



Council of the  
European Union

Brussels, 28 October 2016  
(OR. en)

13872/16

---

---

**Interinstitutional File:  
2016/0208 (COD)**

---

---

EF 322  
ECOFIN 981  
DROIPEN 171  
CRIMORG 144  
COTER 108  
CODEC 1563  
IA 102  
FISC 179

**NOTE**

---

From:	General Secretariat of the Council
To:	Delegations
No. Cion doc.:	COM(2016) 450 final
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL 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 Directive 2009/101/EC = Presidency compromise text

---

Delegations will find below a Presidency compromise text on the abovementioned proposal.

With respect to the original Commission proposal, the new text is marked in **underlined bold** and deletions are indicated in ~~striketrough~~.

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

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 Directive 2009/101/EC

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles ~~50~~ and 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank<sup>1</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>2</sup>,

Acting in accordance with the ordinary legislative procedure,

Whereas:

---

<sup>1</sup> OJ C [...], [...], p. [...].

<sup>2</sup> OJ C [...], [...], p. [...].

- (1) Directive (EU) 2015/849 of the European Parliament and the Council<sup>3</sup> constitutes the main legal instrument in the prevention of the use of the Union's financial system for the purposes of money laundering and terrorist financing. That Directive, which is to be transposed by 26 June 2017, sets out a comprehensive framework to address the collection of money or property for terrorist purposes by requiring Member States to identify, understand and mitigate risks related to money laundering and terrorist financing.
- (2) Recent terrorist attacks have brought to light emerging new trends, in particular regarding the way terrorist groups finance and conduct their operations. Certain modern technology services are becoming more and more popular as alternative financial systems and remain outside the scope of Union legislation or benefit from exemptions that may no longer be justified. In order to keep pace with evolving trends, further measures to improve the existing preventive framework should be taken.
- (3) While the aims of Directive (EU) 2015/849 should be pursued, any amendments to that Directive should be consistent with the Union's ongoing action in the field of countering terrorism and terrorism financing. The European Agenda on Security<sup>4</sup> indicated the need for measures to address terrorist financing in a more effective and comprehensive manner, highlighting that infiltration of financial markets allows terrorism financing. The European Council conclusions of 17-18 December 2015 also stressed the need to take rapidly further action against terrorist finance in all domains.
- (4) The Commission has adopted an Action Plan to further step up the fight against the financing of terrorism<sup>5</sup> which underscores the need to adapt to new threats and to amend Directive (EU) 2015/849 to that effect.

---

<sup>3</sup> 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).

<sup>4</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions "The European Agenda on Security", COM(2015) 185 final.

<sup>5</sup> Communication from the Commission to the European Parliament and the Council on an Action Plan for strengthening the fight against terrorist financing, COM(2016) 50 final.

- (5) Union measures must also accurately reflect developments and commitments undertaken at international level. UN Security Council Resolution 2199 (2015) urges States to prevent terrorist groups from gaining access to international financial institutions.
- (6) Providers of exchange services between virtual currencies and fiat currencies (that is to say ~~currencies declared to be~~ **coins and banknotes of a country that is designated as a** legal tender **and is accepted as a medium of exchange in the issuing country**) as well as custodian wallet providers ~~for virtual currencies~~ are under no obligation to identify suspicious activity. Terrorist groups ~~are~~ **may** thus **be** able to transfer money into the Union's financial system or within virtual currency networks by concealing transfers or by benefiting from a certain degree of anonymity on those platforms. It is therefore essential to extend the scope of Directive (EU) 2015/849 so as to include ~~virtual currency~~ **providers engaged in exchange platforms services between virtual currencies and custodian fiat currencies and custodian** wallet providers. ~~Competent~~ **For anti-money laundering and countering the financing of terrorism (AML/CFT) purposes, competent** authorities should be able to monitor **through obliged entities** the use of virtual currencies. This would provide a balanced and proportional approach, safeguarding technical advances and the high degree of transparency attained in the field of alternative finance and social entrepreneurship.
- (7) The ~~credibility~~ **anonymity** of virtual currencies ~~will not rise if they are used~~ **allows their potential misuse** for criminal purposes. ~~In this context, anonymity will become more a hindrance than an asset for virtual currencies taking up and their potential benefits to spread.~~ The inclusion of ~~virtual~~ **providers engaged in exchange platforms services between virtual currencies and fiat currencies** and custodian wallet providers will not entirely address the issue of anonymity attached to virtual currency transactions, as a large part of the virtual currency environment will remain anonymous because users can also transact without ~~exchange platforms or custodian wallet~~ **these** providers. To combat the risks related to the anonymity, national Financial Intelligence Units (FIUs) should be able to **obtain information allowing to** associate virtual currency addresses to the identity of the owner of virtual currencies. In addition, the possibility to allow users to self-declare to designated authorities on a voluntary basis should be further assessed.

- (8) Local currencies (also known as complementary currencies) that are used in very limited networks such as a city or a region and among a small number of users should not be considered as virtual currencies.
- (9) When dealing with **cases of high-risk and with** natural persons or legal entities established in high-risk third countries, Member States must require obliged entities to apply enhanced customer due diligence measures to manage and mitigate **these** risks. Each Member State therefore determines at national level the type of enhanced due diligence measures to be taken towards high-risk third countries. Those different approaches between Member States create weak spots on the management of business relationships involving high risk third countries identified by the Commission. ~~Those gaps can be exploited by terrorists to channel funds in and out the Union financial system.~~ It is important to improve the effectiveness of the list of high-risk third countries established by the Commission by providing for a harmonised treatment of those countries at Union level. This harmonised approach should primarily focus on enhanced customer due diligence measures. ~~Nevertheless~~ **Furthermore**, Member States and obliged entities should be allowed to apply additional mitigating measures in addition to enhanced customer due diligence measures, in accordance with international obligations. International organisations and standard setters with competence in the field of preventing money laundering and combating terrorist financing may call to apply appropriate counter-~~measures~~ measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing risks emanating from countries. Member States should enact and apply additional mitigating measures regarding high risk third countries identified by the Commission by taking into account calls for countermeasures such as those expressed by the Financial Action Task Force (FATF).

- (10) Given the evolving nature of ML/TF money laundering and terrorism financing threats and vulnerabilities, the Union should adopt an integrated approach on the compliance of national AML/CFT regimes with the requirements at Union level, by taking into consideration an effectiveness assessment of those national regimes. For the purpose of monitoring the correct transposition of the Union requirements in the national regimes, their effective implementation and their capacity to accomplish a strong preventive regime in the field, the Commission should base its assessment on the national risk regimes, which shall be without be without prejudice to those conducted by international organisations and standards setters with competence in the field of preventing money laundering and combating terrorist financing, such as the FATF or Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL).
- (11) General purpose prepaid cards have legitimate uses and constitute an instrument contributing to financial inclusion. However, anonymous prepaid cards are easy to use in financing terrorist attacks and logistics. It is therefore essential to deny terrorists this means of financing their operations, by further reducing the limits and maximum amounts under which obliged entities are allowed not to apply certain customer due diligence measures provided by Directive (EU) 2015/849. Thus, while having due regard to consumers' needs in using general purpose prepaid instruments and not preventing the use of such instruments for promoting social and financial inclusion, it is essential to lower the existing thresholds for general purpose anonymous prepaid cards and ~~suppress~~ to limit the customer due diligence exemption for their online use.
- (12) While the use of anonymous prepaid cards issued in the Union is essentially limited to the Union territory only, that is not always the case with similar cards issued in third countries. It is therefore important to ensure that anonymous prepaid cards issued outside the Union can be used in the Union only where they can be considered to comply with requirements equivalent to those set out in the Union legislation. The rule should be enacted in full compliance with Union obligations in respect of international trade, especially the provisions of the General Agreement on Trade in Services.

- (13) FIUs play an important role in identifying the financial operations of terrorist networks, especially across borders, and in detecting their financial backers. Due to a lack of prescriptive international standards, FIUs maintain significant differences as regards their functions, competences and powers. Those differences should however not affect an FIU's activity, particularly its capacity to develop preventive analyses in support of all the authorities in charge of intelligence, investigative and judicial activities, and international cooperation. **In the exercise of their tasks,** FIUs should have access to information and be able to exchange it without impediments, including through appropriate cooperation with ~~law enforcement~~**competent** authorities. In all cases of suspected criminality and, in particular, in cases involving **money laundering, the associated predicate offences and** terrorism financing, information should flow directly and quickly without undue delays. It is therefore essential to further enhance FIUs' effectiveness and efficiency, by clarifying the powers of and cooperation between FIUs.
- (14) FIUs should be able to obtain from any obliged entity all the necessary information relating to their functions. Unfettered access to information is essential to ensure that flows of money can be properly traced and illicit networks and flows detected at an early stage. When FIUs need to obtain additional information from obliged entities based on a suspicion of money laundering **or terrorism financing**, such suspicion may be triggered by a prior suspicious transaction report reported to the FIU, but also through other means such as FIU's own analysis, intelligence provided by competent authorities or information held by another FIU. FIUs should therefore **in cases of suspicion of money laundering or terrorism financing** be able to obtain information from any obliged entity, even without a prior report being made by the individual obliged entity. A FIU should also be able to obtain such information on a request made by another Union FIU and to exchange the information with the requesting FIU.

- (15) Delayed access to information by FIUs and other competent authorities on the identity of holders of bank and payment accounts hampers the detection of transfers of funds relating to **money laundering or terrorism financing**. National data allowing the identification of bank and payments accounts belonging to one person is fragmented and therefore not accessible to FIUs and other competent authorities in a timely manner. It is therefore essential to establish centralised automated mechanisms, such as a register or data retrieval system in all Member States as an efficient means to get timely access to information on the identity of holders of bank and payment accounts, their proxy holders, and their beneficial owners. **When applying the access provisions, it is appropriate for pre-existing mechanisms to be used so long as national FIUs can access the data they require in an immediate and unfiltered manner. Member States should consider to feed such mechanism with other information deemed to be necessary and proportionate for more effective mitigation of money laundering and terrorism financing risks. Full confidentiality should be ensured on the enquiries and related information by FIUs and other competent authorities.**
- (16) In order to respect privacy and protect personal data, such registries should store **at least** the ~~minimum~~ data necessary to the performance of AML/**CFT** investigations. ~~The concerned data subjects should be informed that their data are recorded and accessible by FIUs and should be given a contact point for exercising their rights of access and rectification.~~ When transposing these provisions, Member States should set out ~~maximum~~ **minimum** retention periods **equivalent to the period for retention of the documentation and information obtained within the application of customer due diligence measures** (~~supported by adequate reasoning as to their duration~~) for registration of personal data in registries and ~~provide for their destruction once the information is no longer needed for the stated purpose.~~ Access to the registries and databases should be limited on a need to know basis.



- (17) Accurate identification and verification of data of natural and legal persons is essential for fighting money laundering or terrorist financing. Latest technical developments in the digitalisation of transactions and payments enable a secure remote or electronic identification. Those means of identification as set out in Regulation (EU) No 910/2014 of the European Parliament and of the Council<sup>6</sup> should be taken into account, in particular with regard to notified electronic identification schemes and means that offer high level secure tools and provide a benchmark against which assessing the identification methods set up at national level may be checked. Therefore, it is essential to recognise secure electronic copies of original documents as well as electronic assertions, attestations or credentials as valid means of identity.
- (18) ~~The beneficial ownership threshold set out in Article 3(6)(a) of Directive (EU) 2015/849 does not distinguish between genuine commercial corporate entities and those that have no active business and are mostly used as an intermediary structure between the assets or income and the ultimate beneficial owner. For the latter, the set threshold is easily circumvented, leading to no identification of the natural persons who ultimately own or control the legal entity. In order to better clarify beneficial ownership information as regards intermediary structures that adopt a corporate form, it is necessary to establish a specific threshold from which indication of ownership is inferred.~~
- (19) The approach for the review of existing customers in the current framework relies on a risk-based approach. However, given the higher risk for money laundering, terrorist financing and associated predicate offenses associated with some intermediary structures, that approach may not allow the timely detection and assessment of risks. It is therefore important to ensure that certain clearly specified categories of already existing customers are also monitored on a ~~methodical~~**regular** basis.

---

<sup>6</sup> Regulation (EU) No 910/2014 of the European Parliament and the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73).

- (20) Member States are currently required to ensure that **corporate and other** legal entities incorporated within their territory obtain and hold adequate, accurate and current information on their beneficial ownership. The need for accurate and up-to-date information on the beneficial owner is a key factor in tracing criminals who might otherwise be able to hide their identity behind a corporate structure. The globally interconnected financial system makes it simple to hide and move funds around the world, and money launderers and terrorist financiers as well as other criminals have increasingly made use of that possibility.
- (21) The specific factor determining the Member State responsible for the monitoring and registration of beneficial ownership information of trusts and similar legal arrangements should be clarified. In order to avoid that, due to differences in the legal systems of Member States, certain trusts are not monitored or registered anywhere in the Union, all trusts and similar legal arrangements should be registered where they are administered. In order to ensure the effective monitoring and registration of information on the beneficial ownership of trusts, cooperation among Member States is also necessary.
- (22) Public access by way of compulsory disclosure of certain information on the beneficial ownership of ~~companies provides additional guarantees~~ **corporate and other legal entities contributes** to third parties wishing to do business with those companies **prevent the misuse of these legal entities and arrangements through enhanced public scrutiny. The same applies to information on the beneficial ownership of trusts which comprise any property held by, or on behalf of, a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit, and other types of legal arrangements having a structure or functions similar to such trusts.** Certain Member States have taken steps or announced their intention to make information contained in registers of beneficial ownership available to the public. The fact that not all Member States would make information publicly available or differences in the information made available and its accessibility may lead to different levels of protection of ~~third parties in the Union.~~ **AML/CFT protection.** In a well-functioning internal market, there is a need for coordination to avoid distortions.

- (23) Public access also allows greater scrutiny of information by civil society, including by the press or civil society organisations, and contributes to preserving trust in the integrity of business transactions and of the financial system. It can contribute to combating the misuse of legal entities and legal arrangements both by helping investigations and through reputational effects, given that anyone who could enter into transactions with them is aware of the identity of the beneficial owners. -It also facilitates the timely and efficient availability of information for financial institutions as well as authorities, including authorities of third countries, involved in the fight against these offences.
- (24) ~~Confidence~~ **Transparency in beneficial ownership can provide** financial markets ~~from~~ **and** investors and the general public **with greater confidence. This confidence** depends in large part on the existence of an accurate disclosure regime that provides ~~transparency~~ **information on** the beneficial ownership and control structures of ~~companies~~ **corporate and other legal entities**. ~~This is particularly true for corporate governance systems that are characterized by concentrated ownership, such as the one in the Union. On the one hand, large investors with significant voting and cash flow rights may encourage long term growth and firm performance. On the other hand, however, controlling beneficial owners with large voting blocks may have incentives to divert corporate assets and opportunities for personal gain at the expense of minority investors.~~
- (25) Member States should therefore allow access to beneficial ownership information in a sufficiently coherent and coordinated way, through the central registers in which beneficial ownership information is set out, by establishing a clear rule of public access, so that third parties are able to ascertain, throughout the Union, who are the beneficial owners of ~~companies~~ **corporate and other legal entities**. ~~It is therefore necessary to amend Directive 2009/101/EC of the European Parliament and the Council<sup>7</sup> in order to harmonise the national provisions on disclosure of information on the beneficial ownership of companies, particularly for the purpose of protecting the interests of third parties.~~

---

<sup>7</sup> ~~Directive 2009/101/EC of the European Parliament and of the Council of 16 September 2009 on coordination of safeguards which, for the protection of the interests of members and third parties, are required by Member States of companies within the meaning of the second paragraph of Article 48 of the Treaty, with a view to making such safeguards equivalent (OJ L 258, 1.10.2009, p. 11).~~

- (26) A fair balance should be sought in particular between the general public interest in corporate transparency and **interest** in the prevention of money laundering and **terrorist financing in** the data subjects' fundamental rights. The set of data to be made available to the public should be limited, clearly and exhaustively defined, and should be of a general nature, so as to minimize the potential prejudice to the beneficial owners. ~~At the same time, information made accessible to the public should not significantly differ from the data currently collected.~~ In order to limit the interference with the right to respect for their private life in general and to protection of their personal data in particular, that that information should relate essentially to the status of beneficial owners of businesses and trusts, and should strictly concern the sphere of economic activity in which the beneficial owners operate. **Member States should be allowed to identify any person, who requests information from the register.**
- (27) The disclosure of beneficial ownership information should be designed to give governments and regulators the opportunity to respond quickly to alternative investment techniques, such as cash-settled equity derivatives. ~~On the other hand, legitimate majority shareholding should not be deterred from taking an active role in monitoring management in listed companies.~~ For the functioning of financial markets that have become increasingly internationally-oriented and complex, it is essential that legal rules and requirements that enable information sharing on an international level be available and effectively implemented by national supervisory authorities.

- (28) ~~The personal data of beneficial owners should be publicly disclosed in order to enable third parties and civil society at large to know who the beneficial owners are.~~ The enhanced public scrutiny will contribute to preventing of the misuse of legal entities and legal arrangements for money laundering, terrorism financing purposes or for predicate offences such as, including tax avoidance evasion. **This objective can be attended only by ensuring a certain degree of information to be delivered to the knowledge of the public.** ~~Therefore, it~~ It is also essential that this information remains publicly available through the national registers and through the system of interconnection of registers for 10 years after the company has been struck off from the commercial or company register. **The publication of that information should be made in such a way as to cause less interference with the beneficiaries' right to respect for their private life in general and to protection of their personal data in particular, rights recognised by Articles 7 and 8 of the Charter of Fundamental Rights of the European Union.** ~~However~~ Therefore, Member States should ~~be able to~~ provide by law for the processing of the information on beneficial ownership, including personal data for other purposes if such processing meets an objective of public interest and constitutes a necessary and proportionate measure in a democratic society to the legitimate aim pursued.
- (29) Moreover, with the same aim of ensuring a proportionate and balanced approach and to guarantee the rights to private life and personal data protection, Member States should provide for exemptions to the disclosure of and to the access to beneficial ownership information in the registers, in exceptional circumstances, where the information would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation.

- (30) Directive 95/46/EC of the European Parliament and of the Council<sup>8</sup>, which will be replaced by Regulation (EU) 2016/679 of the European Parliament and of the Council<sup>9</sup>, applies to the processing of personal data under this Directive.
- (31) ~~As a consequence, natural persons whose personal data are held in the national registers as beneficial ownership information should be informed of the publication of their personal data before that publication takes place. Furthermore, only the personal data that is up to date and corresponds to the actual beneficial owners should be made available and the beneficiaries should be informed about their rights under the current Union legal data protection framework, as set out in Regulation (EU) 2016/679 and Directive (EU) 2016/680<sup>10</sup>, and the procedures applicable for exercising these rights.~~ **Member States should ensure that only up to date information is made available through their national registers and through the system of interconnection of registers, and the access to that information should be in accordance with data protection rules.**
- (32) This Directive is without prejudice to the protection of personal data processed by competent authorities in accordance with Council Framework Decision 2008/977/JHA<sup>11</sup>, which will be replaced by Directive (EU) 2016/680 of the European Parliament and of the Council<sup>12</sup>.

---

<sup>8</sup> Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281 , 23.11.1995, p.31).

<sup>9</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

~~<sup>10</sup> Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA (OJ L 119, 4.5.2016, p. 89).~~

<sup>11</sup> Council Framework Decision 2008/977/JHA of 27 November 2008 on the protection of personal data processed in the framework of police and judicial cooperation in criminal matters (OJ L 350, 30.12.2008, p. 60).

<sup>12</sup> Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA (OJ L 119, 4.5.2016, p. 89).

- (33) Currently, ~~companies~~corporate and ~~similar~~other legal entities active in the Union are under an obligation to register their beneficial ownership information, whereas the same obligation does not apply to all trusts and other legal arrangements which present similar characteristics. **It should be taken into account that other legal arrangements, such as Treuhand, fiducies or fideicomiso set up in the Union-, may have different legal characteristics throughout the Union. Member States should require that all legal arrangements governed under their law when having a structure and functions similar to trusts are treated as legal arrangements similar to trusts. By 2020, the Commission should assess whether all legal arrangements which have a structure and function similar to trusts governed under the law of Member States were duly identified and made subject to the obligations as set in this.** With a view to ensure that the beneficial owners of all legal entities and legal arrangements operating in the Union are properly identified and monitored under a coherent and equivalent set of conditions, rules regarding the registration of the beneficial ownership information of trusts by their trustees should be consistent with those in place in respect of the registration of beneficial ownership information of ~~companies~~corporate and other legal entities.
- (34) It is essential to take into account the particularities of trusts and similar legal arrangements, as far as publicly available information on their beneficial owner is concerned. Irrespective of their qualification under national law, a distinction should be drawn between, on the one hand, trusts **and other legal arrangements similar to trusts** which consist of any property held by or on behalf of a person carrying on a business which consists of or includes the management of trusts **or other legal arrangements similar to trusts**, and acting as trustee of a trust in the course of that business with a view to gain profit, and, on the other hand, any other trusts **or other legal arrangements similar to trusts**. Given the nature of the first category of trusts **and other legal arrangements similar to trusts**, information on their beneficial owners should be made publicly available through compulsory disclosure. Access should be given to the same limited set of data on the beneficial owner as in the case of ~~companies~~corporate and other legal entities.

- (35) In order to ensure proportionality, the beneficial ownership information in respect of any other trusts than those which consist of any property held by, or on behalf of, a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit should only be available to parties holding a legitimate interest. The legitimate interest with respect to money laundering, terrorist financing and the associated predicate offences should be justified by readily available means, such as statutes or mission statement of non-governmental organisations, or on the basis of demonstrated previous activities relevant to the fight against money laundering and terrorist financing or associated predicate offences, or a proven track record of surveys or actions in that field.
- (36) With a view to ensure a coherent and efficient registration and information exchange, Member States should ensure that their authority in charge of the register set up for the beneficial ownership information of trusts **and other legal arrangements similar to trusts** cooperates with its counterparts in other Member States, sharing information concerning trusts **and other legal arrangements similar to trusts** governed by the law of the first Member State and administered in another Member State.
- (37) It is important to ensure that anti-money laundering and terrorist financing rules are correctly implemented by obliged entities. In that context, Member States should strengthen the role of public authorities acting as competent authorities with designated responsibilities for combating money laundering or terrorist financing, including the FIUs, the authorities that have the function of investigating or prosecuting money laundering, associated predicate offences and terrorist financing, and seizing or freezing and confiscating criminal assets, ~~as well as anti-corruption authorities, tax authorities,~~ authorities receiving reports on cross-border transportation of currency and bearer-negotiable instruments and authorities that have supervisory or monitoring responsibilities aimed at ensuring compliance by obliged entities. **Member States should strengthen the role of other relevant authorities including anti-corruption authorities and tax authorities.**



**(37a) Competent authorities supervising obliged entities for compliance with this Directive should be able to cooperate and exchange confidential information, regardless of their respective nature or status. To this end, such competent authorities should have an adequate legal basis for exchange of confidential information, and collaboration between AML/CFT competent supervising authorities and prudential supervisors should not be hampered unintentionally by legal uncertainty which may stem from a lack of explicit provisions in this field.**

- (38) In accordance with the Joint Political Declaration of 28 September 2011 of Member States and the Commission on explanatory documents<sup>13</sup>, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified.
- (39) Since the objective of this Directive, namely the protection of the financial system by means of prevention, detection and investigation of money laundering and terrorist financing, cannot be sufficiently achieved by the Member States, as individual measures adopted by Member States to protect their financial systems could be inconsistent with the functioning of the internal market and with the prescriptions of the rule of law and Union public policy, but can rather, by reason of the scale and effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.
- (40) This Directive respects the fundamental rights and observes the principles recognised by the Charter of Fundamental Rights of the European Union, in particular the right to respect for private and family life (Article 7 of the Charter), the right to the protection of personal data (Article 8 of the Charter), the freedom to conduct a business (Article 16 of the Charter).

---

<sup>13</sup> OJ C 369, 17.12.2011, p. 14.

- (41) Given the need to urgently implement measures adopted with a view to strengthen the Union's regime set in place for the prevention of money laundering and terrorism financing, and seeing the commitments undertaken by Member States to quickly proceed with the transposition of Directive (EU) 2015/849, ~~this Directive should be transposed by 1 January 2017. For the same reasons, the amendments to Directive (EU) 2015/849 and Directive 2009/101/EC should also be transposed by 1 January~~ **26 June 2017. Acces to the information recorded in the registries pursuant to this Directive should be granted within 6 months after the implementation date. Central registers should be interconnected via the European Central Platform by 26 June 2018.**
- (42) The European Data Protection Supervisor was consulted in accordance with Article 28(2) of Regulation (EC) No 45/2001 of the European Parliament and of the Council<sup>14</sup> [and delivered an opinion on ...<sup>15</sup>],
- (43) Directives (EU) 2015/849 and 2009/101/EC should therefore be amended accordingly,

HAVE ADOPTED THIS DIRECTIVE:

---

<sup>14</sup> Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data (OJ L 8, 12.1.2001, p.1).

<sup>15</sup> OJ C ...

## Article 1

### Amendments to Directive (EU) 2015/849

Directive (EU) 2015/849 is amended as follows:

(1) in point (3) of Article 2(1), the following points (g) and (h) are added:

"(g) providers engaged ~~primarily and professionally~~ in exchange services between virtual currencies and fiat currencies;

(h) **custodian** wallet providers ~~offering custodial services of credentials necessary to access virtual currencies.~~";

(2) Article 3 is amended as follows:

(a) ~~in point (6)(a)(i), the following subparagraph is added:~~

~~"For the purposes of Article 13(1)(b) and Article 30 of this Directive, the indication of ownership or control set out in the second paragraph is reduced to 10% whenever the legal entity is a Passive Non Financial Entity as defined in Directive 2011/16/EU.";~~

(b) point (16) is replaced by the following:

"(16) 'electronic money' means electronic money as defined in point (2) of Article 2 of Directive 2009/110/EC, but excluding monetary value as referred to in Article 1(4) and (5) of that Directive;" ;

(c) the following point (18) is added:

"(18) 'virtual currencies' means a digital representation of value that is ~~neither issued by a central bank or a public authority, nor necessarily attached to a fiat currency,~~ but is accepted by natural or legal persons as a means of payment and can be ~~transferred, stored or traded electronically~~ **can be digitally transferred, stored or traded and functions as a medium of exchange, but does not have legal tender status in any jurisdiction and which is not funds as defined in point (25) of Article 4 of the Directive 2015/2366/EC nor monetary value stored on instruments exempted as specified in Article 3(k) and 3(l) of that Directive.**";

**(d) the following point (19) is added:**

**"(19) "custodian wallet provider" means an entity that provides services to safeguard private keys on behalf of their customers, to holding, store and transfer virtual currencies."**

(3) Article 12 is amended as follows:

(a) paragraph 1 is amended as follows:

(i) in the first subparagraph, points (a) and (b) are replaced by the following:

"(a) the payment instrument is not reloadable, or has a maximum monthly payment transactions limit of EUR 150 which can be used only in that Member State;

(b) the maximum amount stored electronically does not exceed EUR 150;"

(ii) the second subparagraph is deleted;

(b) paragraph 2 is replaced by the following:

"2. Member States shall ensure that the derogation provided for in paragraph 1 is not applicable in the case ~~either of:~~

~~online payment~~

~~a) or of redemption in cash or cash withdrawal of the monetary value of the electronic money where the amount redeemed exceeds EUR 50~~ **or**

**b) remote payment transactions as defined in point (6) of Article 4 of the Directive 2015/2366/EC where the amount paid exceeds EUR 50 and as from the date of entry into force of this directive + 24 months for all remote payment transactions.**";

(c) the following paragraph 3 is added:

**"3. Member States shall ensure that Union credit institutions and financial institutions acting as acquirers only accept payments carried out with prepaid cards issued in third countries where such cards meet requirements equivalent to those set out in points (a), (b), (c) of the first subparagraph of Article 13(1) and Article 14, or can be considered to meet the requirements in paragraphs 1 and 2 of this Article payment card schemes as defined in point 16 of the Article 2 of the Regulation No 2015/751 allow only the use of anonymous prepaid cards issued in third country where issuer has proven that it meets requirements equivalent to those set out in points (a), (b), (c) of the first subparagraph of Article 13(1) and Article 14, or the requirements in paragraphs 1 and 2 of this Article."**;

(4) in Article 13(1), point (a) is replaced by the following:

"(a) identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source, including, where available, electronic identification means **and relevant trust services** as set out in Regulation (EU) No 910/2014\***or national law**;

---

\* Regulation (EU) No 910/2014 of the European Parliament and the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73)."

(5) in Article 14, paragraph 5 is replaced by the following:

"5. Member States shall require that obliged entities apply the customer due diligence measures not only to all new customers but also at appropriate times to existing customers on a risk-sensitive basis, or when the relevant circumstances of a customer change, or when the obliged entity has ~~any~~ **legal** duty in the course of the relevant calendar year, to contact the customer for the purpose of reviewing any information related to the beneficial owner(s), in particular under Directive 2011/16/EU.";

(6) in Article 18 (1), the first subparagraph is replaced by the following:

"In the cases referred to in Articles ~~19~~**18a** to 24, as well as in other cases of higher risk that are identified by Member States or obliged entities, Member States shall require obliged entities to apply enhanced customer due diligence measures to manage and mitigate those risks appropriately.";

(7) The following Article 18a is inserted:

*"Article 18a*

1. With respect to **business relationships or** transactions involving high risk third countries **identified pursuant to Article 9 (2)**, Member States shall require ~~that, when dealing with natural persons or legal entities established in the third countries identified as high risk third countries pursuant to Article 9 (2),~~ obliged entities ~~shall~~ **to** apply ~~at least all~~ the following enhanced customer due diligence measures:

- (a) obtaining additional information on the customer **and on the beneficial owner**;
- (b) obtaining ~~additional~~ **additional** information on the intended nature of the business relationship;
- (c) obtaining information on the source of funds ~~or~~ **and** source of wealth of the customer **and of the beneficial owner**;

- (d) obtaining information on the reasons for the intended or performed transactions;
- (e) obtaining the approval of senior management for establishing or continuing the business relationship;
- (f) ~~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;~~
- (g) ~~requiring the first payment to be carried out through an account in the customer's name with a bank subject to similar CDD standards.~~

**Member States shall ensure that the obliged entities as far as reasonably possible:**

- (a) **conduct monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination;**
- (b) **require the first payment to be carried out through an account in the customer's name with a credit institution subject to CDD standards that are not less robust than those laid down in this Directive.**

2. In addition to the measures provided in paragraph 1 and in compliance with international obligations of the Union, Member States ~~may~~**shall** require obliged entities, ~~when dealing with natural persons or legal entities established in the third countries identified as high risk third countries pursuant to Article 9(2) to apply~~ **as far as reasonably possible** one or several additional mitigating measures:

- (a) ~~requiring financial institutions to apply~~ additional elements of enhanced due diligence;
- (b) introducing enhanced relevant reporting mechanisms or systematic reporting of ~~financial~~ transactions;

(c) limiting business relationships or ~~financial~~ transactions with natural persons or legal entities from the third countries identified ~~country~~ as high risk countries pursuant to Article 9(2).

3. In addition to the measures provided in paragraph 1, Member States ~~may~~ shall apply as far as reasonably possible one or several of the following measures to high risk third countries identified ~~as high risk third countries~~ pursuant to Article 9(2) in compliance with international obligations of the Union:

(a) refusing the establishment of subsidiaries or branches or representative offices of ~~financial institutions~~ obliged entities from the country concerned, or otherwise taking into account the fact that the relevant ~~financial institution~~ obliged entity is from a country that does not have adequate AML/CFT systems;

(b) prohibiting ~~financial institutions~~ obliged entities from establishing branches or representative offices in the country concerned, or otherwise taking into account the fact that the relevant branch or representative office would be in a country that does not have adequate AML/CFT systems;

(c) prohibiting ~~financial institutions~~ obliged entities from relying on third parties located in the country concerned to conduct elements of the customer due diligence process pursuant to Article 25;

(d) requiring ~~financial institutions~~ obliged entities to review and amend, or if necessary terminate, correspondent relationships with ~~financial institutions~~ obliged entities in the country concerned;

(e) requiring increased supervisory examination or external audit requirements for branches and subsidiaries of ~~financial institutions~~ obliged entities based in the country concerned;

(f) requiring increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in the country concerned.



4. When enacting or applying the measures set out in paragraphs 2 and 3, Member States shall take into account, as appropriate relevant evaluations, assessments or reports drawn up by international organisations and standard setters with competence in the field of preventing money laundering and combatting terrorist financing, in relation to the risks posed by individual third countries.

5. Member States shall notify the Commission before enacting or applying the measures set out in paragraphs 2 and 3.";

(8) in Article 27, paragraph 2 is replaced by the following:

"2. Member States shall ensure that obliged entities to which the customer is referred take adequate steps to ensure that the third party provides immediately, upon request, relevant copies of identification and verification data, including, where available, data obtained through electronic identification means **and relevant trust services** as set out in Regulation (EU) No 910/2014 **or national law**, and other relevant documentation on the identity of the customer or the beneficial owner.";

(9) Article 30 is amended as follows:

(a) in paragraph 5, point (c) of the first subparagraph and the second subparagraph are deleted;

**(aa) the following paragraph 5a is added:**

**"5a. Member States shall take the necessary measures to ensure public access to information on the beneficial ownership of the entities referred to in paragraph 1. This information shall consist of the name, the month and year of birth and the country of residence of the beneficial owner as well as the nature and extent of the beneficial interest held.**

**For the purposes of this paragraph, access to the information on beneficial ownership shall be in accordance with data protection rules and may be subject to online registration and to the payment of a fee. The fee charged for obtaining the information shall not exceed the administrative costs thereof.**

**The personal data of beneficial owners of the entities referred to in paragraph 1 shall be disclosed for the purpose of enabling third parties and civil society at large to know who are the beneficial owners, thus contributing through enhanced public scrutiny to prevent the misuse of corporate and other legal entities for the purposes of money laundering and terrorist financing.**

(b) paragraph 6 is replaced by the following:

"6. The central register referred to in paragraph 3 shall ensure timely and unrestricted access by competent authorities and FIUs to all information held in the central register without any restriction and without alerting the entity concerned. It shall also allow timely access by obliged entities when taking customer due diligence measures in accordance with Chapter II.

Competent authorities granted access to the central register referred to in paragraph 3 shall be those public authorities with designated responsibilities for combating money laundering or terrorist financing, ~~including~~ **as well as** tax authorities and authorities that have the function of investigating or prosecuting money laundering, associated predicate offences and terrorist financing, tracing and seizing or freezing and confiscating criminal assets.";

(c) paragraphs 9 and 10 are replaced by the following:

"9. In exceptional circumstances to be laid down in national law, where the access referred to in point (b) of paragraph 5 **and paragraph 5a** would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation, or where the beneficial owner is a minor or otherwise incapable, Member States ~~may~~ **shall** provide for an exemption from such access to all or part of the information on the beneficial ownership on a case-by-case basis. **Member States shall ensure that these exemptions are granted upon a detailed evaluation of the exceptional nature of the circumstances.**

Exemptions granted pursuant to this paragraph shall not apply to credit institutions and financial institutions, and to the obliged entities as referred to in point (3)(b) of Article 2(1) that are public officials.

10. Member States shall ensure that the central registers referred to in paragraph 3 of this Article are interconnected via the European Central Platform established by Article 4a(1) of Directive 2009/101/EC. The connection of the Member States' central registers to the platform shall be set up in accordance with the technical specifications and procedures established by implementing acts adopted by the Commission in accordance with Article 4c of Directive 2009/101/EC.

Member States shall ensure that the information referred to in paragraph 1 of this Article is available through the system of interconnection of registers established by Article 4a(2) of Directive 2009/101/EC, in accordance with Member States' national laws implementing paragraph 5 of this Article.

**The information referred to in paragraph 1 of this Article shall be publicly available through the national registers and through the system of interconnection of registers for no longer than 10 years after the corporate or other legal entity has been struck off from the commercial or company register.**

Member States shall cooperate among themselves and with the Commission in order to implement the different types of access in accordance with ~~paragraph~~ **paragraphs 5 and 5a.**";

(10) Article 31 is amended as follows:

(a) paragraph 1 is replaced by the following:

"1. Member States shall ensure that this Article applies to trusts and other types of legal arrangements ~~having a structure or functions similar to trusts~~, such as, inter alia, fiducie, Treuhand or fideicomiso **when having a structure and functions similar to trusts.**

Each Member State shall require that trustees of any express trust administered in that Member State obtain and hold adequate, accurate and up-to-date information on beneficial ownership regarding the trust. That information shall include the identity of:

- (a) the settlor;
- (b) the trustee(s);
- (c) the protector (if any);
- (d) the beneficiaries or class of beneficiaries;
- (e) any other natural person exercising ~~effective~~ **ultimate** control of the trust.";

(b) the following paragraph 3a is inserted:

"3a. The information referred to in paragraph 1 shall be held in a central **beneficial ownership** register set up by the Member State where the trust is administered.";

(c) paragraph 4 is replaced by the following:

"4. Member States shall ensure that the information held in the register referred to in paragraph 3a is accessible in a timely and unrestricted manner by competent authorities and FIUs, without alerting the parties to the trust concerned. They shall also ensure that obliged entities are allowed timely access to that information, pursuant to the provisions on customer due diligence laid down in Chapter II. Member States shall notify to the Commission the characteristics of those mechanisms.

Competent authorities granted access to the central register referred to in paragraph 3a shall be those public authorities with designated responsibilities for combating money laundering or terrorist financing, ~~including~~ **as well as** tax authorities and authorities that have the function of investigating or prosecuting money laundering, associated predicate offences and terrorist financing and seizing or freezing and confiscating criminal assets.";

(d) the following paragraphs **4a-1**, 4a and 4b are inserted:

**"4a-1. Member States shall take the necessary measures to ensure public access to information on the beneficial ownership of trusts which comprise any property held by, or on behalf of, a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit, and other types of legal arrangements having a structure or functions similar to such trusts. This information shall consist of the name, the month and year of birth and the country of residence of the beneficial owner as well as the nature and extent of the beneficial interest held.**

**For the purposes of this paragraph, access to the information on beneficial ownership shall be in accordance with data protection rules and may be subject to online registration and to the payment of a fee. The fee charged for obtaining the information shall not exceed the administrative costs thereof.**

**The personal data of beneficial owners of the trusts and other legal arrangements similar to trusts referred to in the first subparagraph shall be disclosed for the purpose of enabling third parties and civil society at large to know who are the beneficial owners, thus contributing through enhanced public scrutiny to prevent the misuse of trust and other legal arrangements similar to trusts for the purposes of money laundering and terrorist financing.**

4a. The information held in the register referred to in paragraph 3a of this Article with respect to any other trusts than those referred to in ~~Article 7b (b) of Directive (EC) 2009/104~~**paragraph 4a-1** shall be accessible to any person or organisation that can demonstrate a legitimate interest.

The information accessible to persons and organisations that can demonstrate a legitimate interest shall consist of the name, the month and year of birth, the nationality and the country of residence of the beneficial owner as defined in Article 3(6)(b).

4b. Whenever entering into a new customer relationship with a trust or other legal arrangement subject to registration of beneficial ownership information pursuant to paragraph 3a, the obliged entities shall collect proof of registration whenever applicable.";

(e) the following paragraph 7a is inserted:

"7a. In exceptional circumstances laid down in national law, where the access referred to in paragraphs 4 and 4a would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation, or where the beneficial owner is a minor or otherwise incapable, Member States ~~may~~**shall** provide for an exemption from such access to all or part of the information on the beneficial ownership on a case-by-case basis. **Member States shall ensure that these exemptions are granted upon a detailed evaluation of the exceptional nature of the circumstances.**

Exemptions granted pursuant to the first subparagraph shall not apply to the credit institutions and financial institutions, and to obliged entities referred to in point (3)(b) of Article 2(1) that are public officials.

Where a Member State decides to establish an exemption in accordance with the first subparagraph, it shall not restrict access to information by competent authorities and FIUs.";

(f) paragraph 8 is deleted;

(g) paragraph 9 is replaced by the following:

"9. Member States shall ensure that the central registers referred to in paragraph 3a of this Article are interconnected via the European Central Platform established by Article 4a(1) of Directive 2009/101/EU. The connection of the Member States' central registers to the platform shall be set up in accordance with the technical specifications and procedures established by implementing acts adopted by the Commission in accordance with Article 4c of Directive 2009/101/EC.

Member States shall ensure that the information referred to in paragraph 1 of this Article is available through the system of interconnection of registers established by Article 4a(2) of Directive 2009/101/EU, in accordance with Member States' national laws implementing paragraphs 4 and 5 of this Article.

Member States shall ensure that only the information referred to in paragraph 1 that is up to date and corresponds to the actual ownership beneficiaries is made available through their national registers and through the system of interconnection of registers, and the access to that information shall be in accordance with data protection rules.

**The information referred to in paragraph 1 of this Article shall be publicly available through the national registers and through the system of interconnection of registers for no longer than 10 years after the trust or other legal arrangement similar to a trust has been struck off from the commercial or company register.**

Member States shall cooperate with the Commission in order to implement the different types of access in accordance with paragraphs 4 and 4a of this Article.";

(h) the following paragraphs 10 and 10a ~~is~~**are** added:

"10. For the purposes of this Article, a trust is considered to be administered in each Member State where the trustees are established.

**10a. By 26 June 2020, the Commission shall submit a report to the European Parliament and to the Council assessing whether all legal arrangements which have a structure and function similar to trusts governed under the law of Member States were duly identified and made subject to the obligations as set out in this Directive. Where appropriate, the Commission shall take the necessary steps to act upon the findings of that report.**"

(11) Article 32 is amended as follows:

(a) in the first subparagraph of paragraph 3, the fourth sentence is replaced by the following:

~~"It~~**In the context of its functions, each FIU** shall be able to obtain and use the information from any obliged entity **for the purpose set in paragraph 1 of this Article, even if such obliged entity did not file a prior report pursuant to Article 33(1)(a).**";

(b) ~~the following paragraph 9 is added:~~

~~"9. In the context of its functions, each FIU shall be able to obtain from any obliged entity information for the purpose set in paragraph 1 of this Article, even if such obliged entity did not file a prior report pursuant to Article 33(1)(a).";~~

(12) the following Article 32a is inserted:

*"Article 32a*

1. Member States shall put in place ~~automated~~-centralised **automated** mechanisms, such as central registries or central electronic data retrieval systems, which allow the identification, in a timely manner, of any natural or legal persons holding or controlling payment accounts as defined in Directive ~~2007/64/EC~~**2015/2366 identified by IBAN**, and bank accounts held by a credit institution **identified by IBAN**<sup>16</sup> within their territory. Member States shall notify the Commission of the characteristics of those national mechanisms.

2. Member States shall ensure that the information held in the centralised mechanisms referred to in paragraph 1 is directly accessible, ~~at~~ **in an immediate and unfiltered way to national level**, ~~to~~ FIUs and **also accessible to national** competent authorities for fulfilling their obligations under this Directive. Member States shall ensure that any FIU is able to provide information held in the centralised mechanisms referred to in paragraph 1 to any other FIUs in a timely manner in accordance with Article 53.

3. The following information shall be accessible and searchable through the centralised mechanisms referred to in paragraph 1:

- for the customer-account holder and any person purporting to act on behalf of the customer: the name, complemented by **either** the other identification data required under the national provisions transposing Article 13(1) (a) or a unique identification number;
- for the beneficial owner of the customer-account holder: the name, complemented by **either** the other identification data required under the national provisions transposing Article 13(1)(b) or a unique identification number;
- for the bank or payment account: the IBAN number and the date of account opening and closing.";

---

<sup>16</sup> **Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (OJ L94, 30.03.2012, p. 28)**



**3a. Member States may consider requiring other information deemed essential for FIUs and competent authorities for fulfilling their obligations under this Directive to be accessible and searchable through the centralised mechanisms."**

(13) in Article 33(1), point (b) is replaced by the following:

"(b) providing the FIU directly, at its request, with all necessary information.";

(14) in Article 39, paragraph 3 is replaced by the following:

"3. The prohibition laid down in paragraph 1 shall not prevent disclosure between the credit institutions and financial institutions from the Member States provided that they belong to the same group, or between these entities and their branches and majority owned subsidiaries established in third countries, provided that these branches and majority-owned subsidiaries fully comply with the group-wide policies and procedures, including procedures for sharing information within the group, in accordance with Article ~~42~~**45** and that the group-wide policies and procedures comply with the requirements set out in this Directive.";

(15) in Article 40, paragraph 1 is amended as follows:

(a) points (a) and (b) are replaced by the following:

"(a) in the case of customer due diligence, a copy of the documents and information which are necessary to comply with the customer due diligence requirements laid down in Chapter II, including, where available, information obtained through electronic identification means **and relevant trust services** as set out in Regulation (EU) No 910/2014 **or national law**, for a period of five years after the end of the business relationship with their customer or after the date of an occasional transaction;

(b) the supporting evidence and records of transactions, consisting of the original documents or copies admissible in judicial proceedings under the applicable national law, ~~including, where available, information obtained through electronic identification means as set out in Regulation (EU) No 910/2014,~~ which are necessary to identify transactions, for a period of five years after the end of a business relationship with their customer or after the date of an occasional transaction.";

(b) the following subparagraph is added:

~~"The second subparagraph"~~ **"The retention period referred to in this paragraph** shall also apply in respect of the data accessible through the centralised mechanisms referred to in Article 32a.";

(16) in Article 47, paragraph 1 is replaced by the following:

"1. Member States shall ensure that providers of ~~exchanging~~ **exchange** services between virtual currencies and fiat currencies, **and** custodian wallet providers, **are registered, that** currency exchange and cheque cashing offices, and trust or company service providers are licensed or registered, and that providers of gambling services are regulated.";

(17) Article 49 is replaced by the following:

*"Article 49*

Member States shall ensure that policy makers, the FIUs, supervisors and other competent authorities involved in AML/CFT, ~~such as~~ **as well** as tax authorities, have effective mechanisms to enable them to cooperate and coordinate domestically concerning the development and implementation of policies and activities to combat money laundering and terrorist financing, including with a view to fulfilling their obligation under Article 7.";

(18) in Section 3 of Chapter VI, the following subsection IIa is added:

"Subsection IIa

Cooperation between competent authorities **of the Member States**

*Article 50a*

Member States shall not prohibit or place unreasonable or unduly restrictive conditions on the exchange of information or assistance between competent authorities **for the purposes of this Directive**. In particular Member States shall ensure that competent authorities do not refuse a request for assistance on the grounds that:

(a) the request is also considered to involve tax matters;

(b) national legislation requires obliged entities to maintain secrecy or confidentiality, except **those cases** where the relevant information that is sought is ~~held in circumstances where~~ **protected by** legal privilege or legal professional secrecy ~~applies~~ **as described in Article 34(2)**;

(c) there is an inquiry, investigation or proceeding underway in the requested Member State, unless the assistance would impede that inquiry, investigation or proceeding;

(d) the nature or status of the requesting counterpart **competent** authority is different from that of **the** requested competent authority.";

(19) in Article 53, **the first subparagraph of** paragraph 1 is replaced by the following:

"1. Member States shall ensure that FIUs exchange, spontaneously or upon request, any information that may be relevant for the processing or analysis of information by the FIU related to money laundering or terrorist financing and the natural or legal person involved, regardless of the type of associated predicate offences and even if the type of associated predicate offences is not identified at the time of the exchange.";

(b) in the second subparagraph of paragraph 2, the second sentence is replaced by the following:

"That FIU shall obtain information in accordance with Article 32(9) and transfer the answers promptly.";

(20) In Article 55, paragraph 2 is replaced by the following:

"2. Member States shall ensure that the requested FIU's prior consent to disseminate the information to competent authorities is granted promptly and to the largest extent possible, regardless of the type of associated predicate offences. The requested FIU shall not refuse its consent to such dissemination unless this would fall beyond the scope of application of its AML/CFT provisions, ~~could lead to impairment of a criminal investigation, would be clearly disproportionate to the legitimate interests of a natural or legal person or the Member State of the requested FIU, or would otherwise not be in accordance with fundamental principles of national law of that Member State.~~ Any such refusal to grant consent shall be appropriately explained.";

(21) Article 57 is replaced by the following:

*"Article 57*

Differences between national law definitions of tax crimes shall not impede the ability of FIUs to provide assistance to another FIU and shall not limit the exchange, dissemination and the use of information pursuant to Articles 53, 54 and 55.";

**(21a) In Section 3 of Chapter VI, the following subsection IIIa is added:**

## “Subsection IIIa

### Cooperation between competent authorities supervising authorities credit and financial institutions and professional secrecy”

#### Article 57a

1. Member States shall provide that all persons working for or who have worked for competent supervising authorities for compliance with this Directive and auditors or experts acting on behalf of such competent supervising authorities shall be bound by the obligation of professional secrecy.

Confidential information which they receive in the course of their duties under this Directive may be disclosed only in summary or aggregate form, such that individual obliged entities cannot be identified, without prejudice to cases covered by criminal law and administrative sanctioning provisions.

[2. Paragraph 1 shall not prevent the exchange of information between competent supervising authorities within a Member States or between competent supervising authorities in different member States in accordance with this Directive or other Directives or Regulations relating to the supervision of obliged entities. That information shall be subject to the conditions of professional secrecy indicated in paragraph 1. ]

3. Competent supervising authorities receiving confidential information as referred to in paragraph 1, shall only use this information:

- in the discharge of their duties under this Directive or other Directives or Regulations, including sanctioning;
- in an appeal against a decision of the competent supervising authority, including court proceedings;
- in court proceeding initiated pursuant to special provisions provided for in Union Law adopted in the field of this Directive or in the field of the obliged entities.

**4. Member States shall ensure that competent supervising authorities cooperate with each other for the purposes of this Directive to the greatest extent possible, regardless of their respective nature or status. Such cooperation also includes the ability to conduct, within the powers of the requested competent authority, inquiries on behalf of a requesting competent authority, and the subsequent exchange of the information obtained through such inquiries. ]**

**5. Member States may conclude cooperation agreements providing for collaboration and exchanges of confidential information with the competent supervising authorities of third countries that constitute counterparts of the national competent supervising authorities mentioned in paragraph 1. Such cooperation agreements shall be concluded on the basis of reciprocity and only if the information disclosed is subject to guarantees of professional secrecy at least equivalent to those referred to in paragraph 1. Confidential information exchanged according to these cooperation agreements shall be used for the purpose of performing the supervisory task of those authorities.**

**Where the exchanged information originates in another Member State, it shall only be disclosed with the explicit agreement of the competent authorities which have disclosed it and, where appropriate, solely for the purposes for which those authorities gave their agreement.**

#### **Article 57b**

**1. Notwithstanding Article 57a (1) and (3), Member States may authorise exchange of information between competent authorities, in the same Member State or in a different Member State, between the competent authorities and authorities entrusted with the public duty of supervising financial sector entities and natural or legal persons acting in the exercise of their professional activities as referred to in Article 2(1)(3) of this Directive and the authorities responsible for the supervision of financial markets.**

**The information received shall in any event be subject to professional secrecy requirements at least equivalent to those referred to in Article 57a (1).**

**2. Notwithstanding Article 57a (1) and (3), Member States may, by virtue of provisions laid down in national law, authorise the disclosure of certain information to other national authorities responsible for law on the supervision of the financial markets, or the investigation of money laundering, the associated predicate offences and terrorist financing.**

**However, confidential information exchanged according to paragraph 2 shall only be used for the purpose of performing the legal tasks of authorities mentioned. Persons having access to such information shall be subject to professional secrecy requirements at least equivalent to those referred to in Article 57a (1).**

**3. This Subsection shall not prevent the competent authorities supervising credit and financial institutions for compliance with this Directive from transmitting confidential information, for the purposes of their tasks, to other authorities responsible for supervising credit and financial institutions according to other Directives or Regulations, including the European Central Bank acting according to Regulation 1024/2013.**

(22) in Article 65, the following second paragraph is added:

"The report shall be accompanied, if necessary, by appropriate proposals, including, where appropriate, with respect to virtual currencies, empowerments to set-up and maintain a central database registering users' identities and wallet addresses accessible to FIUs, as well as self-declaration forms for the use of virtual currency users.";

(23) in Article 66, the first paragraph is replaced by the following:

"Directives 2005/60/EC and 2006/70/EC are repealed with effect from 1 January 2017.";

(24) **Article 67 is amended as follows:**

**(a) the first subparagraph of** Article 67(1), ~~the first subparagraph~~ is replaced by the following:

"Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by ~~1 January~~ **26 June** 2017. **Access to the information recorded in the registries pursuant to this Directive shall be granted within 6 months after the implementation date.** They shall immediately communicate the text of those measures to the Commission.“;

**(b) the following paragraph 1a is inserted:**

**(1a) Notwithstanding paragraph 1, Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Article 30(10) and Article 31(9) by 26 June 2018.**

(25) in point (2) of Annex III, point (c) is replaced by the following:

"(c) non-face-to-face business relationships or transactions, without certain safeguards, such as electronic identification means or relevant trust services as defined in Regulation (EU) 910/2014;".

*Article 2*

*Amendments to Directive 2009/101/EC*

~~Directive 2009/101/EC is amended as follows:~~

~~(1) in Chapter 1, the following Article 1a is inserted:~~



## *Article 1a*

### *Scope*

~~The measures on the disclosure of information on the beneficial ownership apply in in respect of the laws, regulations and administrative provisions of the Member States relating to:~~

~~(a) corporate and other legal entities referred to in Article 30 of Directive 2015/849 of the European Parliament and of the Council\*, including the types of companies referred to in Article 1 of this Directive, save for those which are non profit making;~~

~~(b) trusts which comprise any property held by, or on behalf of, a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit, and other types of legal arrangements having a structure or functions similar to such trusts.~~

---

~~\* 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).";~~

~~(2) in Chapter 2, the following Article 7b is inserted:~~

### *"Article 7b*

#### *Disclosure of beneficial ownership information*

~~1. Member States shall take the measures required to ensure compulsory disclosure by the entities referred to in Article 1a(a) and (b) of this Directive of adequate, accurate and current information on their beneficial ownership, in accordance with Articles 30 and 31 of Directive 2015/849.~~

The information shall consist of the name, the month and year of birth, the nationality and the country of residence of the beneficial owner as well as the nature and extent of the beneficial interest held.

- ~~2. The disclosure of beneficial ownership information as referred to in paragraph 1 shall be ensured through the central registers referred to in Article 30(3) and Article 31(3a) of Directive 2015/849.~~
- ~~3. Member States shall ensure that the beneficial ownership information referred to in paragraph 1 of this Article shall also be made publicly available through the system of interconnection of registers referred to in Article 4a(2).~~
- ~~4. In exceptional circumstances laid down in national law, where the access to the information set out in paragraph 1 would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation, or where the beneficial owner is a minor or otherwise incapable, Member States may provide for an exemption from the compulsory disclosure of to all or part of the information on the beneficial ownership on a case-by-case basis.~~
- ~~5. The personal data of beneficial owners referred to in paragraph 1 shall be disclosed for the purpose of enabling third parties and civil society at large to know who are the beneficial owners, thus contributing to prevent the misuse of legal entities and legal arrangements through enhanced public scrutiny. For this purpose the information shall be publicly available through the national registers and through the system of interconnection of registers for no longer than 10 years after the company has been struck off from the register."~~

Article 2a

Amendments to Directive 2013/36/EC

**(1) in Article 56 in paragraph 1 the following point is added:**

**(g) authorities responsible for supervising the obliged entities mentioned in Article 2, paragraph 1, (1) and (2) of Directive 2015/849 for compliance with that Directive."**

Article 2b

Amendments to Directive 2009/138/EC

**(1) in Article 68 in paragraph 1 (b) the following point is added:**

**(iv) authorities responsible for supervising the obliged entities mentioned in Article 2, paragraph 1, (1) and (2) of Directive 2015/849 for compliance with that Directive."**

*Article 3*

*Transposition*

1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by ~~1 January 2017~~ **26 June 2017** at the latest. They shall forthwith communicate to the Commission the text of those provisions.

When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

*Article 4*

*Entry into force*

This Directive shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

*Article 5*

*Addressees*

This Directive is addressed to the Member States.

Done at Strasbourg,

*For the European Parliament*

*The President*

*For the Council*

*The President*

---