



Money laundering: Parliament and Council negotiators agree on central registers

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The ultimate owners of companies would have to be listed in central registers in EU countries, accessible to people with a "legitimate interest", such as investigative journalists and other concerned citizens, under a deal struck by Parliament and Council negotiators on a draft EU anti-money laundering directive on Tuesday. The rules would also require banks, auditors, lawyers, real estate agents and casinos, among others, to be more vigilant about suspicious transactions made by their clients.

"For years, criminals in Europe have used the anonymity of offshore companies and accounts to obscure their financial dealings. Creating registers of beneficial ownership will help to lift the veil of secrecy of offshore accounts and greatly aid the fight against money laundering and blatant tax evasion", said Economic and Monetary Affairs Committee rapporteur Krišjānis Kariņš (EPP, LV).

"The new rules agreed today will provide much greater transparency of the shadowy business structures that are at the heart of money laundering schemes, as well as schemes used by businesses to avoid their tax responsibility", added Civil Liberties Committee rapporteur Judith Sargentini (Greens/EFA, NL).

The fourth anti-money laundering directive (AMLD) will for the first time oblige EU member states to maintain central registers listing information on the ultimate beneficial owners of corporate and other legal entities, as well as trusts. These central registers were not envisaged in the European Commission's initial proposal, but were included by MEPs during the negotiations. The aim is to enhance transparency, make dodgy deals harder to hide and fight money laundering and tax crime.

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

"Legitimate interest" in access

Any person or organisation who can demonstrate a "legitimate interest", such as investigative journalists and other concerned citizens, would also be able to access beneficial ownership information such as the beneficial owner's name, month and year of birth, nationality, residency and details on ownership. Any exemption to the access provided by member states would be possible only on a case-by-case basis in exceptional circumstances.

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

Politically-exposed persons

The deal also clarifies the draft rules on "politically-exposed persons", i.e. people at a higher than usual risk of corruption due to the political positions they hold, such as heads

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of state, members of government, supreme court judges, and members of parliaments, as well as their family members.

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

Next steps

The deal still needs to be endorsed by EU member states' ambassadors (COREPER) and by Parliament's Economic and Monetary Affairs and Civil Liberties, Justice and Home Affairs committees, before being put to a vote by the full Parliament next year.

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

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