new risks emerge in relation to the respondent institution.

Or. en

Amendment 79

Proposal for a regulation Article 31 a (new)

Text proposed by the Commission

Amendment

Article 31a

Prohibition of correspondent relationships with non-compliant crypto-asset service providers

Credit institutions, financial institutions and crypto-asset service providers shall not enter into or continue a correspondent relationship with non-compliant crypto-asset service providers. Credit institutions, financial institutions and crypto-asset service providers shall take appropriate measures to ensure that they do not engage in or continue correspondent relationships with a crypto-asset service provider that is known to allow its accounts to be used by a non-compliant crypto-asset service provider.

Or. en

Amendment 80

Proposal for a regulation Article 31 b (new)

Text proposed by the Commission

Amendment

Article 31b

Public register on shell banks and non-compliant crypto-asset service providers

- 1. Where competent authorities or supervisors become aware of shell banks and non-compliant crypto-asset service providers operating within or outside the Union, they shall inform AMLA.***
- 2. AMLA shall set up and maintain an indicative and non-exhaustive public register of shell banks and non-compliant***

crypto-asset service providers operating within and outside the Union based on information provided by competent authorities, supervisors, the Commission or obliged entities.

3. AMLA shall review the public register referred to in paragraph 2, taking into account any changes in circumstances concerning the entities included in the list or any information brought to its attention.

Or. en

Amendment 81

Proposal for a regulation Article 31 c (new)

Text proposed by the Commission

Amendment

Article 31c

Specific provisions regarding applicants for citizenship and residence by investment schemes

In addition to the customer due diligence measures laid down in Article 16, with respect to customers who are third-country nationals who apply for citizenship of or residence rights in a Member State in exchange for any kind of investment, including 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, obliged entities shall, as a minimum, carry out enhanced customer due diligence measures as set out in Article 28(4), points (a) and (e).

Or. en

Amendment 82

Proposal for a regulation

Article 32 – paragraph 3 – introductory part

Text proposed by the Commission

3. By [3 years from the date of entry into force of this Regulation], AMLA shall issue guidelines on the following matters:

Amendment

3. By ...[2 years from the date of entry into force of this Regulation], AMLA shall issue guidelines on the following matters:

Or. en

Amendment 83

Proposal for a regulation

Article 36 a (new)

Text proposed by the Commission

Amendment

Article 36a

Specific provisions regarding certain high-net-worth individuals

1. *In addition to the customer due diligence measures laid down in Article 16, obliged entities shall have in place appropriate risk management systems, including risk-based procedures, to determine whether a customer or the beneficial owner of a customer is a high-net-worth individual who also presents any of the higher risk factors set out in Annex III.*

2. *With respect to transactions or business relationships with high-net-worth individuals as referred to in paragraph 1, obliged entities shall apply the following measures:*

(a) consider refraining from carrying out transactions or establishing a business relationship or terminate the business relationship and consider filing a suspicious transaction report to the FIU in relation to the customer in accordance with Article 50;

(b) obtain senior management approval for establishing or continuing business relationships with those customers ;

(c) take adequate measures to establish the source of wealth and source of funds that are involved in business relationships or transactions with those customers ;

(d) conduct enhanced, ongoing monitoring of business relationships with those customers.

Or. en

Amendment 84

Proposal for a regulation Article 38 – paragraph 4

Text proposed by the Commission

4. Obligated entities shall not rely on obliged entities established in third countries identified pursuant to Section 2 of this Chapter. ***However, obliged entities established in the Union whose branches and subsidiaries are established in those third countries may rely on those branches and subsidiaries, where all the conditions set out in paragraph 3, points (a) to (c), are met.***

Amendment

4. Obligated entities shall not rely on obliged entities established in third countries identified pursuant to Section 2 of this Chapter.

Or. en

Amendment 85

Proposal for a regulation Article 40 – paragraph 2 – point c

Text proposed by the Commission

(c) the ***drawing up and*** approval of the obliged entity's policies, controls and

Amendment

(c) the approval of the obliged entity's policies, controls and procedures to comply

procedures to comply with the requirements of this Regulation;

with the requirements of this Regulation;

Or. en

Amendment 86

Proposal for a regulation

Article 40 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) the ***attribution of a risk profile to a prospective client and the entering*** into a business relationship with ***that*** client;

(d) the ***decision to enter*** into a business relationship with ***a client based on the attribution of a risk profile***;

Or. en

Amendment 87

Proposal for a regulation

Article 40 – paragraph 2 – point e

Text proposed by the Commission

Amendment

(e) the ***identification*** of criteria for the detection of suspicious or unusual transactions and activities;

(e) the ***approval*** of criteria for the detection of suspicious or unusual transactions and activities;

Or. en

Amendment 88

Proposal for a regulation

Article 41 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

By [3 years after the entry into force of this Regulation], AMLA shall issue guidelines addressed to obliged entities on:

By ...[2 years after the entry into force of this Regulation], AMLA, ***in cooperation with the European supervisory authorities***, shall issue guidelines addressed to obliged entities on:

Amendment 89

Proposal for a regulation Article 41 a (new)

Text proposed by the Commission

Amendment

Article 41a

Unwarranted de-risking and financial inclusion

By ... [2 years after the entry into force of this Regulation], AMLA and the European Banking Authority shall jointly issue guidelines on the clarification of the relationship between requirements in this Chapter and Directive (EU) 2014/92 and Directive (EU) 2015/2366. Those guidelines shall include guidance on how to maintain a balance between financial inclusion of certain categories of customers, such as those deemed high risk, and AML/CFT requirements, in particular ways to mitigate risk and ensure that basic financial products and services can be offered, in addition to practices to ensure transparent and fair processes for customers.

Or. en

Amendment 90

Proposal for a regulation Article 42 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

For the purpose of this Article, ‘control through an ownership interest’ shall ***mean an*** ownership of 25% plus one of the shares or voting rights or other ownership interest in the corporate entity, including through bearer shareholdings, on every

For the purpose of this Article, ***where*** ‘control through an ownership interest’ ***is based on a threshold, it shall be determined based on a maximum*** ownership of 5% plus one of the shares or voting rights or other ownership interest in

level of ownership.

the corporate entity, including through bearer shareholdings, on every level of ownership.

Or. en

Amendment 91

Proposal for a regulation Article 42 – paragraph 4

Text proposed by the Commission

4. The Commission shall make recommendations to Member States on the specific rules and criteria to **identity** the beneficial owner(s) of legal entities other than corporate entities by [1 year from the date of application of this Regulation]. In the event that Member States decide not to apply any of the recommendations, they shall notify the Commission thereof and provide a justification for such a decision.

Amendment

4. The Commission shall make recommendations to Member States on the specific rules and criteria to **identify** the beneficial owner(s) of legal entities other than corporate entities by [1 year from the date of application of this Regulation]. In the event that Member States decide not to apply any of the recommendations, they shall notify the Commission thereof and provide a justification for such a decision.

Or. en

Amendment 92

Proposal for a regulation Article 44 – paragraph 2

Text proposed by the Commission

2. Beneficial ownership information **shall be obtained** within 14 calendar days from **the creation of legal entities or legal arrangements**. It shall be updated promptly, and in any case no later than 14 calendar days following any change of the beneficial owner(s), and on an annual basis.

Amendment

2. ***In addition to express trusts and other legal arrangements, corporate and other legal entities shall obtain*** beneficial ownership information within 14 calendar days from ***their*** creation. It shall be updated promptly, and in any case no later than 14 calendar days following any change of the beneficial owner(s), and on an annual basis.

Or. en

Amendment 93

Proposal for a regulation Article 45 – paragraph 2

Text proposed by the Commission

2. Where, after having exhausted all possible means of identification pursuant to Articles 42 and 43, no person is identified as beneficial owner, or where there is any doubt that the person(s) identified is the beneficial owner(s), the corporate or other legal entities shall keep records of the actions taken in order to identify their beneficial owner(s).

Amendment

2. Where, after having exhausted all possible means of identification pursuant to Articles 42 and 43, no person is identified as beneficial owner, or where there is any doubt that the person(s) identified is the beneficial owner(s), the corporate or other legal entities shall keep records of the actions taken in order to identify their beneficial owner(s), **and provide additional information on a risk-sensitive basis, including resolutions of the board of directors and minutes of their meetings, partnership agreements, trust deeds, powers of attorney or other contractual agreements and documentation.**

Or. en

Amendment 94

Proposal for a regulation Article 45 – paragraph 3 – introductory part

Text proposed by the Commission

3. In the cases referred to in paragraph 2, when providing beneficial ownership information in accordance with Article 16 of this Regulation and Article 10 of Directive [please insert reference – proposal for 6th Anti-Money Laundering Directive - COM/2021/423 final], corporate or other legal entities shall provide the following:

Amendment

3. In the cases referred to in paragraph 2, when providing beneficial ownership information in accordance with Article 16 of this Regulation and Article 10 of Directive [please insert reference – proposal for 6th Anti-Money Laundering Directive - COM/2021/423 final], corporate or other legal entities shall provide the following **information, which shall be clearly stated in the register referred to in Article 10 of Directive [please insert reference – proposal for 6th Anti-Money Laundering Directive -**

Amendment 95

Proposal for a regulation

Article 48 – paragraph 1 – point a

Text proposed by the Commission

(a) enter into a business relationship with an obliged entity;

Amendment

(a) **have entered into or** enter into a business relationship with an obliged entity;

Amendment 96

Proposal for a regulation

Article 48 – paragraph 1 – point b

Text proposed by the Commission

(b) acquire real estate in their territory.

Amendment

(b) **own or** acquire real estate in their territory;.

Amendment 97

Proposal for a regulation

Article 48 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. With regard to existing business relationships with an obliged entity or real estate owned as of ... [the date of application of this Regulation], obliged entities and legal entities as referred to in paragraph 1 shall comply with the requirements set out in paragraphs 1 and

2 by ... [six months after the date of application of this Regulation].

Or. en

Amendment 98

Proposal for a regulation Article 51 – paragraph 2

Text proposed by the Commission

2. Notaries, lawyers and other independent legal professionals, auditors, external accountants and tax advisors shall be exempted from the requirements laid down in Article 50(1) to the extent that such exemption relates to information that they receive from, or obtain on, one of their clients, in the course of ascertaining the legal position of their client, ***or performing their task of defending or representing that client in, or concerning, judicial proceedings, including providing advice on instituting or avoiding such proceedings, whether such information is received or obtained before, during or after such proceedings.***

Amendment

2. Notaries, lawyers and other independent legal professionals, auditors, external accountants and tax advisors shall be exempted from the requirements laid down in Article 50(1) to the extent that such exemption relates to information that they receive from, or obtain on, one of their clients, in the course of ascertaining the legal position of their client, ***except where:***

Or. en

Amendment 99

Proposal for a regulation Article 51 – paragraph 2 – point a (new)

Text proposed by the Commission

Amendment

(a) the ascertainment is inconsistent with applicable law and the legal position is sought in bad faith; or

Or. en

Amendment 100

Proposal for a regulation

Article 51 – paragraph 2 – point b (new)

Text proposed by the Commission

Amendment

(b) the ascertainment clearly exceeds legal matters pertaining to the client's legal position;

Or. en

Amendment 101

Proposal for a regulation

Article 51 – paragraph 2 – point c (new)

Text proposed by the Commission

Amendment

(c) the notary, lawyer, other independent legal professional, auditor, external accountant or tax advisor provide information to the client for the purpose of money laundering, or its predicate offences, or terrorist financing and has the knowledge or a well-grounded suspicion that the client requested it for that purpose.

Or. en

Amendment 102

Proposal for a regulation

Article 51 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Persons referred to in paragraph 2 shall be exempted from the requirements laid down in Article 50(1) when performing their task of defending or representing a client in, or concerning, judicial proceedings, including providing

advice on instituting or avoiding judicial proceedings, regardless of whether such advice is received or obtained before, during or after judicial proceedings.

Or. en

Amendment 103

Proposal for a regulation Article 54 – paragraph 5

Text proposed by the Commission

5. For obliged entities referred to in Article 3, points (1), (2), (3)(a) and (b), in cases relating to the same customer and the same transaction involving two or more obliged entities, and by way of derogation from paragraph 1, disclosure may take place between the relevant obliged entities provided that they are located in the Union, or with entities in a third country which imposes requirements equivalent to those laid down in this Regulation, and that they are from the same category of obliged entities and are subject to professional secrecy and personal data protection requirements.

Amendment

5. For obliged entities referred to in Article 3, points (1), (2), (3)(a) and (b), in cases relating to the same customer and the same transaction involving two or more obliged entities, and by way of derogation from paragraph 1, disclosure may take place between the relevant obliged entities provided that they are located in the Union, or with entities in a third country which imposes requirements equivalent to those laid down in this Regulation, and that they are from the same category of obliged entities and are subject to professional secrecy and personal data protection requirements *comparable to those laid down in Regulation (EU) 2016/679.*

Or. en

Amendment 104

Proposal for a regulation Article 55 – paragraph 1

Text proposed by the Commission

1. To the extent that it is strictly necessary for the purposes of preventing money laundering and terrorist financing, obliged entities may process special categories of personal data referred to in

Amendment

1. To the extent that it is strictly necessary for the purposes of preventing money laundering and terrorist financing, obliged entities may process special categories of personal data *on a case-by-*

Article 9(1) of Regulation (EU) 2016/679 and personal data relating to criminal convictions and offences referred to in Article 10 of that Regulation subject to the safeguards provided for in paragraphs 2 and 3.

case basis relating to racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership and genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation referred to in Article 9(1) of Regulation (EU) 2016/679 and personal data relating to criminal convictions and offences referred to in Article 10 of that Regulation subject to the safeguards provided for in paragraphs 2 and 3.

Or. en

Amendment 105

Proposal for a regulation Article 55 – paragraph 2 – point b

Text proposed by the Commission

(b) the data originate from reliable sources, are accurate and up-to-date;

Amendment

(b) the data originate from reliable sources, are accurate, *adequate, relevant* and up-to-date;

Or. en

Amendment 106

Proposal for a regulation Article 55 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) the processing of the data does not lead to biased and discriminatory outcomes;

Or. en

Amendment 107

Proposal for a regulation

Article 55 – paragraph 2 – point b b (new)

Text proposed by the Commission

Amendment

(bb) human intervention takes place to verify the higher risk generated solely by automated decision-making on the basis of special categories of data;

Or. en

Amendment 108

Proposal for a regulation

Article 58 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

Credit institutions, financial institutions and crypto-asset service providers shall be prohibited from keeping anonymous accounts, anonymous passbooks, anonymous safe-deposit boxes or ***anonymous*** crypto-asset wallets as well as any account otherwise allowing for the anonymisation of the customer account holder.

Credit institutions, financial institutions and crypto-asset service providers shall be prohibited from keeping anonymous accounts, anonymous passbooks, anonymous safe-deposit boxes or crypto-asset ***privacy*** wallets ***which use encryption and anonymisation tools to obfuscate crypto-assets transactions*** as well as any account otherwise allowing for the anonymisation of the customer account holder.

Or. en

Amendment 109

Proposal for a regulation

Article 58 – paragraph 3 – subparagraph 1

Text proposed by the Commission

Amendment

3. Companies shall be prohibited from issuing bearer shares, and shall convert all existing bearer shares into registered shares

3. Companies shall be prohibited from issuing bearer shares, and shall convert all existing bearer shares into registered shares

by [2 years after the date of application of this Regulation]. **However, companies with securities listed on a regulated market or whose shares are issued as intermediated securities shall be permitted to maintain bearer shares.**

by ...[2 years after the date of application of this Regulation].

Or. en

Amendment 110

Proposal for a regulation Article 59 – paragraph 1

Text proposed by the Commission

1. Persons trading in goods or providing services may accept or make a payment in cash only up to an amount of EUR **10 000** or equivalent amount in national or foreign currency, whether the transaction is carried out in a single operation or in several operations which appear to be linked.

Amendment

1. Persons trading in goods or providing services may accept or make a payment in cash only up to an amount of EUR **5 000** or equivalent amount in national or foreign currency, whether the transaction is carried out in a single operation or in several operations which appear to be linked.

Or. en

Amendment 111

Proposal for a regulation Article 59 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. In implementing paragraph 1, Member States shall not discriminate between residents and non-residents with regard to the limits applicable for cash payments.

Or. en

Amendment 112

Proposal for a regulation Article 60 – paragraph 2

Text proposed by the Commission

2. The power to adopt delegated acts referred to in Articles 23, 24 **and 25** shall be conferred on the Commission for an indeterminate period of time from [date of entry into force of this Regulation].

Amendment

2. The power to adopt delegated acts referred to in Articles 23, 24, **25 and 25a** shall be conferred on the Commission for an indeterminate period of time from ...[date of entry into force of this Regulation].

Or. en

Amendment 113

Proposal for a regulation Article 60 – paragraph 3

Text proposed by the Commission

3. The power to adopt delegated acts referred to in Articles 23, 24 **and 25** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

3. The power to adopt delegated acts referred to in Articles 23, 24, **25 and 25a** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Or. en

Amendment 114

Proposal for a regulation Article 60 – paragraph 6

Text proposed by the Commission

6. A delegated act adopted pursuant to Articles 23, 24 **and 25** shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of one month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.

Amendment

6. A delegated act adopted pursuant to Articles 23, 24, **25 and 25a** shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of one month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.

Or. en

Amendment 115

Proposal for a regulation
Article 62 – paragraph 1

Text proposed by the Commission

By **/5** years from the date of application of this Regulation], and every **three** years thereafter, the Commission shall present a report to the European Parliament and to the Council on the application of this Regulation.

Amendment

By ... [**3** years from the date of application of this Regulation], and every **two** years thereafter, the Commission shall present a report to the European Parliament and to the Council on the application of this Regulation.

Or. en

Amendment 116

Proposal for a regulation
Article 63 – paragraph 1 – introductory part

Text proposed by the Commission

By [**3** years from the date of application of this Regulation], the Commission shall present reports to the European Parliament

Amendment

By ...[**2** years from the date of application of this Regulation], the Commission shall present reports to the European Parliament

and to the Council assessing the need and proportionality of:

and to the Council assessing the need and proportionality of:

Or. en

Amendment 117

Proposal for a regulation Article 65 – paragraph 2

Text proposed by the Commission

Amendment

It shall apply from [3 years from its date of entry into force].

It shall apply from ... [2 years from its date of entry into force].

Or. en

Amendment 118

Proposal for a regulation Annex II – paragraph 1 – point 1 – point b

Text proposed by the Commission

Amendment

(b) public administrations or enterprises;

(b) **public enterprises and** public administrations, or enterprises **including central banks and other public authorities or bodies**;

Or. en

Amendment 119

Proposal for a regulation Annex III – paragraph 1 – point 1 – point b

Text proposed by the Commission

Amendment

(b) customers that are resident in geographical areas of higher risk as set out in point (3);

(b) customers that are resident **in or nationals of countries** in geographical areas of higher risk as set out in point (3);

Or. en

Amendment 120

Proposal for a regulation Annex III – paragraph 1 – point 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) customers who are high-net-worth individuals or whose beneficial owner is a high-net-worth individual whose wealth derives prominently from the extraction of natural resources, from links with politically exposed persons or from the exploitation of monopolies;

Or. en

Amendment 121

Proposal for a regulation Annex III – paragraph 1 – point 1 – point g

Text proposed by the Commission

Amendment

(g) customer is a third country national who applies for residence rights in a Member State in exchange of any kind of investment, including 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;

(g) customer is a third country national who applies for ***citizenship of or*** residence rights in a Member State in exchange of any kind of investment, including 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;

Or. en

Amendment 122

Proposal for a regulation Annex III – paragraph 1 – point 3 – point c a (new)

Text proposed by the Commission

Amendment

(ca) third countries identified by credible sources or acknowledged processes as being governed under authoritarian regimes or under political systems with weak democratic institutions or where effective standards of protection of the rule of law and human rights are weak.

Or. en

EXPLANATORY STATEMENT

Since the EU institutions adopted the 5th Anti-Money Laundering Directive, several consecutive scandals have laid bare severe vulnerabilities of the Union's financial system. The unfathomable invasion of Ukraine by Russia and subsequent targeted sanctions imposed by governments on Russian oligarchs has made us question how such lenience towards suspicious flows of money has even been possible, for so long. The reform of the EU's AML framework is, therefore, more topical than ever. The Union must take a much stronger stance towards stopping suspicious flows of money, reflected in our ability to ensure that financial institutions and all kinds of intermediaries duly comply with due diligence and reporting rules, but also that authorities and supervisors have the sufficient tools to make these firms firmly accountable.

Your co-rapporteurs welcome the AML package, which the EP called for several times, and in particular the proposal for a single rulebook, which is an essential step forward. The choice for an Anti-money Laundering Regulation (AMLR) instead of a Directive is the right response to the fragmented and ineffective regulatory landscape following the adoption of five AML Directives with minimum standards over the last 30 years.

Your co-rapporteurs welcome the extension of the scope of obliged entities towards all types and categories of crypto-asset service providers. The current discussion about whether persons targeted by recent financial sanctions may be able to circumvent the measures through the crypto-asset industry makes this inclusion all the more relevant.

Also the inclusion of crowdfunding service providers as obliged entities is a step forward, however this should concern all crowdfunding service providers operating in Europe, including those regulated by EU rules.

Your co-rapporteurs further add wealth managers to the list of entities subject to AML/CFT rules, as well as high-level football clubs, agents in the football sector and Member States' football associations. In 2021, Europol qualified professional sport, and professional football in particular, as prone to the risks of criminal money and money laundering transactions¹. The Commission has included professional football in its 2019 supra national risk assessment ², since whilst it remains a popular sport it is also a global industry with significant economic impact. Questionable sums of money with no apparent or explicable financial return or gain are being invested in the sport. High-level professional football clubs and football associations, as well as sport agents in the football sector, are therefore entities posing high risks and should therefore be added to the list of obliged entities.

¹

https://www.europol.europa.eu/sites/default/files/documents/the_involvement_of_organised_crime_groups_in_sports_corruption.pdf

²

https://ec.europa.eu/info/sites/default/files/supranational_risk_assessment_of_the_money_laundering_and_terrorist_financing_risks_affecting_the_union.pdf

The risks of ML/FT involving works of art and other high value goods are well known. This is why your co-rapporteurs propose to reduce the value of goods from which due diligence obligations apply from EUR 10 000 to EUR 5 000.

The EP considers schemes granting nationality on the basis of a financial investment (CBI schemes), also known as ‘golden passports’, as objectionable from an ethical, legal and economic point of view and pose serious security risks for Union citizens, such as money-laundering and corruption. The co-rapporteurs agree that CBI schemes should be completely banned, and not regulated. However, given the legal uncertainty on this issue, which will only be settled by the European Court, they decided to include CBI schemes in the scope of the regulatory measures. They welcome that the Commission enlisted agents involved in these schemes as obliged entities. However, your co-rapporteurs believe we must go much further to address concerns. Notably, amongst other measures, Member States granting these schemes must ensure that public authorities processing applications carry out specific measures to ensure that such transactions are not misused for AML/TF purposes.

Internal policies, controls and procedures by obliged entities to mitigate and manage the risks of non-implementation and evasion of targeted financial sanctions are crucial to ensure that they are effective. At the same time, these procedures need to be more proportional. This proportionality principle should therefore be further elaborated by AMLA and the Commission through the adoption of a delegated act, which would be useful for obliged entities which are sole traders, single operators or microenterprises.

Customer due diligence (CDD) is a key instrument to detect suspicious activity and prevent ML/TF through a risk-based approach. Your co-rapporteurs believe it is crucial to extend more clearly CDD obligations to crypto-asset occasional transactions and provide specific proposals on this. Furthermore, abilities to bypass the requirements to apply customer due diligence measures and submit suspicious transaction reports should be more clearly specified in the law to prevent abuse. Your co-rapporteurs highlight that legal privilege or professional secrecy play a fundamental role in democratic societies, not just so that lawyers and other legal professionals to defend their clients in court, but also to ensure that citizens and legal entities can seek advice on their position in view of the applicable laws. At the same time, the concept of legal privilege has its limits, as elaborated in the report.

The EC proposal on a robust Third Country Policy is appreciated. Further in line with the EPs wish to have an autonomous list and in line with recent developments, your co-rapporteurs propose adding a number of criteria in the assessment of third countries, including alignment with targeted sanctions policy, and also provide for the possibility for the Parliament and the Council to request the Commission an analysis of a specific third country. Furthermore, certain credit or financial institutions established in third countries or crypto asset service providers not established in the EU may also pose a specific and serious threat to the financial system of the

Union. Its the co-rapporteurs wish that the Commission is allowed to take action against such institutions and can require the application of concrete enhanced due diligence measures and specific countermeasures against such institutions.

Your co-rapporteurs extend specific enhanced due diligence measures to crypto-asset transactions, service providers and accounts, and insert a specific prohibition of correspondent relationships with non-compliant crypto-asset service providers. To help obliged entities identify shell banks and non-compliant crypto-asset service providers, your co-rapporteurs introduce a mandate for AMLA to create an indicative and non-exhaustive public register, fed with information provided by other bodies.

Your co-rapporteurs believe that the list of persons that qualify as PEPs should integrate heads of regional and local authorities, including groupings of municipalities and metropolitan regions, given the large budget that these officials are sometimes responsible for in an executive role, including in public procurement processes. Given the clear proximity with PEPs, siblings should also be added to the definition of family members.

Business relationships and transactions involving high net worth individuals who present one or several factors of higher risk may seriously compromise the integrity of the Union's financial system and cause serious vulnerabilities to the internal market. The recent revelations on the Pandora Papers and Swiss Secrets³ have shown that financial institutions are still willing to side-line CDD obligations towards high net worth customers, even when the source of funds and wealth of clients should have raised many red flags. Your co-rapporteurs find this unacceptable, especially when customers deemed high risk, but with lower net wealth, are being subject to de-risking and denied basic financial services due to AML/CFT compliance costs. The co-rapporteurs propose, therefore, mandatory enhanced customer due diligence measures in addition to other measures with respect to high net worth customers, as well as guidelines on de-risking and access to basic financial services, which should be granted to all.

The concept of beneficial ownership is crucial to increase transparency of complex corporate structures and ease compliance with AML/CFT rules. In this regard, the beneficial ownership (BO) register is a key instrument to grant sufficient transparency and assist obliged entities in their CDD obligations as well as competent authorities in their tasks. However, to reduce the chances to circumvent this tool, it is important to reduce the percentage threshold that serves as indication of ownership of a legal entity from 25% to 5%.

As stressed by the Parliament in the past, business relationships with foreign entities with significant presence in the internal market should trigger an obligation to register the beneficial owner of these entities in the Union. Your co-rapporteurs welcome that the Commission made this proposal, which is particularly relevant for the purchase of real estate. We should no longer allow the purchase of property in the EU by shell companies in tax havens, without any

³ <https://www.occrp.org/en/suisse-secrets/historic-leak-of-swiss-banking-records-reveals-unsavory-clients>

information on their beneficial owner. Your co-rapporteurs propose to extend the obligation to register to already existing business relationships and property owned by foreign entities at the date of application of this Regulation.

Certain aspects of the implementation of the AML/CFT framework involve the collection, analysis, storage and sharing of data. Your co-rapporteurs fully agree that processing of personal data for the purposes of ML/TF should be done in accordance with fundamental rights as guaranteed by the Charter and, in particular, with the GDPR, on the grounds of public interest. Still, the processing of special categories of data should be subject to stricter rules. Given the risks posed by the processing of such data.

Whilst fully recognising the importance of the ability to pay in cash, your co-rapporteurs agree with the Commission that large cash payments are an easy way for criminals to launder money, since it is very difficult to detect these transactions. However, in order to be truly effective, your co-rapporteurs believe that the proposed threshold needs to be reduced from EUR 10 000 to EUR 5 000. Moreover, in order to tackle all forms of anonymous ownership instruments, or those which provide for certain degrees of obfuscated ownership, your co-rapporteurs propose the ban of all forms of bearer shares.