

Comprehensive AML/CFT Reform Finalised

Thomas Wahl

News

On 19 June 2024, several pieces of legislation with new rules fighting money laundering (ML) and the financing of terrorism (FT) were published in the [Official Journal](#) of the EU. The new rules follow the proposals tabled by the Commission in 2021 (→ [euCRIM 3/2021, 153-156](#)). The overall aim of the general overhaul of the EU's legal framework on anti-money laundering (AML) and countering financing of terrorism (CFT) was 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 European Parliament and the Council reached provisional agreement on the contents of the proposed laws in January/February 2024 and adopted the legal acts in April 2024. The AML/CFT package published now consists of the following acts:

- A [Regulation](#) establishing the EU Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA);
- A [new Regulation](#) on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (“the Single Rulebook Regulation”);
- The Sixth [Anti-Money Laundering Directive](#) replacing the existing AML Directive (Directive 2015/849 as amended by Directive 2018/843);
- A [Directive](#) regulating access by competent authorities to centralised bank account registries.

These acts will be presented in detail in separate news (→ [related links](#)).

The package is complemented by the recast of the 2015 Regulation on information accompanying transfers of funds. This new [Regulation \(2023/1113\)](#) was already passed in May 2023. It lays down rules on the information on payers and payees accompanying transfers of funds, in any currency, and on the information on originators and beneficiaries accompanying transfers of crypto assets, along with rules on internal policies, procedures and controls to ensure implementation of restrictive measures (→ [euCRIM 2/2023, 143](#)).

In sum, the reform will bring about the following novelties:

- AML/CFT obligations for the private sector are shifted from the AML/CFT Directive to the directly applicable AML/CFT Single Rulebook Regulation, such as due diligence obligations and beneficial ownership transparency requirements;
- The AML Directive from now on will only deal with issues requiring transposition, particularly the organisation of national competent authorities fighting against money laundering and countering the financing of terrorism;

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- New sectors are brought into the scope of the AML/CFT framework, in particular crypto-asset service providers, residence scheme operators, crowdfunding operators, football clubs and football agents;
- The monitoring of crypto-asset service providers is significantly enhanced in alignment with the MiCA Regulation (→ [eucrim 2/2023, 143](#));
- Tighter due diligence requirements for all obliged entities, and improved harmonised approach to identification of beneficial ownership;
- Strengthened requirements for the organisation of national anti-money laundering systems, including clearer rules on how financial intelligence units (FIUs - the national bodies which collect information on suspicious or unusual financial activity in Member States) and supervisors work together;
- Harmonisation of the set of information to which all FIUs should have access as well as establishment of joint FIU analyses;
- A new European Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) established in Frankfurt a.M. (Germany) with direct and indirect supervisory powers over high-risk obliged entities in the financial sector and with the power to impose pecuniary sanctions on selected obliged entities;
- Creation of AML/CFT supervisory colleges;
- Harmonisation of bank statement formats;
- Obligation for Member States to make available information from centralised bank account registers – containing data on who has which bank account and where – through a single access point that will provide access to both FIUs and national law enforcement authorities.

The application of the new rules will be progressive. The AML Regulation will, in principle, apply from 10 July 2027. Member States will have two years to transpose some parts of the AML directive and three years for others. The establishment of the AMLA already started. It is planned that the new EU body will be operational by mid-2025.

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