



Brussels, 29 November 2021
(OR. en)

14257/21

LIMITE

EF 358
ECOFIN 1127
ENFOPOL 462
CT 157
FISC 204
COTER 154
CODEC 1527

**Interinstitutional File:
2021/0241 (COD)**

'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. Cion doc.:	10290/21 + ADD 1
Subject:	Proposal for a Regulation of the European Parliament and of the Council on information accompanying transfers of funds and certain crypto-assets (recast) - Mandate for negotiations with the European Parliament

I. INTRODUCTION

1. On 20 July 2021, the Commission presented its package of legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules. This package consists of an AML/CFT Regulation¹, an AML/CFT Directive², a Regulation establishing a new EU AML/CFT Authority³, and a recast of the Transfer of Funds Regulation⁴, and aims at improving the detection of suspicious transactions and activities and closing loopholes used by criminals to launder illicit proceeds or finance terrorist activities through the financial system.

¹ Document ST 10286/21

² Document ST 10289/21

³ Document ST 10287/21

⁴ Document ST 10290/21

2. On 22 September 2021, the European Data Protection Supervisor adopted an opinion on the package⁵.

II. STATE OF PLAY

3. On 26 July 2021, ECOFIN ministers held an initial exchange of views on the package. In technical discussions during informal videoconference meetings of the Working Party on Financial Services and Banking Union, the proposal to accelerate negotiations on the Transfer of Funds Regulation with a view to its faster application gained the support of Member States.
4. The recast of the Transfer of Funds Regulation aims to increase the traceability of crypto-assets by extending the scope of Regulation 2015/847 to include transfers of crypto-assets made by Crypto-Asset Service Providers. It is based on Article 114 of the Treaty on the Functioning of the European Union and is subject to the ordinary legislative procedure.
5. On 29 November 2021 the working party confirmed its strong support to the compromise proposal on the Transfer of Funds Regulation as set out in document 14259/21, to which no delegation objected;

III. CONCLUSION

6. In view of the above, it is suggested that the Committee of Permanent Representatives:
 - agree the negotiating mandate with regard to the proposed recast of the Transfer of Funds Regulation, as set out in document 14259/21;
 - invite the Presidency to start negotiations with the European Parliament, on the basis of this mandate, with a view to reaching agreement at first reading.
7. Unless objected by the Committee of Permanent Representatives, this document and document 14259/21 (the negotiating mandate) will be made public by the General Secretariat of the Council after approval.

⁵ Document ST 12202/21