

Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (Text with EEA relevance)

## CHAPTER II

### CUSTOMER DUE DILIGENCE

#### SECTION 3

#### *Enhanced customer due diligence*

##### *<sup>f1</sup>Article 18a*

1 With respect to business relationships or transactions involving high-risk third countries identified pursuant to Article 9(2), Member States shall require obliged entities to apply the following enhanced customer due diligence measures:

- a obtaining additional information on the customer and on the beneficial owner(s);
- b obtaining additional information on the intended nature of the business relationship;
- c obtaining information on the source of funds and source of wealth of the customer and of the beneficial owner(s);
- d obtaining information on the reasons for the intended or performed transactions;
- e obtaining the approval of senior management for establishing or continuing the business relationship;
- f conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

Member States may require obliged entities to ensure, where applicable, that the first payment be carried out through an account in the customer's name with a credit institution subject to customer due diligence standards that are not less robust than those laid down in this Directive.

2 In addition to the measures provided in paragraph 1 and in compliance with the Union's international obligations, Member States shall require obliged entities to apply, where applicable, one or more additional mitigating measures to persons and legal entities carrying out transactions involving high-risk third countries identified pursuant to Article 9(2). Those measures shall consist of one or more of the following:

- a the application of additional elements of enhanced due diligence;
- b the introduction of enhanced relevant reporting mechanisms or systematic reporting of financial transactions;
- c the limitation of business relationships or transactions with natural persons or legal entities from the third countries identified as high risk countries pursuant to Article 9(2).

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3 In addition to the measures provided in paragraph 1, Member States shall apply, where applicable, one or several of the following measures with regard to high-risk third countries identified pursuant to Article 9(2) in compliance with the Union's international obligations:

- a refusing the establishment of subsidiaries or branches or representative offices of obliged entities from the country concerned, or otherwise taking into account the fact that the relevant obliged entity is from a country that does not have adequate AML/CFT regimes;
- b prohibiting obliged entities from establishing branches or representative offices in the country concerned, or otherwise taking into account the fact that the relevant branch or representative office would be in a country that does not have adequate AML/CFT regimes;
- c requiring increased supervisory examination or increased external audit requirements for branches and subsidiaries of obliged entities located in the country concerned;
- d requiring increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in the country concerned;
- e requiring credit and financial institutions to review and amend, or if necessary terminate, correspondent relationships with respondent institutions in the country concerned.

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

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

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#### **Textual Amendments**

- F1** Inserted by [Directive \(EU\) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive \(EU\) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU \(Text with EEA relevance\).](#)