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## Newsflash

15 January 2018

## Agreement on the fifth amendment of the Anti-Money Laundering Directive (AMLD5)

On 20 December 2017, the agreement between the European Parliament and the Council regarding the Fifth Amendment of the Anti-Money Laundering Directive ("AMLD 5") was confirmed.

The amendment discussion was initiated by the European Commission in July 2016. The amendment aims to prevent the use of the financial system for funding criminal activities and to strengthen transparency rules in order to prevent large-scale concealment of funds.

We remind you that unlike other EU countries, the Fourth Amendment of the Anti-Money Laundering Directive ("AMLD 4"), which first introduced the obligation to file in central registers information on the beneficial owners of companies and legal entities headquartered in the EU, has not yet been incorporated in Greek legislation.

### Information about legal entities' beneficial owners

In order to improve access to information in relation to entities' **beneficial owners**, the following measures are under discussion:

- National registers to be interconnected to facilitate cooperation between member states.
- National registers of EU companies' beneficial owners to become publicly accessible.
- National registers of beneficial owners of trusts and similar legal entities to be publicly accessible where legitimate interest is evident. Where trusts are set up for non-commercial purposes (e.g. charity), accessibility will be limited to base-line data.
- Where a trust owns a company that is not incorporated in the EU, access to beneficial ownership information on trusts will be granted upon written request.

- Information for national bank accounts and safe deposit boxes will be registered as well as information on real estate property, although the latter will only be accessible to Public Authorities.
- Member states may retain the right to provide broader access to information, in accordance with their national legislation.

### Other amendments

- In order to address risks derived from prepaid cards and virtual currencies, the scope of AMDL 5 will be widened to now cover electronic wallet providers and virtual currency exchange service providers. Furthermore, the threshold for the identification of prepaid card holders will decrease from EUR 250 to EUR 150.
- The proposed amendments also emphasize the role of national Financial Intelligence Units (FIUs) which collect and analyze information on suspicious transactions relating to money laundering or terrorism financing at the national level. AMDL 5 provides for extended responsibility and reporting obligations in order to facilitate cooperation between national FIUs and bank supervisors regarding the exchange of information. Consequently, national FIUs will have access to information in centralized bank and payment account registers, enabling them to identify account holders.
- With respect to transactions with third countries identified as presenting an increased risk of money laundering by the European Commission, AMDL 5 provides stricter criteria regarding the obligation to report suspicious transactions and sanctions against violations.

## Timetable for the implementation of amendments

- The final text is yet to be adopted and signed both by the Council and the European Parliament before being published in the Official Journal of the EU. AMDL 5 is expected to be published in mid-2018 and enter into force by the end of 2019.
- It is expected that national registers of companies' beneficial owners will be available to the public by the end of 2019, while national beneficial ownership registers of trusts will be accessible to persons with a legitimate interest in early 2020. In addition, the implementation of national bank account registers is expected from 2020, whereas the interconnection of all national registers from 2021.
- Consequently, it is not certain whether the abovementioned timetable regarding the transposition of AMLD 5 in Greece can be implemented and it seems Greece may deviate.
- AMLD 4 in conjunction with the abovementioned agreement for further amending the relevant legislation (AMLD 5), constitute measures that require the verification on and authentication of beneficial owners of legal entities. Therefore, they appear to be a set of legislative provisions that are basically in line with the implementation of the "Automatic Exchange of Information on Financial Accounts" (CRS/ AEoI) already implemented at EU and OECD level.

## Our comments

- It should be noted that despite the formation of a Greek legislative committee two years ago, the AMLD 4 (Directive 2015/849/EU) has not yet been incorporated in Greek legislation, although the deadline for transposition was 26 June 2017.
- It should be highlighted in this regard that Greece and a substantial number of jurisdictions have already ratified the "Automatic Exchange of Information on Financial Accounts" ("AEoI"). The purpose of the AEoI is the collection of information on beneficial owners of legal entities for the year 2016 onwards and the exchange of this information between the Tax Authorities (EU and OECD) for various purposes, including taxation.

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This Newsletter aims to provide the reader with general information on the above-mentioned matters. No action should be taken without first obtaining professional advice specifically relating to the factual circumstances of each case.

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