

New rules to Combat Money Laundering

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On the 30th of May 2024, the Council of the European Union and the European Parliament adopted a package of new rules on the prevention of money laundering and terrorist financing, to protect citizens and the financial system of the European Union against money laundering and terrorist financing, with the goal of harmonising the rules in this field across the European Union.

The main pieces of the legislative package, awaiting publication in the Official Journal of the European Union, are:

- the **Sixth Directive (VI)** on the Prevention of Money Laundering and Terrorist Financing;
- the **Regulation** on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing;
- the Regulation establishing the **Authority for Anti-Money Laundering and Countering the Financing of Terrorism**.

In this new two-level framework, with one Directive and two Regulations, the rules applicable to the private sector will be transferred to the directly applicable Regulation on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing. The organisation of the national authorities responsible for combating money laundering and terrorist financing will be left to the Directive.

AML VI Directive (2024)

The Directive regarding the mechanisms to be put in place by Member States to prevent the use of the financial system for the purpose of money laundering or terrorist financing will amend Directive (EU) 2019/1937 and repeal Directive (EU) 2015/849.

The Directive aims to improve the organisation of national anti-money laundering and anti-terrorist financing systems by establishing clear rules on how financial intelligence units, national bodies that collect information on suspicious or unusual financial activities in Member States, and supervisory authorities collaborate.

The Directive will enter into force on the twentieth day following its publication and Member States will have a general period of three years to transpose it.

AML Regulation (2024)

The Regulation aims to establish a single rulebook against money laundering and terrorist financing.

Among the new features, we highlight the following:

- i. extension of the rules on combating money laundering and terrorist financing to new entities, thus covering most of the crypto-asset sector, luxury goods traders and football clubs and agents;
- ii. establishment of stricter due diligence requirements;
- iii. regulation of beneficial owners; and
- iv. placement of a €10,000 limit for cash payments.

The Regulation will enter into force on the twentieth day following its publication and will be applicable three years after its entry into force.

Anti-Money Laundering and Countering the Financing of Terrorism Authority (AMLA)

AMLA will have supervisory powers over high-risk obligated entities in the financial sector. In February 2024, it was announced that the headquarters of this Authority will be in Frankfurt, Germany, where the European Central Bank is already based. The AMLA will take office in mid-2025.

The Anti-Money Laundering and Countering the Financing of Terrorism Authority:

- i. will set up an integrated mechanism with national supervisors to ensure that obliged entities fulfil their obligations regarding the prevention of money laundering and terrorist financing in the financial sector;
- ii. play a supporting role with regard to the non-financial sector;
- iii. co-ordinate and support financial intelligence units; and
- iv. may impose financial penalties on 'selected obliged entities' in the event of serious, systematic or repeated infringements of directly applicable requirements.

This News Flash was drafted by GPA Law Firm's [Compliance](#) team.