

Commission Presents AML/CFT Reform Proposals



Thomas Wahl

News

On 20 July 2021, the [Commission presented an ambitious package](#) of legislative proposals that are designed to overhaul the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules. The [package includes](#) the creation of a new EU AML/CFT authority, an EU single rulebook for AML/CFT, and the full application of the EU AML/CFT rules to cryptocurrencies. The reform proposals have been announced by the Commission for some time, in particular after its comprehensive evaluation of the EU's AML/CFT framework presented in July 2019 (→ [eucrim 2/2019, 94](#)) and in its Action Plan on preventing money laundering and terrorist financing of May 2020 (→ [eucrim 2/2021, 87](#)).

The proposed set of measures aim to establish a robust and future-proof enforcement system, which will improve detection of money laundering and terrorism financing in the EU and close existing loopholes that are used by criminals to launder illicit proceeds of crime. The package consists of [four legislative proposals](#), which are analysed in more detail in separate news items:

- A Regulation establishing an EU AML/CFT Authority in the form of a decentralised EU regulatory agency ([COM\(2021\) 421](#));
- A new Regulation, containing directly applicable AML/CFT rules, including a revised EU list of entities subject to AML/CFT rules and a revised policy on third countries whose AML/CFT approach pose a threat to the EU's financial system ([COM\(2021\) 420](#));
- A sixth AML Directive, replacing the existing EU AML/CFT Directive (Directive 2015/849 as amended) and containing provisions not appropriate for a Regulation and requiring national transposition, e.g., rules concerning national supervisors and Financial Intelligence Units in Member States ([COM\(2021\) 423](#));
- A recast of Regulation 2015/847 on Transfers of Funds ([COM\(2021\) 422](#)).

The measures implement some objectives of said Commission's AML/CFT Action Plan of May 2020.

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