

# AML Package IV: EU Traceability of Funds Legislation to Be Extended to Crypto-Assets

## News

**Thomas Wahl**

EU rules on providing information on money transfers have left aside so far transfers of virtual assets. However, illicit money laundering activities can be done through the transfer of crypto-assets (e.g., Bitcoin) and damage the integrity of the financial system in the same way as wire funds transfers. In order to close this loophole, the Commission [proposed a recast of Regulation 2015/847](#), which, as an important AML/CFT measure, lays down rules on the information on payers and payees, accompanying transfers of funds. Hence, the Commission proposal will extend the scope of the Regulation to transfers of crypto-assets.

This means that crypto-asset service providers will be obliged to provide information on the sender and beneficiary with all transfers of virtual assets, so that the identity of persons who make business with crypto-assets and suspicious transactions in this sector can be identified for AML/CFT purposes. The crypto-asset service provider of the beneficiary must also implement effective procedures, including, where appropriate, ex-post monitoring or real-time monitoring, in order to detect whether the required information on the originator or the beneficiary is missing. The new provisions would align EU legislation with key standards of the FATF, which recommended the extension of AML/CFT measures to the crypto sector in 2019.

The recast of Regulation 2015/847 is closely connected with the proposal for an EU AML/CFT Regulation (→separate news item). In future, all crypto-asset service providers will be obliged to conduct due diligence on their customers. In addition, anonymous crypto-asset wallets will be prohibited in the EU. The proposals presented on 20 July 2021 are part of a comprehensive overhaul of the existing EU AML/CFT framework, which will, *inter alia*, comprise a single EU rulebook against money laundering and terrorist financing.

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Published in  
2021, Vol. 16(3) eucrim pp 155  
– 156

ISSN: 1862-6947  
<https://eucrim.eu>

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The project is co-financed by the [Union Anti-Fraud Programme \(UAFP\)](#), managed by the [European Anti-Fraud Office \(OLAF\)](#).



Co-funded by  
the European Union