



Money laundering: company owner lists to fight tax crime and terrorist financing

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The ultimate owners of companies will have to be listed in central registers in EU countries, open both to the authorities and to people with a "legitimate interest", such as journalists, under a Parliament/Council deal endorsed by the Economic and Monetary Affairs and Civil Liberties committees on Tuesday. The new anti-money laundering directive aims to help to fight money laundering, tax crimes and terrorist financing. New rules to make it easier to trace transfers of funds were also approved.

The fourth anti-money laundering directive (AMLD) will for the first time oblige EU member states to keep central registers of information on the ultimate "beneficial" owners of corporate and other legal entities, as well as trusts. (A "beneficial" owner actually owns or controls a company and its activities and ultimately authorises transactions, whether such ownership is exercised directly or by a proxy).

These central registers were not envisaged in the European Commission's initial proposal, but were included by MEPs in negotiations. The text also requires banks, auditors, lawyers, real estate agents and casinos, among others, to be more vigilant about suspicious transactions made by their clients.

"Legitimate interest" access

The central registers will be accessible to the authorities and their financial intelligence units (without any restriction), to "obliged entities" (such as banks conducting their "customer due diligence" duties), and also to the public (although public access may be subject to online registration of the person requesting it and to a fee to cover administrative costs).

To access a register, a person will in any event have to demonstrate a "legitimate interest" in suspected money laundering, terrorist financing and in "predicate" offences that may help to finance them, such as corruption, tax crimes and fraud.

These persons (e.g. investigative journalists) could access information such as the beneficial owner's name, month and year of birth, nationality, country of residence and details of ownership. Any exemption to the access provided by member states will be possible only "on a case-by-case basis, in exceptional circumstances".

Central register information on trusts will be accessible only to the authorities and "obliged entities".

MEPs also inserted several provisions in the amended AMLD text to protect personal data.

Special measures for "politically-exposed" persons

The deal also clarifies the rules on "politically-exposed" persons", i.e. people at a higher than usual risk of corruption due to the political positions they hold, such as heads of state, members of government, supreme court judges, and members of parliaments, as well as their family members.

Where there are high-risk business relationships with such persons, additional measures should be put in place, e.g. to establish the source of wealth and source of funds involved, says the text.

Press release

Tracing transfers of funds

MEPs also approved a deal on a draft “transfers of funds” regulation, which aims to improve the traceability of payers and payees and their assets.

Next steps

The two deals still need to be endorsed by the full Parliament (March or April) and by the EU Council of Ministers. Member states will then have two years to transpose the anti-money laundering directive into their national laws.

Money laundered each year amounts to 2-5% of global GDP.

Result of the vote on the anti-money laundering text: 87 votes in favour, 2 against and 1 abstention

Result of the vote on the transfers of funds text: 83 votes in favour, 4 against and 3 abstentions

Rapporteurs on the fourth anti-money laundering directive: Krišjānis Kariņš (EPP, LV), for the Economic and Monetary Affairs Committee, and Judith Sargentini (Greens/EFA, NL), for the Civil Liberties, Justice and Home Affairs Committee.

Rapporteurs on the transfers of funds regulation: Peter Simon (S&D, DE), for the Economic and Monetary Affairs Committee, and Timothy Kirkhope (ECR, UK), for the Civil Liberties, Justice and Home Affairs Committee.

In the chair: Claude Moraes (S&D, UK), from Civil Liberties, Justice and Home Affairs Committee, and Peter Simon (S&D, DE), from Economic and Monetary Affairs Committee.

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