

TRANSPOSITION NOTE

Directive 2015/849/EU 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(1); and Articles 17 to 22 of Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds(2).

This Transposition Note has been prepared by HM Treasury. The tables below set out the main elements of the UK's implementation of the Directive, and of Articles 17 to 22 of the Regulation, in the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the "2017 Regulations"). All references to regulations in the tables are to regulations in the 2017 Regulations.

Abbreviations

ATCSA	the Anti-Terrorism, Crime and Security Act 2001
CCA	the Crime and Courts Act 2013
POCA	the Proceeds of Crime Act 2002
TACT	the Terrorism Act 2000
TAFA	the Terrorist Asset-Freezing etc Act 2010
AQ Regulations	the ISIL (Da'esh) and Al-Qaida (Asset-Freezing) Regulations 2011

Directive 2015/849/EU 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

Article	Directive Text	Transposition
	CHAPTER I	

(1) 170J No L 141, 05.06.15, p73.

(2) OJ L 141, 05.06.2015, p.1.

	GENERAL PROVISIONS	
	SECTION 1	
	<i>Subject-matter, scope and definitions</i>	
1	<i>Article 1</i>	
1.1	This Directive aims to prevent the use of the Union's financial system for the purposes of money laundering and terrorist financing.	
1.2	Member States shall ensure that money laundering and terrorist financing are prohibited.	Primary legislation
1.3	For the purposes of this Directive, the following conduct, when committed intentionally, shall be regarded as money laundering:	POCA Part 7
	(a) the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an activity to evade the legal consequences of that person's action;	
	(b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property, knowing that such property is derived from criminal activity or from an act of participation in such an activity;	
	(c) the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such an activity;	
	(d) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions referred to in points (a), (b) and (c).	

1.4	Money laundering shall be regarded as such even where the activities which generated the property to be laundered were carried out in the territory of another Member State or in that of a third country.	POCA Part 7
1.5	For the purposes of this Directive, 'terrorist financing' means the provision or collection of funds, by any means, directly or indirectly, with the intention that they be used or in the knowledge that they are to be used, in full or in part, in order to carry out any of the offences within the meaning of Articles 1 to 4 of Council Framework Decision 2002/475/JHA ⁽²⁰⁾ .	Part III TACT; Sch 3 ATCSA; Chap 2 TAFA; Al Qaida Regulations
1.6	Knowledge, intent or purpose required as an element of the activities referred to in paragraphs 3 and 5 may be inferred from objective factual circumstances.	POCA Part 7 Part III TACT; Sch 3 ATCSA; Chap 2 TAFA; Al Qaida Regulations
	<i>Article 2</i>	
2.1	This Directive shall apply to the following obliged entities:	Regulation 8
	(1) credit institutions;	Regulation 8(2)(a); Defined in regulation 10(1)
	(2) financial institutions;	Regulation 8(2)(b); Defined in regulation 10(2)
	(3) the following natural or legal persons acting in the exercise of their professional activities:	
	(a) auditors, external accountants and tax advisors;	Regulation 8(2)(c); defined in regulation 11
	(b) notaries and other independent legal professionals, where they participate, whether by acting on behalf of and for their client in any financial or real estate transaction, or by assisting in the planning or carrying out of transactions for their client concerning the:	Regulation 8(2)(d); defined in regulation 12(1)
	(i) buying and selling of real property or business entities;	Regulation 12(1)(a)
	(ii) managing of client money, securities or other assets;	Regulation 12(1)(b)

	(iii) opening or management of bank, savings or securities accounts;	Regulation 12(1)(c)
	(iv) organisation of contributions necessary for the creation, operation or management of companies;	Regulation 12(1)(d)
	(v) creation, operation or management of trusts, companies, foundations, or similar structures;	Regulation 12(1)(e)
	(c) trust or company service providers not already covered under point (a) or (b);	Regulation 8(2)(e); defined in regulation 12(2)
	(d) estate agents;	Regulation 8(2)(f); defined in regulation 13
	(e) other persons trading in goods to the extent that payments are made or received in cash in an amount of EUR 10 000 or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked;	Regulation 8(2)(g); defined in regulation 14(a)
	(f) providers of gambling services.	Regulation 8(2)(h); defined in regulation 14(b)
2.2	With the exception of casinos, and following an appropriate risk assessment, Member States may decide to exempt, in full or in part, providers of certain gambling services from national provisions transposing this Directive on the basis of the proven low risk posed by the nature and, where appropriate, the scale of operations of such services.	See regulation 8(2)(h); 16(3)(c)
	Among the factors considered in their risk assessments, Member States shall assess the degree of vulnerability of the applicable transactions, including with respect to the payment methods used.	
	In their risk assessments, Member States shall indicate how they have taken into account any relevant findings in the reports issued by the Commission pursuant to Article 6.	
	Any decision taken by a Member State pursuant to the first subparagraph shall be notified to the Commission, together with a justification based on the specific risk assessment. The Commission shall communicate that decision to the other Member States.	

2.3	<p>Member States may decide that persons that engage in a financial activity on an occasional or very limited basis where there is little risk of money laundering or terrorist financing do not fall within the scope of this Directive, provided that all of the following criteria are met:</p> <p>(a) the financial activity is limited in absolute terms;</p> <p>(b) the financial activity is limited on a transaction basis;</p> <p>(c) the financial activity is not the main activity of such persons;</p> <p>(d) the financial activity is ancillary and directly related to the main activity of such persons;</p> <p>(e) the main activity of such persons is not an activity referred to in points (a) to (d) or point (f) of paragraph 1(3);</p> <p>(f) the financial activity is provided only to the customers of the main activity of such persons and is not generally offered to the public.</p> <p>The first subparagraph shall not apply to persons engaged in the activity of money remittance as defined in point (13) of Article 4 of Directive 2007/64/EC of the European Parliament and of the Council.</p>	Regulation 15(2)
		Regulation 15(3)(a)
		Regulation 15(3)(b)
		Regulation 15(3)(c)
		Regulation 15(3)(d)
		Regulation 15(1)(f) and (3)(f)
		Regulation 15(3)(g)
		Regulation 15(3)(e)
2.4	<p>For the purposes of point (a) of paragraph 3, Member States shall require that the total turnover of the financial activity does not exceed a threshold which must be sufficiently low. That threshold shall be established at national level, depending on the type of financial activity.</p>	Regulation 15(3)(a)
2.5	<p>For the purposes of point (b) of paragraph 3, Member States shall apply a maximum threshold per customer and per single transaction, whether the transaction is carried out in a single operation or in several operations which appear to be linked. That maximum threshold shall be established at national level, depending on the type of financial activity. It shall be sufficiently low in order to ensure that the types of transactions in question are an impractical and inefficient method for money laundering or terrorist financing, and shall not exceed EUR 1 000.</p>	See regulation 15(3)(b)

2.6	For the purposes of point (c) of paragraph 3, Member States shall require that the turnover of the financial activity does not exceed 5 % of the total turnover of the natural or legal person concerned.	See regulation 15(3)(c).
2.7	In assessing the risk of money laundering or terrorist financing for the purposes of this Article, Member States shall pay particular attention to any financial activity which is considered to be particularly likely, by its nature, to be used or abused for the purposes of money laundering or terrorist financing.	Regulation 16(1) and (3)(b) and (c).
2.8	Decisions taken by Member States pursuant to paragraph 3 shall state the reasons on which they are based. Member States may decide to withdraw such decisions where circumstances change. They shall notify such decisions to the Commission. The Commission shall communicate such decisions to the other Member States.	No transposition required
2.9	Member States shall establish risk-based monitoring activities or take other adequate measures to ensure that the exemption granted by decisions pursuant to this Article is not abused.	Regulation 16(3)(b) and (c).
	<i>Article 3</i>	
3	For the purposes of this Directive, the following definitions apply:	
	(1) ‘credit institution’ means a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council ⁽²⁾ , including branches thereof, as defined in point (17) of Article 4(1) of that Regulation, located in the Union, whether its head office is situated within the Union or in a third country;	See regulation 10(1)
	(2) ‘financial institution’ means:	See regulation 10(2)
	(a) an undertaking other than a credit institution, which carries out one or more of the activities listed in points (2) to (12), (14) and (15) of Annex I to Directive 2013/36/EU of the European Parliament and of the Council ⁽²³⁾ , including the activities of currency exchange offices (bureaux de change);	Regulation 10(2)(a)

	(b) an insurance undertaking as defined in point (1) of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council (24) , insofar as it carries out life assurance activities covered by that Directive;	Regulation 10(2)(b)
	(c) an investment firm as defined in point (1) of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council (25) ;	Regulation 10(2)(c)
	(d) a collective investment undertaking marketing its units or shares;	Regulation 10(2)(e)
	(e) an insurance intermediary as defined in point (5) of Article 2 of Directive 2002/92/EC of the European Parliament and of the Council (26) where it acts with respect to life insurance and other investment-related services, with the exception of a tied insurance intermediary as defined in point (7) of that Article;	Regulation 10(2)(f)
	(f) branches, when located in the Union, of financial institutions as referred to in points (a) to (e), whether their head office is situated in a Member State or in a third country;	Regulation 10(2)(g)
	(3) 'property' means assets of any kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible, and legal documents or instruments in any form including electronic or digital, evidencing title to or an interest in such assets;	Regulation 3(2)(c), and UK law generally
	(4) 'criminal activity' means any kind of criminal involvement in the commission of the following serious crimes:	See Schedule 3 to the Regulations; POCA Part 7; Part III TACT; Sch 3 ATCSA; Chap 2 TAFA; AI Qaida Regulations
	(a) acts set out in Articles 1 to 4 of Framework Decision 2002/475/JHA;	
	(b) any of the offences referred in Article 3(1)(a) of the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances;	
	(c) the activities of criminal organisations as defined in Article 1 of Council Joint Action 98/733/JHA (27) ;	

	(d) fraud affecting the Union's financial interests, where it is at least serious, as defined in Article 1(1) and Article 2(1) of the Convention on the protection of the European Communities' financial interests ⁽²⁸⁾ ;	
	(e) corruption;	
	(f) all offences, including tax crimes relating to direct taxes and indirect taxes and as defined in the national law of the Member States, which are punishable by deprivation of liberty or a detention order for a maximum of more than one year or, as regards Member States that have a minimum threshold for offences in their legal system, all offences punishable by deprivation of liberty or a detention order for a minimum of more than six months;	
	(5) 'self-regulatory body' means a body that represents members of a profession and has a role in regulating them, in performing certain supervisory or monitoring type functions and in ensuring the enforcement of the rules relating to them;	Regulation 3(1), and Schedule 1 to the Regulations.
	(6) 'beneficial owner' means any natural person(s) who ultimately owns or controls the customer and/or the natural person(s) on whose behalf a transaction or activity is being conducted and includes at least:	
	(a) in the case of corporate entities:	
	(i) the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.	Regulation 5(1) and(2)
	A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25 % plus one share or an ownership interest of more than 25 % in the customer held by a corporate entity, which is under the	Regulation 5(1)(c) and (2)

	control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership. This applies without prejudice to the right of Member States to decide that a lower percentage may be an indication of ownership or control. Control through other means may be determined, inter alia, in accordance with the criteria in Article 22(1) to (5) of Directive 2013/34/EU of the European Parliament and of the Council (29) ;	
	(ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under point (i) is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), the natural person(s) who hold the position of senior managing official(s), the obliged entities shall keep records of the actions taken in order to identify the beneficial ownership under point (i) and this point;	Regulation 28(6), (7) and (8)
	(b) in the case of trusts:	Regulation 6
	(i) the settlor;	Regulation 6(1)(a)
	(ii) the trustee(s);	Regulation 6(1)(b)
	(iii) the protector, if any;	Regulation 6(1)(d), 6(2)
	(iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;	Regulation 6(1)(c), (d)
	(v) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means;	Regulation 6(1)(d), 6(2)
	(c) in the case of legal entities such as foundations, and legal arrangements similar to trusts, the natural person(s) holding equivalent or similar positions to those referred to in point (b);	Regulation 6(3)
	(7) 'trust or company service provider' means any person that, by way of its business, provides any of the following services to third parties:	Regulation 3(1) and 12(2)

	(a) the formation of companies or other legal persons;	Regulation 12(2)(a)
	(b) acting as, or arranging for another person to act as, a director or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons;	Regulation 12(2)(b)
	(c) providing a registered office, business address, correspondence or administrative address and other related services for a company, a partnership or any other legal person or arrangement;	Regulation 12(2)(c)
	(d) acting as, or arranging for another person to act as, a trustee of an express trust or a similar legal arrangement;	Regulation 12(2)(d)(i)
	(e) acting as, or arranging for another person to act as, a nominee shareholder for another person other than a company listed on a regulated market that is subject to disclosure requirements in accordance with Union law or subject to equivalent international standards;	Regulation 12(2)(d)(ii)
	(8) 'correspondent relationship' means:	Regulation 3(1) and 34(4)
	(a) the provision of banking services by one bank as the correspondent to another bank as the respondent, including providing a current or other liability account and related services, such as cash management, international funds transfers, cheque clearing, payable-through accounts and foreign exchange services;	Regulation 34(4)(a)(i)
	(b) the relationships between and among credit institutions and financial institutions including where similar services are provided by a correspondent institution to a respondent institution, and including relationships established for securities transactions or funds transfers;	Regulation 34(4)(a)(ii)
	(9) 'politically exposed person' means a natural person who is or who has been entrusted with prominent public functions and includes the following:	Regulation 3(1); 35(12)(a)
	(a) heads of State, heads of government, ministers and deputy or assistant ministers;	Regulation 35(14)(a)
	(b) members of parliament or of similar legislative bodies;	Regulation 35(14)(b)
	(c) members of the governing bodies of political parties;	Regulation 35(14)(c)

	(d) members of supreme courts, of constitutional courts or of other high-level judicial bodies, the decisions of which are not subject to further appeal, except in exceptional circumstances;	Regulation 35(14)(d)
	(e) members of courts of auditors or of the boards of central banks;	Regulation 35(14)(e)
	(f) ambassadors, chargés d'affaires and high-ranking officers in the armed forces;	Regulation 35(14)(f)
	(g) members of the administrative, management or supervisory bodies of State-owned enterprises;	Regulation 35(14)(g)
	(h) directors, deputy directors and members of the board or equivalent function of an international organisation.	Regulation 35(14)(h)
	No public function referred to in points (a) to (h) shall be understood as covering middle-ranking or more junior officials;	Regulation 35(12)(a)
	(10) 'family members' includes the following:	Regulation 35(12)(b)
	(a) the spouse, or a person considered to be equivalent to a spouse, of a politically exposed person;	Regulation 35(12)(b)(i)
	(b) the children and their spouses, or persons considered to be equivalent to a spouse, of a politically exposed person;	Regulation 35(12)(b)(ii)
	(c) the parents of a politically exposed person;	Regulation 35(12)(b)(iii)
	(11) 'persons known to be close associates' means:	Regulation 35(12)(c)
	(a) natural persons who are known to have joint beneficial ownership of legal entities or legal arrangements, or any other close business relations, with a politically exposed person;	Regulation 35(12)(c)(i)
	(b) natural persons who have sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the de facto benefit of a politically exposed person.	Regulation 35(12)(c)(ii)
	(12) 'senior management' means an officer or employee with sufficient knowledge of the institution's money laundering and terrorist financing risk exposure and sufficient	Regulation 3(1)

	seniority to take decisions affecting its risk exposure, and need not, in all cases, be a member of the board of directors;	
	(13) 'business relationship' means a business, professional or commercial relationship which is connected with the professional activities of an obliged entity and which is expected, at the time when the contact is established, to have an element of duration;	Regulation 3(1); 4
	(14) 'gambling services' means a service which involves wagering a stake with monetary value in games of chance, including those with an element of skill such as lotteries, casino games, poker games and betting transactions that are provided at a physical location, or by any means at a distance, by electronic means or any other technology for facilitating communication, and at the individual request of a recipient of services;	Regulation 16(4) (see also regulation 3(1) and 14(b), for the definition of "casino")
	(15) 'group' means a group of undertakings which consists of a parent undertaking, its subsidiaries, and the entities in which the parent undertaking or its subsidiaries hold a participation, as well as undertakings linked to each other by a relationship within the meaning of Article 22 of Directive 2013/34/EU;	Regulation 3(1)
	(16) 'electronic money' means electronic money as defined in point (2) of Article 2 of Directive 2009/110/EC;	Regulation 3(1)
	(17) 'shell bank' means a credit institution or financial institution, or an institution that carries out activities equivalent to those carried out by credit institutions and financial institutions, incorporated in a jurisdiction in which it has no physical presence, involving meaningful mind and management, and which is unaffiliated with a regulated financial group.	Regulation 34(4)(b)
	<i>Article 4</i>	No transposition required
4.1	Member States shall, in accordance with the risk-based approach, ensure that the scope of this Directive is extended in whole or in part to professions and to categories of undertakings, other than the obliged entities referred to in Article 2(1), which engage in activities which are particularly likely to be used for the purposes of money laundering or terrorist financing.	

4.2	Where a Member State extends the scope of this Directive to professions or to categories of undertaking other than those referred to in Article 2(1), it shall inform the Commission thereof.		
	<i>Article 5</i>	No transition required	
5	Member States may adopt or retain in force stricter provisions in the field covered by this Directive to prevent money laundering and terrorist financing, within the limits of Union law.		
	SECTION 2		
	Risk assessment		
	<i>Article 6</i>	No transition required	
6.1	The Commission shall conduct an assessment of the risks of money laundering and terrorist financing affecting the internal market and relating to cross-border activities. To that end, the Commission shall, by 26 June 2017, draw up a report identifying, analysing and evaluating those risks at Union level. Thereafter, the Commission shall update its report every two years, or more frequently if appropriate.		
6.2	The report referred to in paragraph 1 shall cover at least the following: (a) the areas of the internal market that are at greatest risk; (b) the risks associated with each relevant sector; (c) the most widespread means used by criminals by which to launder illicit proceeds.		
6.3	The Commission shall make the report referred to in paragraph 1 available to the Member States and obliged entities in order to assist them to identify, understand, manage and mitigate the risk of money laundering and terrorist financing, and to allow other stakeholders,		

	including national legislators, the European Parliament, the ESAs, and representatives from FIUs to better understand the risks.	
6.4	The Commission shall make recommendations to Member States on the measures suitable for addressing the identified risks. In the event that Member States decide not to apply any of the recommendations in their national AML/CFT regimes, they shall notify the Commission thereof and provide a justification for such a decision.	
6.5	By 26 December 2016, the ESAs, through the Joint Committee, shall issue an opinion on the risks of money laundering and terrorist financing affecting the Union's financial sector (the 'joint opinion'). Thereafter, the ESAs, through the Joint Committee, shall issue an opinion every two years.	
6.6	In conducting the assessment referred to in paragraph 1, the Commission shall organise the work at Union level, shall take into account the joint opinions referred to in paragraph 5 and shall involve the Member States' experts in the area of AML/CFT, representatives from FIUs and other Union level bodies where appropriate. The Commission shall make the joint opinions available to the Member States and obliged entities in order to assist them to identify, manage and mitigate the risk of money laundering and terrorist financing.	
6.7	Every two years, or more frequently if appropriate, the Commission shall submit a report to the European Parliament and to the Council on the findings resulting from the regular risk assessments and the action taken based on those findings.	
	<i>Article 7</i>	
7.1	Each Member State shall take appropriate steps to identify, assess, understand and mitigate the risks of money laundering and terrorist financing affecting it, as well as any data protection concerns in that regard. It shall keep that risk assessment up to date.	Regulation 16(1) and (9); 17(1) and (3)
7.2	Each Member State shall designate an authority or establish a mechanism by which to coordinate the national response to the risks referred to in paragraph 1. The identity of that authority or the description of the mechanism shall be notified to the Commission, the ESAs, and other Member States.	No transition required

7.3	In carrying out the risk assessments referred to in paragraph 1 of this Article, Member States shall make use of the findings of the report referred to in Article 6(1).	Regulation 16(5); 17(2)(a)
7.4	As regards the risk assessment referred to in paragraph 1, each Member State shall:	
	(a) use it to improve its AML/CFT regime, in particular by identifying any areas where obliged entities are to apply enhanced measures and, where appropriate, specifying the measures to be taken;	Regulation 16(2)(a)
	(b) identify, where appropriate, sectors or areas of lower or greater risk of money laundering and terrorist financing;	Regulation 16(2)(b)
	(c) use it to assist it in the allocation and prioritisation of resources to combat money laundering and terrorist financing;	Regulation 16(3)(a)
	(d) use it to ensure that appropriate rules are drawn up for each sector or area, in accordance with the risks of money laundering and terrorist financing;	Regulation 16(2)(c)
	(e) make appropriate information available promptly to obliged entities to facilitate the carrying out of their own money laundering and terrorist financing risk assessments	Regulation 16(6), (8)
7.5	Member States shall make the results of their risk assessments available to the Commission, the ESAs and the other Member States.	Regulation 16(7)
	<i>Article 8</i>	
8.1	Member States shall ensure that obliged entities take appropriate steps to identify and assess the risks of money laundering and terrorist financing, taking into account risk factors including those relating to their customers, countries or geographic areas, products, services, transactions or delivery channels. Those steps shall be proportionate to the nature and size of the obliged entities.	Regulation 18(1), (2), (3)
8.2	The risk assessments referred to in paragraph 1 shall be documented, kept up-to-date and made available to the relevant competent authorities and self-regulatory bodies concerned. Competent authorities may decide that individual documented risk assessments are not required where the specific risks inherent in the sector are clear and understood.	Regulation 18(4), (5) and (6)

8.3	Member States shall ensure that obliged entities have in place policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified at the level of the Union, the Member State and the obliged entity. Those policies, controls and procedures shall be proportionate to the nature and size of the obliged entities.	Regulation 19(1) Regulation 19(2)(a)
8.4	4. The policies, controls and procedures referred to in paragraph 3 shall include: (a) the development of internal policies, controls and procedures, including model risk management practices, customer due diligence, reporting, record-keeping, internal control, compliance management including, where appropriate with regard to the size and nature of the business, the appointment of a compliance officer at management level, and employee screening; (b) where appropriate with regard to the size and nature of the business, an independent audit function to test the internal policies, controls and procedures referred to in point (a).	Regulation 19(3); 21(1)(a),(b) Regulation 21(1)(c)
5.	Member States shall require obliged entities to obtain approval from their senior management for the policies, controls and procedures that they put in place and to monitor and enhance the measures taken, where appropriate.	Regulation 19(2)(b)
	SECTION 3	
	Third-country policy	
	<i>Article 9</i>	No Transposition required
9.1	Third-country jurisdictions which have strategic deficiencies in their national AML/CFT regimes that pose significant threats to the financial system of the Union ('high-risk third countries') shall be identified in order to protect the proper functioning of the internal market.	
9.2	The Commission shall be empowered to adopt delegated acts in accordance with Article 64 in order to identify high-risk third countries, taking into account strategic deficiencies, in particular in relation to:	

	<p>(a) the legal and institutional AML/CFT framework of the third country, in particular:</p> <ul style="list-style-type: none"> (i) criminalisation of money laundering and terrorist financing; (ii) measures relating to customer due diligence; (iii) requirements relating to record-keeping; and (iv) requirements to report suspicious transactions; 	
	<p>(b) the powers and procedures of the third country's competent authorities for the purposes of combating money laundering and terrorist financing;</p>	
	<p>(c) the effectiveness of the AML/CFT system in addressing money laundering or terrorist financing risks of the third country.</p>	
9.3	<p>The delegated acts referred to in paragraph 2 shall be adopted within one month after the identification of the strategic deficiencies referred to in that paragraph.</p>	
9.4	<p>The Commission shall take into account, as appropriate, when drawing up the delegated acts referred to in paragraph 2, relevant evaluations, assessments or reports drawn up by international organisations and standard setters with competence in the field of preventing money laundering and combating terrorist financing, in relation to the risks posed by individual third countries.</p>	
	CHAPTER II	
	CUSTOMER DUE DILIGENCE	
	SECTION I	
	<i>General provisions</i>	
	<i>Article 10</i>	

10.1	Member States shall prohibit their credit institutions and financial institutions from keeping anonymous accounts or anonymous passbooks.	Regulation 29(6)
	Member States shall, in any event, require that the owners and beneficiaries of existing anonymous accounts or anonymous passbooks be subject to customer due diligence measures as soon as possible and in any event before such accounts or passbooks are used in any way.	Regulation 29(7)
10.2	Member States shall take measures to prevent misuse of bearer shares and bearer share warrants.	Section 84 to 86 and Schedule 4, Part 1, of the Small Business, Enterprise and Employment Act 2015 and regulation 29(8)
	<i>Article 11</i>	
	Member States shall ensure that obliged entities apply customer due diligence measures in the following circumstances:	Regulation 27
	(a) when establishing a business relationship;	Regulation 27(1)(a)
	(b) when carrying out an occasional transaction that:	
	(i) amounts to EUR 15 000 or more, whether that transaction is carried out in a single operation or in several operations which appear to be linked; or	Regulation 27(2)
	(ii) constitutes a transfer of funds, as defined in point (9) of Article 3 of Regulation (EU) 2015/847 of the European Parliament and of the Council ⁽³⁰⁾ , exceeding EUR 1 000;	Regulation 27(1)(b)
	(c) in the case of persons trading in goods, when carrying out occasional transactions in cash amounting to EUR 10 000 or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked;	Regulation 27(3), (4)
	(d) for providers of gambling services, upon the collection of winnings, the wagering of a stake, or both, when carrying out transactions amounting to EUR 2 000 or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked;	Regulation 27(5)

	(e)when there is a suspicion of money laundering or terrorist financing, regardless of any derogation, exemption or threshold;	Regulation 27(1)(c)
	(f)when there are doubts about the veracity or adequacy of previously obtained customer identification data.	Regulation 27(1)(d)
	<i>Article 12</i>	
12.1	By way of derogation from points (a), (b) and (c) of the first subparagraph of Article 13(1) and Article 14, and based on an appropriate risk assessment which demonstrates a low risk, a Member State may allow obliged entities not to apply certain customer due diligence measures with respect to electronic money, where all of the following risk-mitigating conditions are met:	Regulation 38
	(a)the payment instrument is not reloadable, or has a maximum monthly payment transactions limit of EUR 250 which can be used only in that Member State;	Regulation 38(1)(b)
	(b) the maximum amount stored electronically does not exceed EUR 250;	Regulation 38(1)(a)
	(c) the payment instrument is used exclusively to purchase goods or services;	Regulation 38(1)(c)
	(d) the payment instrument cannot be funded with anonymous electronic money;	Regulation 38(1)(d)
	(e)the issuer carries out sufficient monitoring of the transactions or business relationship to enable the detection of unusual or suspicious transactions.	Regulation 38(3)
	For the purposes of point (b) of the first subparagraph, a Member State may increase the maximum amount to EUR 500 for payment instruments that can be used only in that Member State.	
12.2	Member States shall ensure that the derogation provided for in paragraph 1 is not applicable in the case of redemption in cash or cash withdrawal of the monetary value of the electronic money where the amount redeemed exceeds EUR 100.	Regulation 38(2)
	<i>Article 13</i>	
13.1	Customer due diligence measures shall comprise:	

	(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;	Regulation 28(2)(a), (b) and (18)
	(b) identifying the beneficial owner and taking reasonable measures to verify that person's identity so that the obliged entity is satisfied that it knows who the beneficial owner is, including, as regards legal persons, trusts, companies, foundations and similar legal arrangements, taking reasonable measures to understand the ownership and control structure of the customer;	Regulation 28(4) and (18)
	(c) assessing and, as appropriate, obtaining information on the purpose and intended nature of the business relationship;	Regulation 28(2)(c)
	(d) conducting ongoing monitoring of the business relationship including scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the obliged entity's knowledge of the customer, the business and risk profile, including where necessary the source of funds and ensuring that the documents, data or information held are kept up-to-date.	Regulation 28(11)
	When performing the measures referred to in points (a) and (b) of the first subparagraph, obliged entities shall also verify that any person purporting to act on behalf of the customer is so authorised and identify and verify the identity of that person	Regulation 28(10) and (18)
13.2	Member States shall ensure that obliged entities apply each of the customer due diligence requirements laid down in paragraph 1. However, obliged entities may determine the extent of such measures on a risk-sensitive basis.	Regulation 28(12)
13.3	Member States shall require that obliged entities take into account at least the variables set out in Annex I when assessing the risks of money laundering and terrorist financing.	Regulation 28(13)
13.4	Member States shall ensure that obliged entities are able to demonstrate to competent authorities or self-regulatory bodies that the measures are appropriate in view of the risks of money laundering and terrorist financing that have been identified.	Regulation 28(16)
13.5	For life or other investment-related insurance business, Member States shall ensure that, in addition to the customer due diligence measures required for the customer and the beneficial owner, credit institutions and financial institutions conduct the following customer due	Regulation 29

	diligence measures on the beneficiaries of life insurance and other investment-related insurance policies, as soon as the beneficiaries are identified or designated:	
	(a) in the case of beneficiaries that are identified as specifically named persons or legal arrangements, taking the name of the person;	Regulation 29(3)(a)
	(b) in the case of beneficiaries that are designated by characteristics or by class or by other means, obtaining sufficient information concerning those beneficiaries to satisfy the credit institutions or financial institution that it will be able to establish the identity of the beneficiary at the time of the payout.	Regulation 29(3)(b)
	With regard to points (a) and (b) of the first subparagraph, the verification of the identity of the beneficiaries shall take place at the time of the payout. In the case of assignment, in whole or in part, of the life or other investment-related insurance to a third party, credit institutions and financial institutions aware of the assignment shall identify the beneficial owner at the time of the assignment to the natural or legal person or legal arrangement receiving for its own benefit the value of the policy assigned.	Regulation 29(4) and (5)
13.6	In the case of beneficiaries of trusts or of similar legal arrangements that are designated by particular characteristics or class, an obliged entity shall obtain sufficient information concerning the beneficiary to satisfy the obliged entity that it will be able to establish the identity of the beneficiary at the time of the payout or at the time of the exercise by the beneficiary of its vested rights.	Regulation 30(6), (7)
	<i>Article 14</i>	
14.1	Member States shall require that verification of the identity of the customer and the beneficial owner take place before the establishment of a business relationship or the carrying out of the transaction.	Regulation 30(2)
14.2	By way of derogation from paragraph 1, Member States may allow verification of the identity of the customer and the beneficial owner to be completed during the establishment of a business relationship if necessary so as not to interrupt the normal conduct of business and where there is little risk of money laundering or terrorist financing. In such situations, those procedures shall be completed as soon as practicable after initial contact.	Regulation 30(3)

14.3	By way of derogation from paragraph 1, Member States may allow the opening of an account with a credit institution or financial institution, including accounts that permit transactions in transferable securities, provided that there are adequate safeguards in place to ensure that transactions are not carried out by the customer or on its behalf until full compliance with the customer due diligence requirements laid down in points (a) and (b) of the first subparagraph of Article 13(1) is obtained.	Regulation 30(4) and (5)
14.4	Member States shall require that, where an obliged entity is unable to comply with the customer due diligence requirements laid down in point (a), (b) or (c) of the first subparagraph of Article 13(1), it shall not carry out a transaction through a bank account, establish a business relationship or carry out the transaction, and shall terminate the business relationship and consider making a suspicious transaction report to the FIU in relation to the customer in accordance with Article 33.	Regulation 31(1)
	Member States shall not apply the first subparagraph to notaries, other independent legal professionals, auditors, external accountants and tax advisors only to the strict extent that those persons ascertain the legal position of their client, or perform the task of defending or representing that client in, or concerning, judicial proceedings, including providing advice on instituting or avoiding such proceedings.	Regulation 31(3), (4)
14.5	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, including at times when the relevant circumstances of a customer change.	Regulation 27(8), (9)
	SECTION 2	
	<i>Simplified customer due diligence</i>	
	<i>Article 15</i>	
15.1	Where a Member State or an obliged entity identifies areas of lower risk, that Member State may allow obliged entities to apply simplified customer due diligence measures.	Regulation 37(1)

15.2	Before applying simplified customer due diligence measures, obliged entities shall ascertain that the business relationship or the transaction presents a lower degree of risk.	Regulation 37(1), (5)(a) and (8)
15.3	Member States shall ensure that obliged entities carry out sufficient monitoring of the transactions and business relationships to enable the detection of unusual or suspicious transactions.	Regulation 37(2)
	<i>Article 16</i>	
16	When assessing the risks of money laundering and terrorist financing relating to types of customers, geographic areas, and particular products, services, transactions or delivery channels, Member States and obliged entities shall take into account at least the factors of potentially lower risk situations set out in Annex II.	Regulation 37(3)
	<i>Article 17</i>	
17	By 26 June 2017, the ESAs shall issue guidelines addressed to competent authorities and the credit institutions and financial institutions in accordance with Article 16 of Regulations (EU) No 1093/2010, (EU) No 1094/2010, and (EU) No 1095/2010 on the risk factors to be taken into consideration and the measures to be taken in situations where simplified customer due diligence measures are appropriate. Specific account shall be taken of the nature and size of the business, and, where appropriate and proportionate, specific measures shall be laid down.	No transition required
	SECTION 3	
	<i>Enhanced customer due diligence</i>	
	<i>Article 18</i>	
18.1	In the cases referred to in Articles 19 to 24, and when dealing with natural persons or legal entities established in the third countries identified by the Commission as high-risk third	Regulation 33(1)(a), (b), (c), (d) and (g)

	countries, 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.	
	Enhanced customer due diligence measures need not be invoked automatically with respect to branches or majority-owned subsidiaries of obliged entities established in the Union which are located in high-risk third countries, where those branches or majority-owned subsidiaries fully comply with the group-wide policies and procedures in accordance with Article 45. Member States shall ensure that those cases are handled by obliged entities by using a risk-based approach.	Regulation 33(2)
18.2	Member States shall require obliged entities to examine, as far as reasonably possible, the background and purpose of all complex and unusually large transactions, and all unusual patterns of transactions, which have no apparent economic or lawful purpose. In particular, obliged entities shall increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear suspicious.	Regulation 33(1)(f) and (4)
18.3	When assessing the risks of money laundering and terrorist financing, Member States and obliged entities shall take into account at least the factors of potentially higher-risk situations set out in Annex III.	Regulation 33(6)
	By 26 June 2017, the ESAs shall issue guidelines addressed to competent authorities and the credit institutions and financial institutions, in accordance with Article 16 of Regulations (EU) No 1093/2010, (EU) No 1094/2010, and (EU) No 1095/2010 on the risk factors to be taken into consideration and the measures to be taken in situations where enhanced customer due diligence measures are appropriate. Specific account shall be taken of the nature and size of the business, and, where appropriate and proportionate, specific measures shall be laid down.	No transposition required
	<i>Article 19</i>	
19	With respect to cross-border correspondent relationships with a third-country respondent institution, Member States shall, in addition to the customer due diligence measures laid down in Article 13, require their credit institutions and financial institutions to:	Regulation 34

	(a) gather sufficient information about the respondent institution to understand fully the nature of the respondent's business and to determine from publicly available information the reputation of the institution and the quality of supervision;	Regulation 34(1)(a), (b)
	(b) assess the respondent institution's AML/CFT controls;	Regulation 34(1)(c)
	(c) obtain approval from senior management before establishing new correspondent relationships;	Regulation 34(1)(d)
	(d) document the respective responsibilities of each institution;	Regulation 34(1)(e)
	(e) with respect to payable-through accounts, be satisfied that the respondent institution has verified the identity of, and performed ongoing due diligence on, the customers having direct access to accounts of the correspondent institution, and that it is able to provide relevant customer due diligence data to the correspondent institution, upon request.	Regulation 34(1)(f)
	<i>Article 20</i>	
20	With respect to transactions or business relationships with politically exposed persons, Member States shall, in addition to the customer due diligence measures laid down in Article 13, require obliged entities to:	Regulation 35
	(a) have in place appropriate risk management systems, including risk-based procedures, to determine whether the customer or the beneficial owner of the customer is a politically exposed person;	Regulation 35(1)
	(b) apply the following measures in cases of business relationships with politically exposed persons:	Regulation 35(5)
	(i) obtain senior management approval for establishing or continuing business relationships with such persons;	Regulation 35(5)(a)
	(ii) take adequate measures to establish the source of wealth and source of funds that are involved in business relationships or transactions with such persons;	Regulation 35(5)(b)
	(iii) conduct enhanced, ongoing monitoring of those business relationships.	Regulation 35(5)(c)
	<i>Article 21</i>	

21	<p>Member States shall require obliged entities to take reasonable measures to determine whether the beneficiaries of a life or other investment-related insurance policy and/or, where required, the beneficial owner of the beneficiary are politically exposed persons. Those measures shall be taken no later than at the time of the payout or at the time of the assignment, in whole or in part, of the policy.</p> <p>Where there are higher risks identified, in addition to applying the customer due diligence measures laid down in Article 13, Member States shall require obliged entities to:</p> <ul style="list-style-type: none"> (a) inform senior management before payout of policy proceeds; (b) conduct enhanced scrutiny of the entire business relationship with the policyholder. 	Regulation 35(6), (7)
22	<p style="text-align: center;"><i>Article 22</i></p> <p>Where a politically exposed person is no longer entrusted with a prominent public function by a Member State or a third country, or with a prominent public function by an international organisation, obliged entities shall, for at least 12 months, be required to take into account the continuing risk posed by that person and to apply appropriate and risk-sensitive measures until such time as that person is deemed to pose no further risk specific to politically exposed persons.</p>	Regulation 35(8)(a) Regulation 35(8)(b)
23	<p style="text-align: center;"><i>Article 23</i></p> <p>The measures referred to in Articles 20 and 21 shall also apply to family members or persons known to be close associates of politically exposed persons.</p>	Regulation 35(1)(b); (3); (5); (6)(b); (8)(b)
24	<p style="text-align: center;"><i>Article 24</i></p> <p>Member States shall prohibit credit institutions and financial institutions from entering into, or continuing, a correspondent relationship with a shell bank. They shall require that those institutions take appropriate measures to ensure that they do not engage in or continue</p>	Regulation 34(2), (3)

	correspondent relationships with a credit institution or financial institution that is known to allow its accounts to be used by a shell bank.	
	SECTION 4	
	<i>Performance by third parties</i>	
	<i>Article 25</i>	
25	Member States may permit obliged entities to rely on third parties to meet the customer due diligence requirements laid down in points (a), (b) and (c) of the first subparagraph of Article 13(1). However, the ultimate responsibility for meeting those requirements shall remain with the obliged entity which relies on the third party.	Regulation 39(1)
	<i>Article 26</i>	
26.1	For the purposes of this Section, ‘third parties’ means obliged entities listed in Article 2, the member organisations or federations of those obliged entities, or other institutions or persons situated in a Member State or third country that: <ul style="list-style-type: none"> (a) apply customer due diligence requirements and record-keeping requirements that are consistent with those laid down in this Directive; and (b) have their compliance with the requirements of this Directive supervised in a manner consistent with Section 2 of Chapter VI 	Regulation 39(3)
		Regulation 39(3)(a), (b), (c)(i); and (d)
		Regulation 39(3)(a), (b), (c)(ii) and (d)
26.2	Member States shall prohibit obliged entities from relying on third parties established in high-risk third countries. Member States may exempt branches and majority-owned subsidiaries of obliged entities established in the Union from that prohibition where those branches and majority-owned subsidiaries fully comply with the group-wide policies and procedures in accordance with Article 45.	Regulation 39(4), (5)

	<i>Article 27</i>	
27.1	Member States shall ensure that obliged entities obtain from the third party relied upon the necessary information concerning the customer due diligence requirements laid down in points (a), (b) and (c) of the first subparagraph of Article 13(1).	Regulation 39(2)(a) and 40(7)(a)
27.2	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 and other relevant documentation on the identity of the customer or the beneficial owner.	Regulation 39(2)(b) and 40(7)(b);
	<i>Article 28</i>	
28	Member States shall ensure that the competent authority of the home Member State (for group-wide policies and procedures) and the competent authority of the host Member State (for branches and subsidiaries) may consider an obliged entity to comply with the provisions adopted pursuant to Articles 26 and 27 through its group programme, where all of the following conditions are met: (a) the obliged entity relies on information provided by a third party that is part of the same group; (b) that group applies customer due diligence measures, rules on record-keeping and programmes against money laundering and terrorist financing in accordance with this Directive or equivalent rules; (c) the effective implementation of the requirements referred to in point (b) is supervised at group level by a competent authority of the home Member State or of the third country.	Regulation 39(6) Regulation 39(6)(a) Regulation 39(6)(b) Regulation 39(6)(c)
	<i>Article 29</i>	
29	This Section shall not apply to outsourcing or agency relationships where, on the basis of a contractual arrangement, the outsourcing service provider or agent is to be regarded as part of the obliged entity.	Regulation 39(7), (8) and 40(8)

	<p>CHAPTER III</p> <p>BENEFICIAL OWNERSHIP INFORMATION</p>	
	<p><i>Article 30</i></p>	
30.1	<p>Member States shall ensure that corporate and other legal entities incorporated within their territory are required to obtain and hold adequate, accurate and current information on their beneficial ownership, including the details of the beneficial interests held.</p>	<p>Sections 790D, 790E, 790K and 790M, and Schedule 1A to the Companies Act 2006 (with certain modifications for Societas Europaea (SEs) in regulations 4 to 6 European Public Limited-Liability Company (Register of People with Significant Control) Regulations 2016)</p> <p>Regulation 7, Part 4 of and Schedule 2 to the Register of People with Significant Control Regulations 2016</p> <p>Regulations 31C – 31E and 31M of the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009</p> <p>Paragraphs 3 and 4 of Schedule 2 to the Limited Liability Partnerships (Register of People with Significant Control) Regulations 2016</p> <p>Schedule 1, paragraphs 12A(1), (3), and (5) and 12B(1), and (2) to the Unregistered Companies Regulations 2009</p>

		Part 4 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017
	Member States shall ensure that those entities are required to provide, in addition to information about their legal owner, information on the beneficial owner to obliged entities when the obliged entities are taking customer due diligence measures in accordance with Chapter II.	Regulation 43(1), (2), (4)
30.2	Member States shall require that the information referred to in paragraph 1 can be accessed in a timely manner by competent authorities and FIUs.	790N – 790S of the Companies Act 2006 Regulations 31F and 31G of the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 Schedule 1, Paragraph 12B(1) to the Unregistered Companies Regulations 2009 Regulations 42 and 45(2)(b) of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017
30.3	Member States shall ensure that the information referred to in paragraph 1 is held in a central register in each Member State, for example a commercial register, companies register as referred to in Article 3 of Directive 2009/101/EC of the European Parliament and of the Council ⁽³¹⁾ , or a public register. Member States shall notify to the Commission the characteristics of those national mechanisms. The information on beneficial ownership contained in that database may be collected in accordance with national systems.	Sections 790VA and 1080 of the Companies Act 2006 Regulations 31JA and 60 of the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 Schedule 1, paragraphs 12B(1) and (4), 17(2)(d) and 20(1)(a) to the

		<p>Unregistered Companies Regulations 2009</p> <p>Part 5 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017</p>
30.4	<p>Member States shall require that the information held in the central register referred to in paragraph 3 is adequate, accurate and current.</p>	<p>Section 790VA of the Companies Act 2006</p> <p>Regulation 31JA of the Limited Liability Partnerships (Application of the Companies Act 2006) Regulations 2009</p> <p>Schedule 1, paragraph 12B(1) and (4) to the Unregistered Companies Regulations 2009</p> <p>Parts 4 – 6 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017, specifically regulations 11, 14, 20 and 35.</p>
30.5	<p>Member States shall ensure that the information on the beneficial ownership is accessible in all cases to:</p>	<p>Section 1085 and 1086 of the Companies Act 2006 (via public online register) (with certain modifications for SEs in regulation 13 and Schedule 1A European Public Limited-Liability Company Regulations 2004)</p> <p>Regulation 66 of the Limited Liability Partnerships (Application of</p>

		<p>Companies Act 2006) Regulations 2009</p> <p>Schedule 1, paragraph 20(1)(b) to the Unregistered Companies Regulations 2009</p> <p>Regulation 61 of The Scottish Partnerships (Register of People with Significant Control) Regulations 2017</p>
	<p>(a) competent authorities and FIUs, without any restriction;</p>	<p>Sections 790ZF, 790ZG, 1085, 1086, 1087B of the Companies Act 2006 (with certain modifications for SEs in regulation 3 European Public Limited-Liability Company (Register of People with Significant Control) Regulations 2016 and regulation 13 and Schedule 1A European Public Limited-Liability Company Regulations 2004)</p> <p>Regulation 2, Schedule 1, and Part 1 of Schedule 2 to the Companies (Disclosure of Date of Birth Information) Regulations 2015</p> <p>Regulations 22, 34, Schedule 3, and Part 1 of Schedule 4 to the Register of People with Significant Control Regulations 2016</p> <p>Regulations 31L and 66 of the Limited Liability Partnerships</p>

		<p>(Application of Companies Act 2006) Regulations 2009</p> <p>Paragraphs 3 and 4 of Schedule 2 to the Limited Liability Partnerships (Register of People with Significant Control) Regulations 2016</p> <p>Schedule 1, paragraphs 12C, and 20(1)(a),(b), (ca), (cb), and (2A) to the Unregistered Companies Regulations 2009</p> <p>Regulations 42 and 45(2)(b) of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017</p>
	<p>(b)obliged entities, within the framework of customer due diligence in accordance with Chapter II;</p>	<p>Section 1085 and 1086 of the Companies Act 2006 (with certain modifications for SEs in regulation 13 and Schedule 1A to the European Public Limited-Liability Company Regulations 2004)</p> <p>Regulation 66 of the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009</p> <p>Schedule 1, paragraph 20(1)(b) to the Unregistered Companies Regulations 2009</p> <p>Regulation 61 of The Scottish Partnerships (Register of People with</p>

	<p>(c) any person or organisation that can demonstrate a legitimate interest.</p> <p>The persons or organisations referred to in point (c) shall access at least 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.</p>	<p>Significant Control Regulations 2017</p> <p>Section 1085 and 1086 of the Companies Act 2006 (via public online register) (with certain modifications for SEs in regulation 13 and Schedule 1A to the European Public Limited-Liability Company Regulations 2004)</p> <p>Regulation 66 of the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009</p> <p>Schedule 1, paragraph 20(1)(b) to the Unregistered Companies Regulations 2009</p> <p>Regulation 61 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017</p>
	<p>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 fees charged for obtaining the information shall not exceed the administrative costs thereof.</p>	<p>Section 790ZF and 790ZG(1), (3)(g) of the Companies Act 2006 (with certain modifications for SEs in regulation 3 of the European Public Limited-Liability Company (Register of People with Significant Control) Regulations 2016)</p> <p>Regulations 22 and 35, and Part 1 of Schedule 4 to the Register of People</p>

		<p>with Significant Control Regulations 2016</p> <p>Regulation 31L of the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009</p> <p>Paragraphs 3 and 4 of Schedule 2 to the Limited Liability Partnerships (Register of People with Significant Control) Regulations 2016</p> <p>Regulation 6(b)(iv) and (c), and Schedule 3 paragraphs (4) and (5) to the Registrar of Companies (Fees) (Companies, Overseas Companies and Limited Liability Partnerships) Regulations 2012</p> <p>Schedule 1, paragraph 20(2)(ca) and (cb) to the Unregistered Companies Regulations 2009</p> <p>Parts 7 and 8 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017</p>
30.6	<p>The central register referred to in paragraph 3 shall ensure timely and unrestricted access by competent authorities and FIUs, without alerting the entity concerned. It shall also allow timely access by obliged entities when taking customer due diligence measures.</p>	<p>Sections 1085 and 1086 (via public online register) of the Companies Act 2006 (with certain modifications for SEs in regulation 13 and Schedule 1A to the European Public Limited-</p>

		<p>Liability Company Regulations 2004)</p> <p>And for FIU and competent authorities: Part 1 of Schedule 4 to the Register of People with Significant Control Regulations 2016</p> <p>Regulation 66 of the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009</p> <p>Paragraph 4 of Schedule 2 to the Limited Liability Partnerships (Register of People with Significant Control) Regulations 2016</p> <p>Schedule 1, paragraphs 12C, and 20(1),(b), (ca), (cb) and (2A) to the Unregistered Companies Regulations 2009</p> <p>Parts 7 and 8 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017</p>
30.7	<p>Member States shall ensure that competent authorities and FIUs are able to provide the information referred to in paragraphs 1 and 3 to the competent authorities and to the FIUs of other Member States in a timely manner.</p>	<p>Regulation 43(5), 52</p>
30.8	<p>Member States shall require that obliged entities do not rely exclusively on the central register referred to in paragraph 3 to fulfil their customer due diligence requirements in accordance with Chapter II. Those requirements shall be fulfilled by using a risk-based approach.</p>	<p>Regulation 28(9)</p>

30.9	<p>Member States may provide for an exemption to the access referred to in points (b) and (c) of paragraph 5 to all or part of the information on the beneficial ownership on a case-by-case basis in exceptional circumstances, where such access 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. Exemptions granted pursuant to this paragraph 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.</p>	<p>Sections 790ZF and 790ZG of the Companies Act 2006 (with certain modifications for SEs in regulation 3 of the European Public Limited-Liability Company (Register of People with Significant Control) Regulations 2016)</p> <p>Regulations 22 – 44, Schedules 3 and 4 to the Register of People with Significant Control Regulations 2016</p> <p>Regulation 31L of the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009</p> <p>Paragraphs 3 and 4 of Schedule 2 to the Limited Liability Partnerships (Register of People with Significant Control) Regulations 2016</p> <p>Schedule 1, paragraph 12C to the Unregistered Companies Regulations 2009</p> <p>Parts 7 and 8 of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017</p>
30.10	<p>By 26 June 2019, the Commission shall submit a report to the European Parliament and to the Council assessing the conditions and the technical specifications and procedures for ensuring the safe and efficient interconnection of the central registers referred to in paragraph</p>	<p>No transposition required</p>

	3 via the European central platform established by Article 4a(1) of Directive 2009/101/EC. Where appropriate, that report shall be accompanied by a legislative proposal.	
	<i>Article 31</i>	
31.1	Member States shall require that trustees of any express trust governed under their law obtain and hold adequate, accurate and up-to-date information on beneficial ownership regarding the trust. That information shall include the identity of: <ul style="list-style-type: none"> (a) the settlor; (b) the trustee(s); (c) the protector (if any); (d) the beneficiaries or class of beneficiaries; and (e) any other natural person exercising effective control over the trust 	Regulation 44(1) and 45(2)(b) to (d) Regulation 44(1) (and see definition of beneficial owner for trust in regulation 6(1)(a)) Regulation 44(1) (and see definition of beneficial owner for trust in regulation 6(1)(b)) Regulation 44(1) (and see definition of beneficial owner for trust in regulation 6(1)(d) and (2)) Regulation 44(1) (and see definition of beneficial owner for trust in regulation 6(1)(c)) Regulation 44(1) (and see definition of beneficial owner for trust in regulation 6(1)(d) and (2))
31.2	Member States shall ensure that trustees disclose their status and provide the information referred to in paragraph 1 to obliged entities in a timely manner where, as a trustee, the trustee forms a business relationship or carries out an occasional transaction above the thresholds set out in points (b), (c) and (d) of Article 11.	Regulation 44(2), (3)
31.3	Member States shall require that the information referred to in paragraph 1 can be accessed in a timely manner by competent authorities and FIUs.	Regulation 44(5),(10)

31.4	Member States shall require that the information referred to in paragraph 1 is held in a central register when the trust generates tax consequences. The central register shall ensure timely and unrestricted access by competent authorities and FIUs, without alerting the parties to the trust concerned. It may also allow timely access by obliged entities, within the framework of customer due diligence in accordance with Chapter II. Member States shall notify to the Commission the characteristics of those national mechanisms.	Regulation 45 (1) and (12)
31.5	Member States shall require that the information held in the central register referred to in paragraph 4 is adequate, accurate and up-to-date.	Regulation 45(2) to (10)
31.6	Member States shall ensure that obliged entities do not rely exclusively on the central register referred to in paragraph 4 to fulfil their customer due diligence requirements as laid down in Chapter II. Those requirements shall be fulfilled by using a risk-based approach.	Access to the register is limited by regulation 45(12) and (13)
31.7	Member States shall ensure that competent authorities and FIUs are able to provide the information referred to in paragraphs 1 and 4 to the competent authorities and to the FIUs of other Member States in a timely manner.	Regulation 45(13)
31.8	Member States shall ensure that the measures provided for in this Article apply to other types of legal arrangements having a structure or functions similar to trusts.	No transposition required
31.9	By 26 June 2019, the Commission shall submit a report to the European Parliament and to the Council assessing the conditions and the technical specifications and procedures for ensuring safe and efficient interconnection of the central registers. Where appropriate, that report shall be accompanied by a legislative proposal.	No transposition required
	CHAPTER IV	
	REPORTING OBLIGATIONS	
	SECTION I	
	<i>General provisions</i>	

	<i>Article 32</i>	
32.1	Each Member State shall establish an FIU in order to prevent, detect and effectively combat money laundering and terrorist financing.	The United Kingdom financial Intelligence Unit (UKFIU) operates as part of the National Crime Agency (NCA). The National Crime Agency was established under the Crime and Courts Act 2013, and has the overall responsibility for governance of the regime whilst the UKFIU Operations has the national responsibility to receive, analyse and disseminate financial intelligence submitted through the Suspicious Activity Reports regime (provided for under Part 7 of the Proceeds of Crime Act 2002).
32.2	Member States shall notify the Commission in writing of the name and address of their respective FIUs.	UK has notified Europol and the Commission
32.3	Each FIU shall be operationally independent and autonomous, which means that the FIU shall have the authority and capacity to carry out its functions freely, including the ability to take autonomous decisions to analyse, request and disseminate specific information. The FIU as the central national unit shall be responsible for receiving and analysing suspicious transaction reports and other information relevant to money laundering, associated predicate offences or terrorist financing. The FIU shall be responsible for disseminating the results of its analyses and any additional relevant information to the competent authorities where there are grounds to suspect money laundering, associated predicate offences or terrorist financing. It shall be able to obtain additional information from obliged entities.	The National Crime Agency is an operationally independent body. The FIU functions as an operationally independent and autonomous unit within the NCA. The FIU is the single point of contact for the initial receipt and analysis of all suspicious activity reports (SARs) and other information relating to money laundering and criminal/terrorist financing. Decisions relating to

		<p>intelligence receipt, analysis and distribution are contained autonomously within the FIU.</p> <p>Part 7 of POCA (s.339ZA)) and Part 3 (s.21C) of the TACT 2000 require disclosure of information to the NCA as soon as reasonably practicable.</p> <p>New s.339ZH of POCA and s.22B of TACT 2000 (inserted by the Criminal Finances Act 2017 9"CFA") permits the obtaining of information from obliged entities in relation to a disclosure.</p> <p>Part 8 of POCA and Schedules 5, 5A, 6 and 6A of TACT include a range of investigatory powers permitting the NCA to obtain information from obliged entities in relation to money laundering and terrorist financing investigations.</p>
	<p>Member States shall provide their FIUs with adequate financial, human and technical resources in order to fulfil their tasks.</p>	<p>Resources are provided to the FIU through the NCA, which is funded directly through its own supply estimate, voted by Parliament.</p>
32.4	<p>Member States shall ensure that their FIUs have access, directly or indirectly, in a timely manner, to the financial, administrative and law enforcement information that they require to fulfil their tasks properly. FIUs shall be able to respond to requests for information by competent authorities in their respective Member States when such requests for information</p>	<p>The FIU have access to information obtained by the NCA using the information gathering powers provided for in Part 8 of POCA and</p>

	<p>are motivated by concerns relating to money laundering, associated predicate offences or terrorist financing. The decision on conducting the analysis or dissemination of information shall remain with the FIU.</p>	<p>Schedules 5 to 6A of TACT, or provided to the NCA from the private sector and other law enforcement agencies under the information gateway in section 7 of CCA. See also s.339ZH POCA, s.22B TACT and s.8(3) CCA</p>
32.5	<p>Where there are objective grounds for assuming that the provision of such information would have a negative impact on ongoing investigations or analyses, or, in exceptional circumstances, where disclosure of the information would be clearly disproportionate to the legitimate interests of a natural or legal person or irrelevant with regard to the purposes for which it has been requested, the FIU shall be under no obligation to comply with the request for information.</p>	<p>This is an operational matter for the UKFIU. The UKFIU is not obliged to provide information under these circumstances. The UKFIU is subject to both the Data Protection Act 1998 and the Human Rights Act 1998 and may only share data in a manner which is compliant with both.</p>
32.6	<p>Member States shall require competent authorities to provide feedback to the FIU about the use made of the information provided in accordance with this Article and about the outcome of the investigations or inspections performed on the basis of that information.</p>	<p>To be implemented by the Home Office</p>
32.7	<p>Member States shall ensure that the FIU is empowered to take urgent action, directly or indirectly, where there is a suspicion that a transaction is related to money laundering or terrorist financing, to suspend or withhold consent to a transaction that is proceeding, in order to analyse the transaction, confirm the suspicion and disseminate the results of the analysis to the competent authorities. The FIU shall be empowered to take such action, directly or indirectly, at the request of an FIU from another Member State for the periods and under the conditions specified in the national law of the FIU receiving the request.</p>	<p>Sections 330-331 of POCA make it an offence for regulated sector bodies to fail to report suspicion of money laundering (or where there are reasonable grounds for suspicion). The FIU may use the section 7 gateway in the Crime and Courts Act to provide information to other entities including concerning suspicion of money laundering in</p>

which case regulated sector entities would commit a criminal offence if they did not make a disclosure to the FIU.

Sections 327-329 of POCA create the principal money laundering offences. They include activities such as the processing of property where there are grounds to suspect such property is criminal. There is a defence to each where the suspect can demonstrate that they made a disclosure to the FIU and where the FIU did not withhold consent to the activity proceeding.

Sections 335-336 of POCA provides that the FIU may withhold consent in relation to any activity in relation to property that is the subject of a disclosure of a suspicion of money laundering or terrorism financing.

The period during which the consent is deemed to be withheld is 31 days; under s.36A of POCA a Court may extend this period to 186 days maximum in total.

In cases of a request received from another member state, the FIU would be able to take the steps outlined above.

			For Terrorism Financing, similar provisions are found in Part 3 of TACT.
32.8	The FIU's analysis function shall consist of the following: (a) an operational analysis which focuses on individual cases and specific targets or on appropriate selected information, depending on the type and volume of the disclosures received and the expected use of the information after dissemination; and (b) a strategic analysis addressing money laundering and terrorist financing trends and patterns.		The UKFIU carries out analysis as part of the functions of the NCA as set out in s.1 of Crime and Courts Act 2013 Wider strategic analysis of UK money laundering is a function of the NCA national Intelligence Hub. Strategic analysis of terrorist financing is undertaken by the National Terrorist Financial Investigation Unit (NTFIU). The UKFIU undertakes analysis of patterns and trends in SARs reporting relating to sectors and typologies.
		<i>Article 33</i>	
33.1	Member States shall require obliged entities, and, where applicable, their directors and employees, to cooperate fully by promptly: (a) informing the FIU, including by filing a report, on their own initiative, where the obliged entity knows, suspects or has reasonable grounds to suspect that funds, regardless of the amount involved, are the proceeds of criminal activity or are related to terrorist financing, and by promptly responding to requests by the FIU for additional information in such cases; and		Sections 330, 331 and 339ZH of POCA Sections 19 and 22B of TACT

	(b) providing the FIU, directly or indirectly, at its request, with all necessary information, in accordance with the procedures established by the applicable law. All suspicious transactions, including attempted transactions, shall be reported.	Sections 339ZH and 357 of POCA Sections 22B and 37A of TACT
33.2	The person appointed in accordance with point (a) of Article 8(4) shall transmit the information referred to in paragraph 1 of this Article to the FIU of the Member State in whose territory the obliged entity transmitting the information is established.	Section 331 POCA creates an offence of failure to disclose by a nominated officer who is the person appointed for the purposes of Art. 8(4)
	<i>Article 34</i>	
34.1	By way of derogation from Article 33(1), Member States may, in the case of obliged entities referred to in point (3)(a), (b) and (d) of Article 2(1), designate an appropriate self-regulatory body of the profession concerned as the authority to receive the information referred to in Article 33(1).	Option not being exercised
	Without prejudice to paragraph 2, the designated self-regulatory body shall, in cases referred to in the first subparagraph of this paragraph, forward the information to the FIU promptly and unfiltered.	Option not being exercised
34.2	2. Member States shall not apply the obligations laid down in Article 33(1) to notaries, other independent legal professionals, auditors, external accountants and tax advisors only to the strict extent that such exemption relates to information that they receive from, or obtain on, one of their clients, in the course of ascertaining the legal position of their client, or performing their task of defending or representing that client in, or concerning, judicial proceedings, including providing advice on instituting or avoiding such proceedings, whether such information is received or obtained before, during or after such proceedings.	Section 330(6) of POCA Section 19(5) of TACT
	<i>Article 35</i>	
35.1	1. Member States shall require obliged entities to refrain from carrying out transactions which they know or suspect to be related to proceeds of criminal activity or to terrorist	Part 7 of POCA

	<p>financing until they have completed the necessary action in accordance with point (a) of the first subparagraph of Article 33(1) and have complied with any further specific instructions from the FIU or the competent authorities in accordance with the law of the relevant Member State.</p>	Part 3 of TACT
35.2	<p>2. Where refraining from carrying out transactions referred to in paragraph 1 is impossible or is likely to frustrate efforts to pursue the beneficiaries of a suspected operation, the obliged entities concerned shall inform the FIU immediately afterwards.</p>	<p>Section 338(3) of POCA Section 21A of TACT.</p>
	<p><i>Article 36</i></p>	
36.1	<p>Member States shall ensure that if, in the course of checks carried out on the obliged entities by the competent authorities referred to in Article 48, or in any other way, those authorities discover facts that could be related to money laundering or to terrorist financing, they shall promptly inform the FIU.</p>	Regulation 46(5)
36.2	<p>Member States shall ensure that supervisory bodies empowered by law or regulation to oversee the stock, foreign exchange and financial derivatives markets inform the FIU if they discover facts that could be related to money laundering or terrorist financing.</p>	Regulation 103
	<p><i>Article 37</i></p>	
37	<p>Disclosure of information in good faith by an obliged entity or by an employee or director of such an obliged entity in accordance with Articles 33 and 34 shall not constitute a breach of any restriction on disclosure of information imposed by contract or by any legislative, regulatory or administrative provision, and shall not involve the obliged entity or its directors or employees in liability of any kind even in circumstances where they were not precisely aware of the underlying criminal activity and regardless of whether illegal activity actually occurred.</p>	Section 337 of POCA; Section 22B of TACT
	<p><i>Article 38</i></p>	

38	Member States shall ensure that individuals, including employees and representatives of the obliged entity, who report suspicions of money laundering or terrorist financing internally or to the FIU, are protected from being exposed to threats or hostile action, and in particular from adverse or discriminatory employment actions.	Part IVA Employment Rights Act 1996
	SECTION 2	
	Prohibition of disclosure	
	<i>Article 39</i>	
39.1	Obligated entities and their directors and employees shall not disclose to the customer concerned or to other third persons the fact that information is being, will be or has been transmitted in accordance with Article 33 or 34 or that a money laundering or terrorist financing analysis is being, or may be, carried out.	Section 333A POCA Section 21D TACT.
39.2	The prohibition laid down in paragraph 1 shall not include disclosure to the competent authorities, including the self-regulatory bodies, or disclosure for law enforcement purposes.	Sections 333B to 333D of POCA Sections 21E to 21G of TACT
39.3	The prohibition laid down in paragraph 1 shall not prevent disclosure between the credit institutions and financial institutions or between those institutions and their branches and majority-owned subsidiaries located in third countries, provided that those 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 45, and that the group-wide policies and procedures comply with the requirements laid down in this Directive.	Sections 333B to 333D of POCA Sections 21E to 21G of TACT
39.4	The prohibition laid down in paragraph 1 shall not prevent disclosure between the obliged entities as referred to in point (3)(a) and (b) of Article 2(1), or entities from third countries which impose requirements equivalent to those laid down in this Directive, who perform their professional activities, whether as employees or not, within the same legal person or a larger	Sections 333B to 333D of POCA Sections 21E to 21G of TACT

	structure to which the person belongs and which shares common ownership, management or compliance control.	
39.5	For obliged entities referred to in points (1), (2), (3)(a) and (b) of Article 2(1) in cases relating to the same customer and the same transaction involving two or more obliged entities, the prohibition laid down in paragraph 1 of this Article shall not prevent disclosure between the relevant obliged entities provided that they are from a Member State, or entities in a third country which imposes requirements equivalent to those laid down in this Directive, and that they are from the same professional category and are subject to obligations as regards professional secrecy and personal data protection.	Sections 333B to 333D of POCA Sections 21E to 21G of TACT
39.6	Where the obliged entities referred to in point (3)(a) and (b) of Article 2(1) seek to dissuade a client from engaging in illegal activity, that shall not constitute disclosure within the meaning of paragraph 1 of this Article.	Sections 333B to 333D of POCA Sections 21E to 21G of TACT
	CHAPTER V	
	DATA PROTECTION, RECORD-RETENTION AND STATISTICAL DATA	
	<i>Article 40</i>	
40.1	Member States shall require obliged entities to retain the following documents and information in accordance with national law for the purpose of preventing, detecting and investigating, by the FIU or by other competent authorities, possible money laundering or terrorist financing:	Regulation 40
	(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, for a period of five years after the end of the business relationship with their customer or after the date of an occasional transaction;	Regulation 40(2)(a), (3)
	(b) the supporting evidence and records of transactions, consisting of the original documents or copies admissible in judicial proceedings under the applicable national law, which are	Regulation 40(2)(b), (3)

	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.	
	Upon expiry of the retention periods referred to in the first subparagraph, Member States shall ensure that obliged entities delete personal data, unless otherwise provided for by national law, which shall determine under which circumstances obliged entities may or shall further retain data.	Regulation 40(5)
	Member States may allow or require further retention after they have carried out a thorough assessment of the necessity and proportionality of such further retention and consider it to be justified as necessary for the prevention, detection or investigation of money laundering or terrorist financing. That further retention period shall not exceed five additional years	
40.2	Where, on 25 June 2015, legal proceedings concerned with the prevention, detection, investigation or prosecution of suspected money laundering or terrorist financing are pending in a Member State, and an obliged entity holds information or documents relating to those pending proceedings, the obliged entity may retain that information or those documents, in accordance with national law, for a period of five years from 25 June 2015. Member States may, without prejudice to national criminal law on evidence applicable to ongoing criminal investigations and legal proceedings, allow or require the retention of such information or documents for a further period of five years where the necessity and proportionality of such further retention has been established for the prevention, detection, investigation or prosecution of suspected money laundering or terrorist financing.	No transposition required
	<i>Article 41</i>	
41.1	The processing of personal data under this Directive is subject to Directive 95/46/EC, as transposed into national law. Personal data that is processed pursuant to this Directive by the Commission or by the ESAs is subject to Regulation (EC) No 45/2001.	Regulation 41(1)
41.2	Personal data shall be processed by obliged entities on the basis of this Directive only for the purposes of the prevention of money laundering and terrorist financing as referred to in Article 1 and shall not be further processed in a way that is incompatible with those purposes.	Regulation 41(1), (3)

	The processing of personal data on the basis of this Directive for any other purposes, such as commercial purposes, shall be prohibited.	
41.3	Obligated entities shall provide new clients with the information required pursuant to Article 10 of Directive 95/46/EC before establishing a business relationship or carrying out an occasional transaction. That information shall, in particular, include a general notice concerning the legal obligations of obliged entities under this Directive to process personal data for the purposes of the prevention of money laundering and terrorist financing as referred to in Article 1 of this Directive.	Regulation 41(4)
41.4	4. In applying the prohibition of disclosure laid down in Article 39(1), Member States shall adopt legislative measures restricting, in whole or in part, the data subject's right of access to personal data relating to him or her to the extent that such partial or complete restriction constitutes a necessary and proportionate measure in a democratic society with due regard for the legitimate interests of the person concerned to:	Data Protection Act 1998, section 29(1), (2) Sections 333 and 342, POCA; Section 21D TACT
	(a) enable the obliged entity or competent national authority to fulfil its tasks properly for the purposes of this Directive; or	
	(b) avoid obstructing official or legal inquiries, analyses, investigations or procedures for the purposes of this Directive and to ensure that the prevention, investigation and detection of money laundering and terrorist financing is not jeopardised.	
	<i>Article 42</i>	
42	Member States shall require that their obliged entities have systems in place that enable them to respond fully and speedily to enquiries from their FIU or from other authorities, in accordance with their national law, as to whether they are maintaining or have maintained, during a five-year period prior to that enquiry a business relationship with specified persons, and on the nature of that relationship, through secure channels and in a manner that ensures full confidentiality of the enquiries.	Regulation 21(8), (9)

	<i>Article 43</i>	
43	The processing of personal data on the basis of this Directive for the purposes of the prevention of money laundering and terrorist financing as referred to in Article 1 shall be considered to be a matter of public interest under Directive 95/46/EC.	Regulation 41(2)
	<i>Article 44</i>	
44.1	Member States shall, for the purposes of contributing to the preparation of risk assessments pursuant to Article 7, ensure that they are able to review the effectiveness of their systems to combat money laundering or terrorist financing by maintaining comprehensive statistics on matters relevant to the effectiveness of such systems.	Regulation 51
44.2	The statistics referred to in paragraph 1 shall include:	Schedule 4
	(a) data measuring the size and importance of the different sectors which fall within the scope of this Directive, including the number of entities and persons and the economic importance of each sector;	Schedule 4, paras 1 – 6
	(b) data measuring the reporting, investigation and judicial phases of the national AML/CFT regime, including the number of suspicious transaction reports made to the FIU, the follow-up given to those reports and, on an annual basis, the number of cases investigated, the number of persons prosecuted, the number of persons convicted for money laundering or terrorist financing offences, the types of predicate offences, where such information is available, and the value in euro of property that has been frozen, seized or confiscated;	Schedule 4, paras 7 - 18
	(c) if available, data identifying the number and percentage of reports resulting in further investigation, together with the annual report to obliged entities detailing the usefulness and follow-up of the reports they presented;	Regulation 104; The NCA as a matter of administrative practice produces an annual report on SARs, setting out the required information.

	(d) data regarding the number of cross-border requests for information that were made, received, refused and partially or fully answered by the FIU.	The SARs annual report includes figures on international cooperation between FIUs.
44.3	Member States shall ensure that a consolidated review of their statistics is published.	Regulation 51(3)
44.4	Member States shall transmit to the Commission the statistics referred to in paragraph 2.	No transposition required
	CHAPTER VI	
	POLICIES, PROCEDURES AND SUPERVISION	
	SECTION I	
	<i>Internal procedures, training and feedback</i>	
	<i>Article 45</i>	
45.1	Member States shall require obliged entities that are part of a group to implement group-wide policies and procedures, including data protection policies and policies and procedures for sharing information within the group for AML/CFT purposes. Those policies and procedures shall be implemented effectively at the level of branches and majority-owned subsidiaries in Member States and third countries.	Regulation 20(1)
45.2	Member States shall require that obliged entities that operate establishments in another Member State ensure that those establishments respect the national provisions of that other Member State transposing this Directive.	Regulation 20(2)
45.3	Member States shall ensure that where obliged entities have branches or majority-owned subsidiaries located in third countries where the minimum AML/CFT requirements are less strict than those of the Member State, their branches and majority-owned subsidiaries located in the third country implement the requirements of the Member State, including data protection, to the extent that the third country's law so allows.	Regulation 20(3)

45.4	The Member States and the ESAs shall inform each other of instances in which a third country's law does not permit the implementation of the policies and procedures required under paragraph 1. In such cases, coordinated action may be taken to pursue a solution.	No transposition required
45.5	Member States shall require that, where a third country's law does not permit the implementation of the policies and procedures required under paragraph 1, obliged entities ensure that branches and majority-owned subsidiaries in that third country apply additional measures to effectively handle the risk of money laundering or terrorist financing, and inform the competent authorities of their home Member State. If the additional measures are not sufficient, the competent authorities of the home Member State shall exercise additional supervisory actions, including requiring that the group does not establish or that it terminates business relationships, and does not undertake transactions and, where necessary, requesting the group to close down its operations in the third country.	Regulation 20(4) and 25
45.6	The ESAs shall develop draft regulatory technical standards specifying the type of additional measures referred to in paragraph 5 and the minimum action to be taken by credit institutions and financial institutions where a third country's law does not permit the implementation of the measures required under paragraphs 1 and 3.	No transposition required
	The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 26 December 2016.	No transposition required
45.7	Power is delegated to the Commission to adopt the regulatory technical standards referred to in paragraph 6 of this Article in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.	No transposition required
45.8	Member States shall ensure that the sharing of information within the group is allowed. Information on suspicions that funds are the proceeds of criminal activity or are related to terrorist financing reported to the FIU shall be shared within the group, unless otherwise instructed by the FIU.	Regulation 20(5) Section 333B POCA; section 21E TACT
45.9	Member States may require electronic money issuers as defined in point (3) of Article 2 of Directive 2009/110/EC and payment service providers as defined in point (9) of Article 4 of Directive 2007/64/EC established on their territory in forms other than a branch, and whose	Regulation 21(7) and 22

	head office is situated in another Member State, to appoint a central contact point in their territory to ensure, on behalf of the appointing institution, compliance with AML/CFT rules and to facilitate supervision by competent authorities, including by providing competent authorities with documents and information on request.	
45.10	The ESAs shall develop draft regulatory technical standards on the criteria for determining the circumstances in which the appointment of a central contact point pursuant to paragraph 9 is appropriate, and what the functions of the central contact points should be.	No transition required
	The ESAs shall submit the draft regulatory technical standards referred to in the first subparagraph to the Commission by 26 June 2017.	No transition required
45.11	Power is delegated to the Commission to adopt the regulatory technical standards referred to in paragraph 10 of this Article in accordance with Articles 10 to 14 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010.	No transition required
	<i>Article 46</i>	
46.1	Member States shall require that obliged entities take measures proportionate to their risks, nature and size so that their employees are aware of the provisions adopted pursuant to this Directive, including relevant data protection requirements.	Regulation 24(1), (2) and (3)
	Those measures shall include participation of their employees in special ongoing training programmes to help them recognise operations which may be related to money laundering or terrorist financing and to instruct them as to how to proceed in such cases.	Regulation 24(1)(a)(ii)
	Where a natural person falling within any of the categories listed in point (3) of Article 2(1) performs professional activities as an employee of a legal person, the obligations in this Section shall apply to that legal person rather than to the natural person.	Regulation 24(1)
46.2	Member States shall ensure that obliged entities have access to up-to-date information on the practices of money launderers and financiers of terrorism and on indications leading to the recognition of suspicious transactions.	Regulation 47

46.3	Member States shall ensure that, where practicable, timely feedback on the effectiveness of and follow-up to reports of suspected money laundering or terrorist financing is provided to obliged entities.	Regulation 104
46.4	Member States shall require that, where applicable, obliged entities identify the member of the management board who is responsible for the implementation of the laws, regulations and administrative provisions necessary to comply with this Directive.	Regulation 21(1)(a); (4)
	SECTION 2	
	Supervision	
	<i>Article 47</i>	
47.1	Member States shall provide that currency exchange and cheque cashing offices and trust or company service providers be licensed or registered and providers of gambling services be regulated.	Regulation 54 and 56 Gambling Act 2005
47.2	Member States shall require competent authorities to ensure that the persons who hold a management function in the entities referred to in paragraph 1, or are the beneficial owners of such entities, are fit and proper persons.	Regulation 58
47.3	With respect to the obliged entities referred to in point (3)(a), (b) and (d) of Article 2(1), Member States shall ensure that competent authorities take the necessary measures to prevent criminals convicted in relevant areas or their associates from holding a management function in or being the beneficial owners of those obliged entities.	Regulation 26
	<i>Article 48</i>	
48.1	Member States shall require the competent authorities to monitor effectively, and to take the measures necessary to ensure, compliance with this Directive.	Regulation 46(1)

48.2	Member States shall ensure that the competent authorities have adequate powers, including the power to compel the production of any information that is relevant to monitoring compliance and perform checks, and have adequate financial, human and technical resources to perform their functions. Member States shall ensure that staff of those authorities maintain high professional standards, including standards of confidentiality and data protection, that they are of high integrity and are appropriately skilled.	Regulations 49(1) and (2)(a) and 66 to 74
48.3	In the case of credit institutions, financial institutions, and providers of gambling services, competent authorities shall have enhanced supervisory powers.	Financial Services and Markets Act 2000 (see in particular Parts 4A; 5; 9A; 11; 12; 12A; 14) Gambling Act 2005
48.4	Member States shall ensure that competent authorities of the Member State in which the obliged entity operates establishments supervise that those establishments respect the national provisions of that Member State transposing this Directive. In the case of the establishments referred to in Article 45(9), such supervision may include the taking of appropriate and proportionate measures to address serious failings that require immediate remedies. Those measures shall be temporary and be terminated when the failings identified are addressed, including with the assistance of or in cooperation with the competent authorities of the home Member State of the obliged entity, in accordance with Article 45(2).	Regulation 8, 46, 76 to 91
48.5	Member States shall ensure that the competent authorities of the Member State in which the obliged entity operates establishments shall cooperate with the competent authorities of the Member State in which the obliged entity has its head office, to ensure effective supervision of the requirements of this Directive.	Regulation 50(1)(c), (2), (3), and (4)
48.6	Member States shall ensure that when applying a risk-based approach to supervision, the competent authorities:	Regulation 46
	(a) have a clear understanding of the risks of money laundering and terrorist financing present in their Member State;	Regulation 17(1), (2), (4), and 46(2)(a)

	(b) have on-site and off-site access to all relevant information on the specific domestic and international risks associated with customers, products and services of the obliged entities; and	Regulation 46(2)(b)
	(c) base the frequency and intensity of on-site and off-site supervision on the risk profile of obliged entities, and on the risks of money laundering and terrorist financing in that Member State.	Regulation 46(2)(c), (d), (3), (4)
48.7	The assessment of the money laundering and terrorist financing risk profile of obliged entities, including the risks of non-compliance, shall be reviewed both periodically and when there are major events or developments in their management and operations.	Regulation 17(7), (8)
48.8	Member States shall ensure that competent authorities take into account the degree of discretion allowed to the obliged entity, and appropriately review the risk assessments underlying this discretion, and the adequacy and implementation of its internal policies, controls and procedures.	Regulation 46(3)(b), (4)
48.9	In the case of the obliged entities referred to in point (3)(a), (b) and (d) of Article 2(1), Member States may allow the functions referred to in paragraph 1 of this Article to be performed by self-regulatory bodies, provided that those self-regulatory bodies comply with paragraph 2 of this Article.	Regulation 7
48.10	By 26 June 2017, the ESAs shall issue guidelines addressed to competent authorities in accordance with Article 16 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 on the characteristics of a risk-based approach to supervision and the steps to be taken when conducting supervision on a risk-based basis. Specific account shall be taken of the nature and size of the business, and, where appropriate and proportionate, specific measures shall be laid down.	No transposition required
	SECTION 3	
	Cooperation	

49	<p>Subsection I</p> <p>National cooperation</p> <p><i>Article 49</i></p> <p>Member States shall ensure that policy makers, the FIUs, supervisors and other competent authorities involved in AML/CFT 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.</p>	<p>Regulation 16; 17; 49(3)(a); 50; 52; 66, 67 and 68</p>	
	<p>Subsection II</p> <p>Cooperation with the ESAs</p> <p><i>Article 50</i></p>		
50	<p>The competent authorities shall provide the ESAs with all the information necessary to allow them to carry out their duties under this Directive.</p>	<p>Regulation 50(5)</p>	
	<p>Subsection III</p> <p>Cooperation between FIUs and with the Commission</p> <p><i>Article 51</i></p>		
51	<p>The Commission may lend such assistance as may be needed to facilitate coordination, including the exchange of information between FIUs within the Union. It may regularly</p>	<p>No transition required</p>	

	<p>convene meetings of the EU FIUs' Platform composed of representatives from Member States' FIUs, in order to facilitate cooperation among FIUs, exchange views and provide advice on implementation issues relevant for FIUs and reporting entities as well as on cooperation-related issues such as effective FIU cooperation, the identification of suspicious transactions with a cross-border dimension, the standardisation of reporting formats through the FIU.net or its successor, the joint analysis of cross-border cases, and the identification of trends and factors relevant to assessing the risks of money laundering and terrorist financing at national and supranational level.</p>	
	<p><i>Article 52</i></p>	
<p>52</p>	<p>Member States shall ensure that FIUs cooperate with each other to the greatest extent possible, regardless of their organisational status.</p>	<p>The UK is compliant with Council Decision 2000/642/JHA concerning arrangements for cooperation between financial intelligence units of Member States. In respect of exchanging information FIUs are central hubs for gathering and sharing intelligence relating to money laundering and terrorist financing. This measure provides a framework for FIUs to share intelligence and also provides the computer system FIU.net which facilitates secure and timely communication as well as providing a number of technological capabilities. The UKFIU's basis for sharing information is Sections 7 and 8e of the Crime and Courts Act 2013. Through membership of the Egmont Group of Financial Intelligence Units</p>

		the UKFIU can transmit and receive sensitive data between a wide group of jurisdictions without a specific MOU.
	<i>Article 53</i>	
53.1	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, even if the type of predicate offences that may be involved is not identified at the time of the exchange.	The FIU engages in such activity by reason of the discharge of its functions of the NCA which are set out in S. 1 and 8 of the Crime and Courts Act 2013. The UK FIU shares information securely with other MS FIUs, through the FIU.net. The UKFIU has agreed to and adheres to the Egmont Principles of Information Sharing
	A request shall contain the relevant facts, background information, reasons for the request and how the information sought will be used. Different exchange mechanisms may apply if so agreed between the FIUs, in particular as regards exchanges through the FIU.net or its successor.	Through membership of the Egmont Group of Financial Intelligence Units the UKFIU can transmit and receive sensitive data between a wide group of jurisdictions without a specific MOU. The UKFIU uses the Egmont secure web to transmit sensitive data and has access to FIU.net to communicate with EU MS FIUs.
	When an FIU receives a report pursuant to point (a) of the first subparagraph of Article 33(1) which concerns another Member State, it shall promptly forward it to the FIU of that Member State.	As a matter of operational practice, the UK FIU disseminates such reports to other Member States promptly through FIU.net.

53.2	<p>Member States shall ensure that the FIU to whom the request is made is required to use the whole range of its available powers which it would normally use domestically for receiving and analysing information when it replies to a request for information referred to in paragraph 1 from another FIU. The FIU to whom the request is made shall respond in a timely manner.</p>	<p>For EU Framework Decisions, UK FIA response times are fixed at 8 hours for urgent requests, 7 days for non-urgent (where data is within NCA core systems) and up to 28 days (where data is held by third parties). Both the urgent and non-urgent requests (with access to NCA data) can be extended to 3 days and 14 days respectively. The FIU can use the powers available to it to obtain further information, including the new further information order power in sections 339ZH to 339ZK POCA (inserted by section 12 of the Criminal Finances Act 2017).</p>
	<p>When an FIU seeks to obtain additional information from an obliged entity established in another Member State which operates on its territory, the request shall be addressed to the FIU of the Member State in whose territory the obliged entity is established. That FIU shall transfer requests and answers promptly.</p>	<p>The UK FIU cooperates with other MS FIUs to obtain such information. It also has powers, through the NCA, to request or require the provision of information from regulated sector entities.</p> <p>The UKFIU has agreed to and adheres to the Egmont Principles of Information Sharing.</p>
53.3	<p>An FIU may refuse to exchange information only in exceptional circumstances where the exchange could be contrary to fundamental principles of its national law. Those exceptions shall be specified in a way which prevents misuse of, and undue limitations on, the free exchange of information for analytical purposes.</p>	<p>The UKFIU has agreed to and adheres to the Egmont Principles of Information Sharing. The FIU will exchange information unless to do so would be in breach of the Data</p>

			Protection Act 1998 or the Human Rights Act 1998.
		<i>Article 54</i>	
54	Information and documents received pursuant to Articles 52 and 53 shall be used for the accomplishment of the FIU's tasks as laid down in this Directive. When exchanging information and documents pursuant to Articles 52 and 53, the transmitting FIU may impose restrictions and conditions for the use of that information. The receiving FIU shall comply with those restrictions and conditions.		The UKFIU can carry out enquiries for intelligence purposes only, but can access and exchange information as though the information would be used for a domestic intelligence enquiry. The UKFIU has agreed to and adheres to the Egmont Principles of Information Sharing, which cover the handling of information received.
		<i>Article 55</i>	
55.1	Member States shall ensure that the information exchanged pursuant to Articles 52 and 53 is used only for the purpose for which it was sought or provided and that any dissemination of that information by the receiving FIU to any other authority, agency or department, or any use of this information for purposes beyond those originally approved, is made subject to the prior consent by the FIU providing the information.		The UKFIU has agreed to and adheres to the Egmont Principles of Information Sharing.
55.2	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. 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.		The UKFIU has agreed to and adheres to the Egmont Principles of Information Sharing.

	<i>Article 56</i>	
56.1	Member States shall require their FIUs to use protected channels of communication between themselves and encourage the use of the FIU.net or its successor.	The UKFIU uses the Egmont secure web to transmit sensitive data and has access to the secure FIU.net to communicate with EU MS FIUs. Data Protection Act 1998
56.2	Member States shall ensure that, in order to fulfil their tasks as laid down in this Directive, their FIUs cooperate in the application of state-of-the-art technologies in accordance with their national law. Those technologies shall allow FIUs to match their data with that of other FIUs in an anonymous way by ensuring full protection of personal data with the aim of detecting subjects of the FIU's interests in other Member States and identifying their proceeds and funds.	The UKFIU uses the Egmont secure web to transmit sensitive data and has access to FIU.net to communicate with EU MS FIUs.
	<i>Article 57</i>	
57	Differences between national law definitions of tax crimes shall not impede the ability of FIUs to exchange information or provide assistance to another FIU, to the greatest extent possible under their national law.	The FIU has the power to share information with other member states where money laundering is suspected including where the predicate offence would not be an offence in the UK. See s. 8 of the Crime and Courts Act 2013
	SECTION 4	
	Sanctions	

<i>Article 58</i>		
58.1	Member States shall ensure that obliged entities can be held liable for breaches of national provisions transposing this Directive in accordance with this Article and Articles 59 to 61. Any resulting sanction or measure shall be effective, proportionate and dissuasive.	Regulations 75 to 91
58.2	Without prejudice to the right of Member States to provide for and impose criminal sanctions, Member States shall lay down rules on administrative sanctions and measures and ensure that their competent authorities may impose such sanctions and measures with respect to breaches of the national provisions transposing this Directive, and shall ensure that they are applied.	Regulations 76, 77, 78, 79
	Member States may decide not to lay down rules for administrative sanctions or measures for breaches which are subject to criminal sanctions in their national law. In that case, Member States shall communicate to the Commission the relevant criminal law provisions.	Option not exercised
58.3	Member States shall ensure that where obligations apply to legal persons in the event of a breach of national provisions transposing this Directive, sanctions and measures can be applied to the members of the management body and to other natural persons who under national law are responsible for the breach.	Regulations 91 and 92
58.4	Member States shall ensure that the competent authorities have all the supervisory and investigatory powers that are necessary for the exercise of their functions.	Regulations 66 to 74
58.5	Competent authorities shall exercise their powers to impose administrative sanctions and measures in accordance with this Directive, and with national law, in any of the following ways:	
	(a) directly;	Regulation 76, 77 and 78
	(b) in collaboration with other authorities;	Regulation 76, 77 and 78
	(c) under their responsibility by delegation to such other authorities;	Regulation 76, 77 and 78
	(d) by application to the competent judicial authorities.	Regulation 80

	In the exercise of their powers to impose administrative sanctions and measures, competent authorities shall cooperate closely in order to ensure that those administrative sanctions or measures produce the desired results and coordinate their action when dealing with cross-border cases.	Regulation 49(3)(b) and 50(1)
	<i>Article 59</i>	
59.1	Member States shall ensure that this Article applies at least to breaches on the part of obliged entities that are serious, repeated, systematic, or a combination thereof, of the requirements laid down in:	
	(a) Articles 10 to 24 (customer due diligence);	Regulation 75, and Schedule 6, para 7
	(b) Articles 33, 34 and 35 (suspicious transaction reporting);	To be implemented by the Home Office
	(c) Article 40 (record-keeping); and	Regulation 75, and Schedule 6, para 8
	(d) Articles 45 and 46 (internal controls).	Regulation 75, and Schedule 6, para 5
59.2	Member States shall ensure that in the cases referred to in paragraph 1, the administrative sanctions and measures that can be applied include at least the following:	
	(a) a public statement which identifies the natural or legal person and the nature of the breach;	Regulation 76(2)(b)
	(b) an order requiring the natural or legal person to cease the conduct and to desist from repetition of that conduct;	Regulation 80
	(c) where an obliged entity is subject to an authorisation, withdrawal or suspension of the authorisation;	Regulation 77

	(d) a temporary ban against any person discharging managerial responsibilities in an obliged entity, or any other natural person, held responsible for the breach, from exercising managerial functions in obliged entities;	Regulation 78
	(e) maximum administrative pecuniary sanctions of at least twice the amount of the benefit derived from the breach where that benefit can be determined, or at least EUR 1 000 000.	Regulation 76(2)(a)
59.3	Member States shall ensure that, by way of derogation from paragraph 2(e), where the obliged entity concerned is a credit institution or financial institution, the following sanctions can also be applied:	
	(a) in the case of a legal person, maximum administrative pecuniary sanctions of at least EUR 5 000 000 or 10 % of the total annual turnover according to the latest available accounts approved by the management body; where the obliged entity is a parent undertaking or a subsidiary of a parent undertaking which is required to prepare consolidated financial accounts in accordance with Article 22 of Directive 2013/34/EU, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting Directives according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking;	Regulation 76(2)(a) permits unlimited fines
	(b) in the case of a natural person, maximum administrative pecuniary sanctions of at least EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 25 June 2015.	Regulation 76(2)(a) permits unlimited fines
59.4	Member States may empower competent authorities to impose additional types of administrative sanctions in addition to those referred to in points (a) to (d) of paragraph 2 or to impose administrative pecuniary sanctions exceeding the amounts referred to in point (e) of paragraph 2 and in paragraph 3.	Regulation 76(2)(a) permits unlimited fines

<i>Article 60</i>		
60.1	<p>Member States shall ensure that a decision imposing an administrative sanction or measure for breach of the national provisions transposing this Directive against which there is no appeal shall be published by the competent authorities on their official website immediately after the person sanctioned is informed of that decision. The publication shall include at least information on the type and nature of the breach and the identity of the persons responsible. Member States shall not be obliged to apply this subparagraph to decisions imposing measures that are of an investigatory nature.</p> <p>Where the publication of the identity of the persons responsible as referred to in the first subparagraph or the personal data of such persons is considered by the competent authority to be disproportionate following a case-by-case assessment conducted on the proportionality of the publication of such data, or where publication jeopardises the stability of financial markets or an on-going investigation, competent authorities shall:</p>	Regulation 84(4); 85(2)
	<p>(a) delay the publication of the decision to impose an administrative sanction or measure until the moment at which the reasons for not publishing it cease to exist;</p>	Regulation 84(5), (6); 85(4), (5)
	<p>(b) publish the decision to impose an administrative sanction or measure on an anonymous basis in a manner in accordance with national law, if such anonymous publication ensures an effective protection of the personal data concerned; in the case of a decision to publish an administrative sanction or measure on an anonymous basis, the publication of the relevant data may be postponed for a reasonable period of time if it is foreseen that within that period the reasons for anonymous publication shall cease to exist;</p>	Regulation 84(6) and (7), 85(5) and (6)
	<p>(c) not publish the decision to impose an administrative sanction or measure at all in the event that the options set out in points (a) and (b) are considered insufficient to ensure:</p> <p>(i) that the stability of financial markets would not be put in jeopardy; or</p>	Regulation 84(5), 85(4)
		Regulation 84(8), 85(7)
		Regulation 84(8)(a); 85(7)(a)

	(ii) the proportionality of the publication of the decision with regard to measures which are deemed to be of a minor nature.	Regulation 84(8)(b); 85(7)(b) Regulation 84(3); 85(3)
60.2	Where Member States permit publication of decisions against which there is an appeal, competent authorities shall also publish, immediately, on their official website such information and any subsequent information on the outcome of such appeal. Moreover, any decision annulling a previous decision to impose an administrative sanction or a measure shall also be published.	
60.3	Competent authorities shall ensure that any publication in accordance with this Article shall remain on their official website for a period of five years after its publication. However, personal data contained in the publication shall only be kept on the official website of the competent authority for the period which is necessary in accordance with the applicable data protection rules.	Regulation 84(9); 85(8)
60.4	Member States shall ensure that when determining the type and level of administrative sanctions or measures, the competent authorities shall take into account all relevant circumstances, including where applicable:	Regulation 81(1); 83(1)
	(a) the gravity and the duration of the breach;	Regulation 81(1)(a); 83(1)(a)
	(b) the degree of responsibility of the natural or legal person held responsible;	Regulation 81(1)(b); 83(1)(b)
	(c) the financial strength of the natural or legal person held responsible, as indicated for example by the total turnover of the legal person held responsible or the annual income of the natural person held responsible;	Regulation 81(1)(c); 83(1)(c)
	(d) the benefit derived from the breach by the natural or legal person held responsible, insofar as it can be determined;	Regulation 81(1)(d); 83(1)(d)
	(e) the losses to third parties caused by the breach, insofar as they can be determined;	Regulation 81(1)(e); 83(1)(e)
	(f) the level of cooperation of the natural or legal person held responsible with the competent authority;	Regulation 81(1)(f); 83(1)(f)

	(g) previous breaches by the natural or legal person held responsible.	Regulation 81(1)(g); 83(1)(g)
60.5	Member States shall ensure that legal persons can be held liable for the breaches referred to in Article 59(1) committed for their benefit by any person, acting individually or as part of an organ of that legal person, and having a leading position within the legal person based on any of the following: (a) power to represent the legal person; (b) authority to take decisions on behalf of the legal person; or (c) authority to exercise control within the legal person.	Regulation 76 Regulation 76 Regulation 76
60.6	Member States shall also ensure that legal persons can be held liable where the lack of supervision or control by a person referred to in paragraph 5 of this Article has made it possible to commit one of the breaches referred to in Article 59(1) for the benefit of that legal person by a person under its authority.	Regulation 76
	<i>Article 61</i>	
61.1	Member States shall ensure that competent authorities establish effective and reliable mechanisms to encourage the reporting to competent authorities of potential or actual breaches of the national provisions transposing this Directive.	Regulation 46(2)(e)
61.2	The mechanisms referred to in paragraph 1 shall include at least: (a) specific procedures for the receipt of reports on breaches and their follow-up;	Regulation 46(2)(d) and (e)

	(b) appropriate protection for employees or persons in a comparable position, of obliged entities who report breaches committed within the obliged entity;	Schedule to the Public Interest Disclosure (Prescribed Persons) Order (Northern Ireland) 1999 Schedule to Public Interest Disclosure (Prescribed Persons) Order 2014
	(c) appropriate protection for the accused person;	Regulations 81 to 85
	(d) protection of personal data concerning both the person who reports the breaches and the natural person who is allegedly responsible for a breach, in compliance with the principles laid down in Directive 95/46/EC;	Regulation 41, the Data Protection Act 1998, and to be implemented by the Home Office
	(e) clear rules that ensure that confidentiality is guaranteed in all cases in relation to the person who reports the breaches committed within the obliged entity, unless disclosure is required by national law in the context of further investigations or subsequent judicial proceedings.	Schedule to the Public Interest Disclosure (Prescribed Persons) Order (Northern Ireland) 1999 Schedule to Public Interest Disclosure (Prescribed Persons) Order 2014 And to be implemented by the Home Office

61.3	3. Member States shall require obliged entities to have in place appropriate procedures for their employees, or persons in a comparable position, to report breaches internally through a specific, independent and anonymous channel, proportionate to the nature and size of the obliged entity concerned.	Regulation 21(3), (5) Schedule to the Public Interest Disclosure (Prescribed Persons) Order (Northern Ireland) 1999 Schedule to Public Interest Disclosure (Prescribed Persons) Order 2014
	<i>Article 62</i>	
62.1	Member States shall ensure that their competent authorities inform the ESAs of all administrative sanctions and measures imposed in accordance with Articles 58 and 59 on credit institutions and financial institutions, including of any appeal in relation thereto and the outcome thereof.	No transition required
62.2	Member States shall ensure that their competent authorities, in accordance with their national law, check the existence of a relevant conviction in the criminal record of the person concerned. Any exchange of information for those purposes shall be carried out in accordance with Decision 2009/316/JHA and Framework Decision 2009/315/JHA as implemented in national law.	To be implemented by the Home Office
62.3	The ESAs shall maintain a website with links to each competent authority's publication of administrative sanctions and measures imposed in accordance with Article 60 on credit institutions and financial institutions, and shall show the time period for which each Member State publishes administrative sanctions and measures.	No transition required

	of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.	
	<i>Article 65</i>	
	By 26 June 2019, the Commission shall draw up a report on the implementation of this Directive and submit it to the European Parliament and to the Council.	No transposition required
	<i>Article 66</i>	
	Directives 2005/60/EC and 2006/70/EC are repealed with effect from 26 June 2017.	No transposition required
	References to the repealed Directives shall be construed as references to this Directive and shall be read in accordance with the correlation table set out in Annex IV.	No transposition required
	<i>Article 67</i>	
67.1	Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 26 June 2017. They shall immediately communicate the text of those measures to the Commission.	Regulation 1
	When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.	Explanatory note to the Regulations
67.2	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.	No transposition required
	<i>Article 68</i>	

	This Directive shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i> .	No transposition required
	<i>Article 69</i>	
	This Directive is addressed to the Member States.	No transposition required

ANNEX I		
The following is a non-exhaustive list of risk variables that obliged entities shall consider when determining to what extent to apply customer due diligence measures in accordance with Article 13(3):	Regulation 28(13)	
(i) the purpose of an account or relationship;	Regulation 28(13)(a)	
(ii) the level of assets to be deposited by a customer or the size of transactions undertaken;	Regulation 28(13)(b)	
(iii) the regularity or duration of the business relationship.	Regulation 28(13)(c)	
ANNEX II		
The following is a non-exhaustive list of factors and types of evidence of potentially lower risk referred to in Article 16:		
(1) Customer risk factors:	Regulation 37(3)(a)	
(a) public companies listed on a stock exchange and subject to disclosure requirements (either by stock exchange rules or through law or enforceable means), which impose requirements to ensure adequate transparency of beneficial ownership;	Regulation 37(3)(a)(iv)	

<p>(b) public administrations or enterprises;</p> <p>(c) customers that are resident in geographical areas of lower risk as set out in point (3);</p> <p>(2) Product, service, transaction or delivery channel risk factors:</p> <p>(a) life insurance policies for which the premium is low;</p> <p>(b) insurance policies for pension schemes if there is no early surrender option and the policy cannot be used as collateral;</p> <p>(c) a pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages, and the scheme rules do not permit the assignment of a member's interest under the scheme;</p> <p>(d) financial products or services that provide appropriately defined and limited services to certain types of customers, so as to increase access for financial inclusion purposes;</p> <p>(e) products where the risks of money laundering and terrorist financing are managed by other factors such as purse limits or transparency of ownership (e.g. certain types of electronic money);</p> <p>(3) Geographical risk factors:</p> <p>(a) Member States;</p> <p>(b) third countries having effective AML/CFT systems;</p> <p>(c) third countries identified by credible sources as having a low level of corruption or other criminal activity;</p>	<p>Regulation 37(3)(a)(i)</p> <p>Regulation 37(3)(a)(ii)</p> <p>Regulation 37(3)(b)</p> <p>Regulation 37(3)(b)(i)</p> <p>Regulation 37(3)(b)(ii)</p> <p>Regulation 37(3)(b)(iii)</p> <p>Regulation 37(3)(b)(iv)</p> <p>Regulation 37(3)(b)(v)</p> <p>Regulation 37(3)(c)</p> <p>Regulation 37(3)(c)(i)</p> <p>Regulation 37(3)(c)(ii)</p> <p>Regulation 37(3)(c)(iii)</p>
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<p>(d) third countries which, on the basis of credible sources such as mutual evaluations, detailed assessment reports or published follow-up reports, have requirements to combat money laundering and terrorist financing consistent with the revised FATF Recommendations and effectively implement those requirements.</p>	<p>Regulation 37(3)(c)(iv)</p>
<p style="text-align: center;">ANNEX III</p>	
<p>The following is a non-exhaustive list of factors and types of evidence of potentially higher risk referred to in Article 18(3):</p>	
<p>(1) Customer risk factors:</p> <ul style="list-style-type: none"> (a) the business relationship is conducted in unusual circumstances; (b) customers that are resident in geographical areas of higher risk as set out in point (3); (c) legal persons or arrangements that are personal asset-holding vehicles; (d) companies that have nominee shareholders or shares in bearer form; (e) businesses that are cash-intensive; (f) the ownership structure of the company appears unusual or excessively complex given the nature of the company's business; 	<p>Regulation 33(6)(a) Regulation 33(6)(a)(i) Regulation 33(6)(a)(ii) Regulation 33(6)(a)(iii) Regulation 33(6)(a)(iv) Regulation 33(6)(a)(v) Regulation 33(6)(a)(vi)</p>
<p>(2) Product, service, transaction or delivery channel risk factors:</p> <ul style="list-style-type: none"> (a) private banking; 	<p>Regulation 33(6)(b) Regulation 33(6)(b)(i)</p>

<p>(b) products or transactions that might favour anonymity;</p> <p>(c) non-face-to-face business relationships or transactions, without certain safeguards, such as electronic signatures;</p> <p>(d) payment received from unknown or unassociated third parties;</p> <p>(e) new products and new business practices, including new delivery mechanism, and the use of new or developing technologies for both new and pre-existing products;</p>	<p>Regulation 33(6)(b)(ii)</p> <p>Regulation 33(6)(b)(iii)</p> <p>Regulation 33(6)(b)(iv)</p> <p>Regulation 33(6)(b)(v)</p>
<p>(3) Geographical risk factors:</p> <p>(a) without prejudice to Article 9, countries identified by credible sources, such as mutual evaluations, detailed assessment reports or published follow-up reports, as not having effective AML/CFT systems;</p> <p>(b) countries identified by credible sources as having significant levels of corruption or other criminal activity;</p> <p>(c) countries subject to sanctions, embargos or similar measures issued by, for example, the Union or the United Nations;</p> <p>(d) countries providing funding or support for terrorist activities, or that have designated terrorist organisations operating within their country.</p>	<p>Regulation 33(6)(c)</p> <p>Regulation 33(6)(c)(i)</p> <p>Regulation 33(6)(c)(ii)</p> <p>Regulation 33(6)(c)(iii)</p> <p>Regulation 33(6)(c)(iv) and (v)</p>

Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds

	<p style="text-align: center;"><i>Article 17</i></p>
	<p style="text-align: center;">Administrative sanctions and measures</p>
<p>Regulations 76 to 80</p>	<p>1. Without prejudice to the right to provide for and impose criminal sanctions, Member States shall lay down the rules on administrative sanctions and measures applicable to breaches of the provisions of this Regulation and shall take all measures necessary to ensure that they are implemented. The sanctions and measures provided for shall be effective, proportionate and dissuasive and shall be consistent with those laid down in accordance with Chapter VI, Section 4, of Directive (EU) 2015/849.</p>
<p>Option not exercised</p>	<p>Member States may decide not to lay down rules on administrative sanctions or measures for breach of the provisions of this Regulation which are subject to criminal sanctions in their national law. In that case, Member States shall communicate to the Commission the relevant criminal law provisions.</p>
<p>Regulations 91 and 92</p>	<p>2. Member States shall ensure that where obligations apply to payment services providers, in the event of a breach of provisions of this Regulation, sanctions or measures can, subject to national law, be applied to the members of the management body and to any other natural person who, under national law, is responsible for the breach.</p>
<p>No transition required</p>	<p>3. By 26 June 2017, Member States shall notify the rules referred to in paragraph 1 to the Commission and to the Joint Committee of the ESAs. They shall notify the Commission and</p>

<p>the Joint Committee of the ESAs without delay of any subsequent amendments thereto.</p>	
<p>4. In accordance with Article 58(4) of Directive (EU) 2015/849, competent authorities shall have all the supervisory and investigatory powers that are necessary for the exercise of their functions. In the exercise of their powers to impose administrative sanctions and measures, competent authorities shall cooperate closely to ensure that those administrative sanctions or measures produce the desired results and coordinate their action when dealing with cross-border cases.</p>	<p>Regulations 66 to 74</p>
<p>5. Member States shall ensure that legal persons can be held liable for the breaches referred to in Article 18 committed for their benefit by any person acting individually or as part of an organ of that legal person, and having a leading position within the legal person based on any of the following:</p>	<p>Regulations 76</p>
<p>(a) power to represent the legal person;</p>	<p>Regulations 76</p>
<p>(b) authority to take decisions on behalf of the legal person; or</p>	<p>Regulations 76</p>
<p>(c) authority to exercise control within the legal person.</p>	<p>Regulations 76</p>
<p>6. Member States shall also ensure that legal persons can be held liable where the lack of supervision or control by a person referred to in paragraph 5 of this Article has made it possible to commit one of the breaches referred to in Article 18 for the benefit of that legal person by a person under its authority.</p>	<p>Regulations 76</p>
<p>7. Competent authorities shall exercise their powers to impose administrative sanctions and measures in accordance with this Regulation in any of the following ways:</p>	
<p>(a) directly;</p>	<p>Regulation 76, 77, 78</p>
<p>(b) in collaboration with other authorities;</p>	<p>Regulation 76, 77, 78</p>

(c) under their responsibility by delegation to such other authorities;	Regulation 76, 77, 78
(d) by application to the competent judicial authorities.	Regulation 80
In the exercise of their powers to impose administrative sanctions and measures, competent authorities shall cooperate closely in order to ensure that those administrative sanctions or measures produce the desired results and coordinate their action when dealing with cross-border cases.	FSMA, section 345A(1)(a)
<i>Article 18</i>	
Specific provisions	
Member States shall ensure that their administrative sanctions and measures include at least those laid down by Article 59(2) and (3) of Directive (EU) 2015/849 in the event of the following breaches of this Regulation:	
(a) repeated or systematic failure by a payment service provider to include the required information on the payer or the payee, in breach of Article 4, 5 or 6;	Regulation 75 and Schedule 6, paragraph 2
(b) repeated, systematic or serious failure by a payment service provider to retain records, in breach of Article 16;	Regulation 75, and Schedule 6, paragraph 2, 3, 4
(c) failure by a payment service provider to implement effective risk-based procedures, in breach of Articles 8 or 12;	Regulation 75, and Schedule 6, paragraph 3, 4
(d) serious failure by an intermediary payment service provider to comply with Article 11 or 12.	Regulation 75, and Schedule 6, paragraph 4

<p style="text-align: center;"><i>Article 19</i></p> <p style="text-align: center;">Publication of sanctions and measures</p>	<p>In accordance with Article 60(1), (2) and (3) of Directive (EU) 2015/849, the competent authorities shall publish administrative sanctions and measures imposed in the cases referred to in Articles 17 and 18 of this Regulation without undue delay, including information on the type and nature of the breach and the identity of the persons responsible for it, if necessary and proportionate after a case-by-case evaluation.</p>
<p style="text-align: center;"><i>Article 20</i></p> <p style="text-align: center;">Application of sanctions and measures by the competent authorities</p>	<p>1. When determining the type of administrative sanctions or measures and the level of administrative pecuniary sanctions, the competent authorities shall take into account all relevant circumstances, including those listed in Article 60(4) of Directive (EU) 2015/849.</p> <p>2. As regards administrative sanctions and measures imposed in accordance with this Regulation, Article 62 of Directive (EU) 2015/849 shall apply.</p>
<p style="text-align: center;"><i>Article 21</i></p> <p style="text-align: center;">Reporting of breaches</p>	<p>Regulations 81 and 83</p> <p>See Article 62 above</p>

<p>1. Member States shall establish effective mechanisms to encourage the reporting to competent authorities of breaches of this Regulation.</p>	<p>Regulation 63(1)(c)</p>
<p>Those mechanisms shall include at least those referred to in Article 61(2) of Directive (EU) 2015/849.</p>	<p>Regulations 63(1)(b) and Article 61 above</p>
<p>2. Payment service providers, in cooperation with the competent authorities, shall establish appropriate internal procedures for their employees, or persons in a comparable position, to report breaches internally through a secure, independent, specific and anonymous channel, proportionate to the nature and size of the payment service provider concerned.</p>	<p>Directly applicable: no transposition needed</p>
<p style="text-align: center;"><i>Article 22</i></p>	
<p style="text-align: center;">Monitoring</p>	
<p>1. Member States shall require competent authorities to monitor effectively and to take the measures necessary to ensure compliance with this Regulation and encourage, through effective mechanisms, the reporting of breaches of the provisions of this Regulation to competent authorities.</p>	<p>Regulation 63(1)(a)</p>
<p>2. After Member States have notified the rules referred to in paragraph 1 of this Article to the Commission and to the Joint Committee of the ESAs in accordance with Article 17(3), the Commission shall submit a report to the European Parliament and to the Council on the application of Chapter IV, with particular regard to cross-border cases.</p>	<p>No transposition needed.</p>