

If you cannot see this email, please [click here](#)_



Luxembourg Newsflash - 26 April 2023

New AML package is now close to the final stage

On 19 April 2023, the EU Parliament announced the approval of its negotiating mandate for three of the four proposed pillars of the much-anticipated new AML package.

On 19 April 2023, the EU Parliament announced the approval of its negotiating mandate for three of the four proposed pillars of the much-anticipated new EU Anti-Money Laundering and Countering the Financing of Terrorism (“**AML/CFT**”) package (“**AML Package**”).

1. Background

By way of reminder, the AML Package consists of four different legislative proposals:

- A regulation providing for the creation of a new EU-wide AML/CFT authority (“**AMLA**”);
- A regulation on AML/CFT (essentially focusing on customer due diligence aspects) (“**AML Regulation**”);
- A sixth directive on AML/CFT (“**AMLD6**”) (focusing more on supervisory and financial intelligence unit aspects); and
- A revised version of the 2015 Regulation on Transfers of Funds to trace transfers of crypto-assets.

One of the key features of the AML Package is the EU regulation providing for the creation of AMLA. AMLA will be responsible for the effective monitoring and consistent functioning of the AML/CFT supervisory system at EU level and also for the direct supervision of larger or higher risk institutions from an AML/CFT perspective (much in line with the approach already adopted for banks under the single supervisory system).

In addition, it is worth highlighting that the AML Package’s objective is not only to further enhance (and to some extent overhaul) the existing EU AML/CFT framework, but also to achieve a much more harmonised approach to customer due diligence measures at EU Member State level. A directly applicable EU regulation will now be enacted for this purpose. At the same time, the AML Package aims at adapting the EU-wide AML/CFT framework, by taking account of new and emerging challenges linked to technological innovation (including virtual currencies, more integrated financial flows in the EU Single Market and the global nature of terrorist organisations).

2. The EU Parliament's position

On 5 and 14 April 2023, the EU Parliament published its detailed reports on three of the four legislative proposals contained in the AML Package: AMLA, the AML Regulation, and AMLD6. This followed the announcement of the adoption by key EU Parliament members of their position on the relevant proposals.

According to the EU Parliament, in scope entities will now be subject to new AML/CFT obligations. For example, new restrictions will be imposed on transactions in cash and crypto-assets. The limits for such transactions will be set at €7000 for cash payments and €1000 for crypto-asset transfers, where the customer cannot be identified.

Amid other noteworthy changes, a new threshold should be expected in the definition of beneficial ownership. According to the EU Parliament, the threshold should now be set at 15%, plus either one share or voting rights. An even lower threshold of 5% plus one share is envisaged in specific circumstances, such as for entities active in the extractive industry or where a company is exposed to a higher risk of money laundering or terrorist financing. The EU Commission will be empowered to further define, through the adoption of delegated acts, the categories of clients that are associated with this higher risk.

In addition, the national central registers holding information on beneficial owners, including the interconnected central registers, must also become accessible to persons with a legitimate interest, such as journalists, reporters, any other media, civil society organisations, and higher education institutions.

3. Next steps

Is this all now set in stone? Not yet, but we are definitely moving closer.

As the EU Parliament's position was confirmed during the 17 April 2023 plenary session, the trilogue negotiations between the EU Parliament, the Council of the EU and the EU Commission are now expected to start in May.

Once consensus has been reached, the AML Package must then be formally approved by the EU Parliament and the Council of the EU before it can finally be enacted.

[For further information on the EU Parliament's position on the AMLA, please, see here_](#)

[For further information on the EU Parliament's position on the AML Regulation, please, see here_](#)

[For further information on the EU Parliament's position on the AMLD6, please, see here_](#)

[Read the EU Parliament press release announcing the start of the negotiations here_](#)

[If you require any assistance or advice regarding the new AML Package, please, contact our AML experts_](#)

your contacts



NICOLAS DESCHARMES
Director
Operational AML & Compliance
Services

[Learn more_](#)



MANFRED HOFFMANN
Counsel
Investment Management

[Learn more_](#)



GLENN MEYER

Partner
Banking & Financial Services

[Learn more_](#)



SANDRINE PERIOT

Partner
Regulatory Consulting

[Learn more_](#)



FREDERIC SCHMIT

Senior Associate
Banking & Financial Services

[Learn more_](#)



Arendt & Medernach SA

Registered with the Luxembourg Bar
RCS Luxembourg B 186371

arendt.com

41A avenue JF Kennedy
L-2082 Luxembourg
T +352 40 78 78 1

This publication is intended to provide information on recent developments and does not cover every aspect of the topics with which it deals. It was not designed to provide legal or other advice and it does not substitute for the consultation with legal counsel before any actual undertakings.

GDPR

I am informed that I can object to the processing of my personal data for marketing purposes at any time either by e-mail addressed to unsubscribe@arendt.com or by clicking [here](#).

[Update e-mails preferences](#) | [Forward this e-mail](#)