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From:	Commission services
To:	Financial Services Attachés Working Party on Financial Services and the Banking Union (AML)
Subject:	Commission services non-paper on Member States that designated posts from local and regional authorities as prominent public functions

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Member States that designated posts from local and regional authorities as prominent public functions

As part of its negotiating position on the future Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Regulation, the European Parliament proposed that posts as heads of regional and local authorities including groupings of municipalities and metropolitan regions of at least 30.000 inhabitants should be considered as prominent public functions. As a result, their holders (and previous holders) would qualify as politically exposed persons (PEPs) and be subject to specific enhanced due diligence measures under the AML/CFT framework.

During the second technical meeting on the AML/CFT Regulation, held on 23 May 2023, the question arose of how many Member States have identified posts from local and regional authorities as prominent public functions. This paper provides a summary of the information that the Commission holds in this regard, based on notifications from Member States pursuant to Article 20a(1) of Directive (EU) 2015/849.

According to that information, 17 Member States have included officials from regional and local authorities, whereas ten Member States have chosen not to include regional and local authorities' posts in the list of prominent public functions. The table below summarises the situation in each Member State. Two specific cases are to be noted:

- **Ireland** has not specifically designated regional and local authority officials as PEPs but has created an open-ended designation determined by the salary held by a public office holder. Anyone holding an office or other position in a public body, the remuneration for which is not less than the lowest remuneration which applies to a Deputy Secretary in the Irish civil service¹, is deemed to be a PEP. Of all the 33 local authorities in Ireland, only the chief executive officer of Dublin City Council, with a salary of €216,936, currently qualifies for inclusion as a PEP.
- At sub-federal level **Germany** has designated members of the Bundesrat as prominent public functions. Members of the Bundesrat emanate from the 16 *Bundesland* (state) governments. When a member of a *Bundesland* government becomes a Bundesrat representative, they are deemed to be holding a prominent public function. This is not the case in relation to their function at *Bundesland* level alone.

¹ Deputy Secretary is a role found only in the largest of Irish government departments and sits just under the secretary general, who is the chief executive officer of a government department. The lowest remuneration for a Deputy Secretary in the Irish civil service is currently set at €199,040, see gov.ie - Circular 02 - 2023: Application of 1 March Pay Adjustment (www.gov.ie).

Member State	Posts in local and regional authorities identified as prominent public functions? (Yes/No)	Details
AT	Yes	Heads of state, heads of government, ministers, deputy ministers and state secretaries; In Austria, this concerns in particular...the provincial governments;
BE	Yes	Minister-Presidents, deputy Minister Presidents
BG	Yes	Mayor and deputy mayor of municipalities, Chairperson and Vice-Chairperson municipal council (<i>obshtinski savet</i>), Mayor and deputy mayor of district (<i>rayon</i>)
HR	Yes	Municipal mayors and deputy mayors City mayors and deputy mayors County prefects and deputy prefects
CY	Yes	Mayor
CZ	Yes	Head of local government Mayor Deputy mayor Municipal clerk Chief executive of Prague City Council President of a region Vice-president of a region Chief executive of a regional authority Mayor of a municipality with extended competence
DK	No	
EE	Yes	Mayors of the cities of Tallinn, Tartu, Narva, Pärnu and Kohtla-Järve, and the mayor of the Saaremaa municipality
FI	Yes	The functions of a member of the government of Åland [<i>Ahvenanmaan maakunnan hallitus</i>], Governor of Åland.
FR	No	

DE	No	Members of the Bundesrat are designated as prominent public functions
EL	Yes	Governors of regions and deputy governors, mayors and deputy mayors
HU	No	
IE	Yes	<p>A 'prominent public function,' where not elsewhere defined, shall be any person holding an office or other position in a public body in respect of which the remuneration is not less than the lowest remuneration in relation to the position of Deputy Secretary General in the Civil Service. The pay scale for a Deputy Secretary is issued by the Department of Public Expenditure and Reform and is subject to change. The most up-to-date pay scale should be used for the purposes of identifying a person entrusted with a prominent public function.</p> <p>This metric currently captures only one head of a local authority in Ireland: the chief executive of Dublin City Council.</p>
IT	Yes	Regional council president, regional councillor, mayor of a provincial capital or metropolitan city, mayor of a municipality with a population of at least 15 000 inhabitants and equivalent office in foreign countries
LV	Yes	<p>Head of a Government (Local Government) administrative unit or other High-Ranking civil servant in a Government (Local Government) administrative unit; Head/Chair of Local Government</p> <p>Under the Latvian Law on the prevention of conflicts of interest in the activities of public officials: chair of a local government council, deputy chair, Local Government executive director</p>
LT	Yes	Municipal mayor, director of a municipal administration. See C(2023)1574 for named offices, amounting to a total of 87 posts.
LU	No	
MT	No	
NL	No	

PL	Yes	Director-generals of provincial administrations, provincial governors, deputy provincial governors, marshals/heads of provincial executive boards, mayors, deputy mayors, chairs of district executive boards, members of district executive boards other than chairs of district executive boards
PT	Yes	Representative of the Republic of the Autonomous Region of the Azores; Representative of the Republic of the Autonomous Region of Madeira; Presidents of municipal assemblies, municipal councillors with executive functions
RO	No	
SK	Yes	President of a self-governing region; mayor of a city; mayors of Bratislava and Košice; mayor of a municipality with a population of more than 5 000
SI	No	
ES	Yes	<p>Autonomous Community level: Autonomous Community presidents and vice-presidents; regional ministers and deputy regional ministers from Autonomous Community governments; directors-general from regional ministries and individuals of equivalent rank according to the organisational structure applied within each Autonomous Community government; secretaries-general from regional ministries and equivalent positions</p> <p>Local level: the mayors of provincial and Autonomous Community capitals and all other municipalities with a population of over 50 000, as well as their municipal councillors and equivalent; the chairs, deputy chairs and members of governing boards, governing councils or steering committees and equivalent positions in any of the organisations classed as local authorities under the Local Authorities Act (Act 7/1985 of 2 April 1985) and any such authorities that an Autonomous Community may establish under that Act, provided they have a population of over 50 000 (including provincial authorities (<i>Diputaciones Provinciales</i>), metropolitan area authorities</p>

		(<i>Áreas Metropolitanas</i>), Canary and Balearic Island authorities (<i>Cabildos</i> and <i>Consejos Insulares</i>), associations of municipalities (<i>Mancomunidades Municipales</i>), district authorities (<i>Comarcas</i>), consortia (<i>Consortios</i>) etc.); board members and individuals in similar administration, steering, management or supervision positions in a public sector entity – whether an authority, foundation or business organisation – linked to or dependent on the authorities of an Autonomous Community or a local authority with a population of over 50 000.
SE	No	