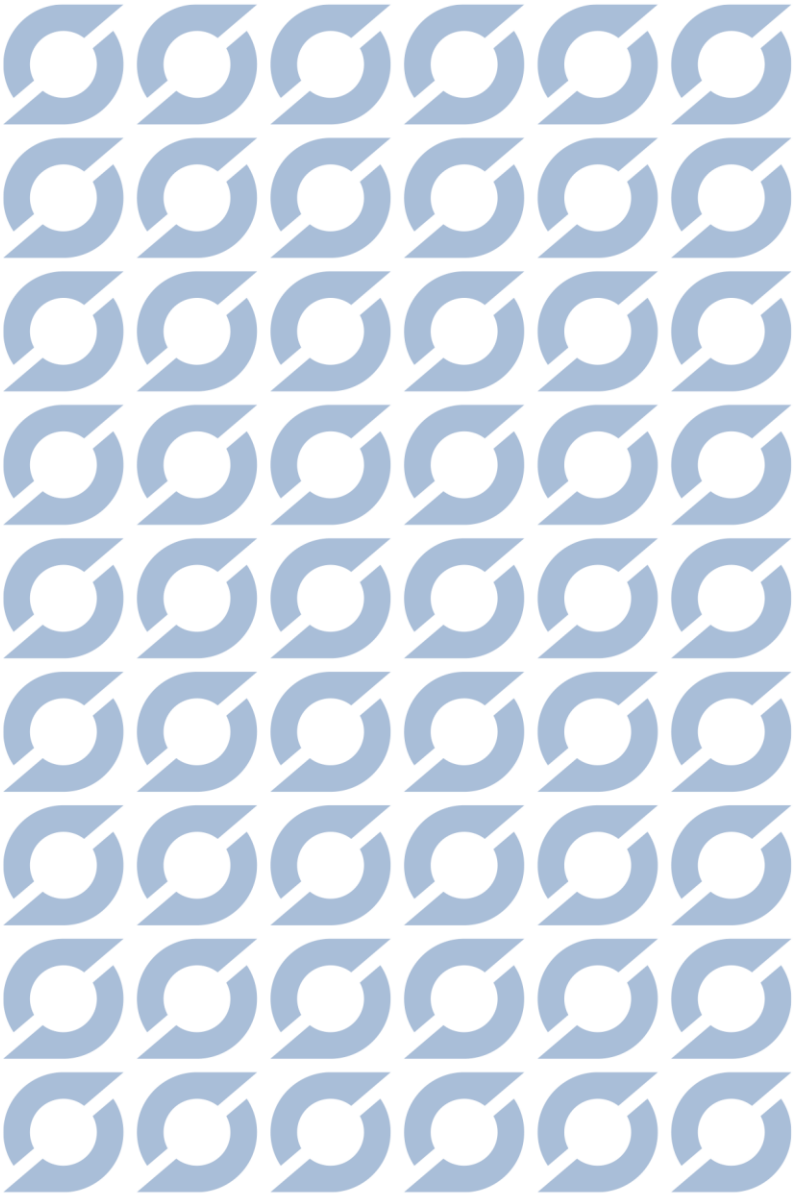
Consultation Paper

Draft Regulatory Technical Standards under Article 28(1) of Regulation (EU) 2024/1624



AMLA
Anti-Money Laundering Authority

Frankfurt am Main – 9 February 2026

Contents

1 Responding to this consultation

AMLA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in 5.2.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices AMLA should consider.

1.1 Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by 08.05.2026. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

1.2 Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly indicate in the consultation form if you wish your comments to be treated as confidential. A confidential response may be requested from us in accordance with Regulation 1049/2021 regarding public access to European Parliament, Council and Commission documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the European Ombudsman.

1.3 Data protection

The protection of individuals with regard to the processing of personal data by AMLA is based on Regulation (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the Legal notice section of the AMLA website.

1.4 Who should read this paper?

All interested stakeholders are invited to respond to this Consultation Paper. In particular, AMLA encourages obliged entities from the financial sector and non-financial sector to participate.

2 Executive Summary

In order to strengthen the Union's rules for anti-money laundering and countering the financing of terrorism (AML/CFT), Regulation (EU) 2024/1624 (AMLR) aims to harmonise the preventative measures to be put in place at Union level.

To this end, Article 28(1) AMLR mandates the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) to develop draft Regulatory Technical Standards (RTS) specifying, among others, the requirements and information to be collected for standard customer due diligence, simplified due diligence (SDD) and enhanced due diligence (EDD) purposes.

The mandate also requires AMLA to specify risk factors that supervisors must consider when determining the extent to which certain electronic money instruments may be exempted from some customer due diligence (CDD) measures and which reliable and independent sources of information obliged entities may use to verify the identity of natural or legal persons for the purposes of Article 22(6) and (7) AMLR. The mandate further covers the attributes which electronic identification means, and relevant qualified trust services referred to in Article 22(6), point (b), AMLR must feature to fulfil the requirements of Article 20(1), points (a) and (b), AMLR in the case of standard, simplified and enhanced due diligence.

To frontload work on AMLA's mandates before the effective operation of AMLA, the European Commission issued a Call for Advice (CfA) to the European Banking Authority (EBA) on 12 March 2024, requesting preparation of these technical standards under the mandate in Article 28(1) AMLR. In parallel, the European Commission set up a subgroup of its Expert Group on Money Laundering and Terrorism Financing (EGMLTF) to prepare some work in relation to the non-financial sector. The EBA issued its response to the CfA on 30 October 2025 including draft RTS on CDD which was well-developed and demonstrated a high level of quality, offering a strong foundation for AMLA going forward.

In preparing this consultation paper, AMLA sought and considered input from national competent authorities across both financial and non-financial sectors, through its Working Group on Obligations and AMLA's Expert Network. AMLA also liaised closely with the European Commission and ESMA and engaged with private sector representatives.

The draft RTS outlined in this consultation paper contain proportionate, risk-based CDD measures that contribute to harmonising the way AML/CFT requirements are applied in the Union. The provisions are flexible enough to ensure applicability across the range of products and services offered by obliged entities in both the financial and non-financial sector. The draft RTS promote simplification, and enable obliged entities to determine the most effective and proportionate measures to be applied.

This draft RTS are part of a broader set of AMLA instruments that will be delivered and that will touch upon the AML/CFT requirements of obliged entities. AMLA will continue its endeavors to place proportionality and the risk-based approach at the heart of this work, and ensure the effectiveness of the instruments to be delivered all while simplifying AML/CFT compliance for obliged entities where possible.

2.1 Next steps

This Consultation Paper is published for a three-month period. During this time, AMLA will continue its discussions with relevant stakeholders.

AMLA will consider feedback to this Consultation Paper when preparing its draft regulatory technical standards to be submitted to the Commission for adoption.

3 Background and rationale

3.1 Background

In 2024, the European Union adopted a new package of laws to strengthen the EU's anti-money laundering and counter-terrorist financing (AML/CFT) rules. With this package, the rules that apply to obliged entities are transferred to a directly applicable regulation, moving away from divergent national frameworks towards a single harmonised set of rules across the Union. Regulation (EU) 2024/1624 (AMLR) sets out detailed requirements including on customer due diligence measures and suspicious transaction reporting, and extends the application of anti-money laundering rules to new categories of obliged entities.

To further ensure that customer due diligence (CDD) measures are applied in the same way, Article 28(1) of the AMLR requires AMLA to develop draft Regulatory Technical Standards (RTS) setting out the requirements and information to be collected for standard customer due diligence, simplified due diligence (SDD) and enhanced due diligence (EDD) purposes. That mandate also requires AMLA to specify risk factors that supervisors must take into account when determining the extent to which certain electronic money instruments may be exempted from some customer due diligence measures and which reliable and independent sources of information obliged entities may use to verify the identity of natural or legal persons for the purposes of Article 22(6) and (7) AMLR. The mandate also specifies the attributes which electronic identification means, and relevant qualified trust services referred to in Article 22(6), point (b), AMLR must feature in order to fulfil the requirements of Article 20(1), points (a) and (b), of the AMLR in the case of standard, simplified and enhanced due diligence.

On 12 March 2024, the European Commission asked the European Banking Authority (EBA) by way of a Call for Advice (CfA) to prepare the above-mentioned technical standards to support the rapid and effective start of AMLA. The CfA included a mandate under Article 28(1) of the AMLR on CDD.

The process established by the EBA to deliver on the CfA included a 3-month public consultation as well as a public hearing in April 2025, which more than 600 stakeholders joined, mostly from the financial sector. Based on the written feedback provided by 170 respondents to the consultation as well as subsequent discussions, the EBA's draft RTS that went out for public consultation were amended. The EBA submitted its response to the European Commission's Call for Advice, on 30 October 2025 which included draft RTS on CDD. In parallel with the EBA's work, the European Commission set up a subgroup of its Expert Group on Money Laundering and Terrorism Financing (EGMLTF) to prepare some work in relation to the non-financial sector. This subgroup was composed of non-financial supervisors representing most EU Member States. The subgroup work was handed over to AMLA in September 2025.

3.2 AMLA's approach

AMLA continued the EBA's work by building on their five guiding principles[1] to ensure continuity and to minimize disruption, whilst placing specific focus on simplification. This means that AMLA:

- ensured that the draft RTS remain silent where the AMLR is sufficiently detailed;
- ensured that the draft RTS continue to allow flexibility by setting out options obliged entities can consider when deciding on the most effective and proportionate measures;
- confined modifications to the EBA's text where duly justified, for example, where AMLA saw a need to enhance or add to an RTS provision proposed by the EBA to ensure a wider applicability to both the financial and the non-financial sector; and
- balanced the need to ensure continuity and respecting the agreement reached among competent authorities and the EBA, while ensuring the draft RTS reflect AMLA's mandate and accountability, as well as the views of its stakeholders.

Prior to receiving the EBA's reply to the European Commission's Call for advice, AMLA conscientiously reviewed its mandate and the relevant provisions under the AMLR. Additionally, AMLA carefully assessed the EBA's final draft RTS, the input received from the European Commissions' subgroup on the non-financial sector as well as input from other stakeholders (e.g. from private and public sector stakeholders that already reached out to AMLA). AMLA's aim was to identify any open issues and assess whether any additions or revisions will need to be addressed in AMLA's final draft RTS.

In drafting this consultation paper, AMLA invited and considered stakeholder input from national competent authorities responsible for the financial and the non-financial sector and AMLA's Expert Network. In addition, AMLA liaised closely with the European Commission and ESMA and engaged with representatives from the financial sector.

3.3 Rationale

AMLA sought to ensure that the requirements in the EBA's draft RTS can be applied by all obliged entities, particularly those in the non-financial sector, which were outside the scope and focus of the EBA's work. To this end, AMLA engaged with supervisors of the non-financial sector through dedicated Experts Network meetings, with a view to identifying sectoral specificities that may impact the harmonised application of CDD requirements. AMLA also assessed the feedback received from the Commission's informal subgroup of the Experts Group on Money Laundering and Terrorism Financing, in addition to conducting its own research and engaging with private sector stakeholders. The outcomes of this work did not identify a demonstrable need for major adjustments in the structure or content of the EBA's draft RTS. Rather, it supported the view that the draft RTS are already well-developed, demonstrate a high level of quality, offering a strong foundation to be relevant to and applicably by all sectors subject to some minor changes.

In parallel, AMLA discussed specificities in the financial sector with its stakeholders, building on the work undertaken by the EBA. This included exchanges on the application of CDD requirements for the

[1] A proportionate, risk-based approach, a focus on effective, workable outcomes, technological neutrality, maximum harmonisation across supervisors, Member States and sectors, limiting disruption by building on existing EBA standards where possible, whilst aligning with global AML/CFT benchmarks.

funds sector and rules regarding virtual IBANs. These discussions did not result in substantive changes to the specific provisions in the EBA draft.

Consequently, AMLA's work focused on any identifying open issues and assessing whether this would require adjustments or revisions that would need to be addressed in the draft RTS. For example, AMLA proposed changes to the draft RTS where AMLA deemed that the current provisions may require more precise language to avoid ambiguity, and to deliver simplification without losing the original intent. This includes, for instance, the provisions on the verification measures conducted on a non-face-to-face basis and the provision on understanding the ownership and control structure of the customer in the case of complex corporate structures and the identification of Politically Exposed Persons.

Article 28(1) subparagraph (b) of the AMLR requires AMLA to specify simplified due diligence (SDD) measures to be applied in low-risk situations. To this end, AMLA sought to identify due diligence measures that could be simplified, beyond the existing reduced measures that may already be applied pursuant to Article 33 of the AMLR. However, Article 33 of the AMLR already provides a range of measures in which due diligence measures can be simplified, including for instance, by delaying verification by up to 60 days or by reducing the amount of information collected to identify the purpose and intended nature. Any additional measures proposed by AMLA would need to be different to those already included under Article 33 of the AMLR. Additionally, recital (78) of the Regulation clarifies that SDD measures are not an exemption from or absence of standard due diligence measures, but are rather, a reduced set of scrutiny measures that should '…address all components of the standard due diligence procedure.'

At this stage, AMLA did not identify opportunities to specify additional measures to simplify the SDD measures without creating exemptions from the obligations stemming from the AMLR, which would exceed AMLA's mandate. At the same time, AMLA considers that Article 33 of the AMLR is already sufficiently flexible to enable a range of simplified measures in low-risk scenarios.

In terms of its obligation under Article 49 of Regulation (EU) 2024/1620, AMLA is now publicly consulting on these draft RTS. An open public consultation is essential to ensure that further work is informed by the widest possible range of perspectives and to identify any matters that may not yet have been considered. The draft RTS introduce obligations affecting all obliged entities across the Union and cover a large number of provisions. Additionally, the draft RTS have not been subject to public consultation insofar as they concern the non-financial sector. A three-month consultation period ensures that stakeholders have sufficient time to consider the breadth and implications of the proposed rules and submit concrete, meaningful feedback to AMLA.

The AML/CFT package mandates AMLA with the development of a broad set of legal instruments concerning the AML/CFT requirements of obliged entities. These include, for example, draft regulatory technical standards on group-wide policies and guidelines on ongoing monitoring, business-wide risk assessments and reliance on third parties. These instruments support a more harmonised framework, aligning supervisory expectations and reducing cross-border divergences. In developing this work, AMLA will continue to place simplification and the risk-based approach at the heart of its approach, to ensure that rules are applied proportionately and deliver effectiveness in combating money laundering and terrorist financing.

4 Draft regulatory technical standards

Draft RTS on Customer Due Diligence under Article 28(1) of Regulation (EU) 2024/1624

COMMISSION DELEGATED REGULATION (EU) …/...

of XXX

on supplementing Regulation (EU) 2024/1624 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information and requirements necessary for the performance of customer due diligence for the purposes of Article 28(1)

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and in particular Article 28(1), points (a) to (e) thereof,

Whereas:

(1) Regulation (EU) 2024/1624 aims for harmonisation of customer due diligence measures across Member States and obliged entities within the EU. To achieve this, this Commission Delegated Regulation ('Regulation') sets common parameters for the application of customer due diligence measures. Obliged entities are required to adjust the customer due diligence measures based on the ML/TF risk associated with their customers, business relationships or an occasional transaction. This will ensure a proportionate and effective approach. Accordingly, obliged entities shall collect the information on a risk-sensitive basis and apply the measures laid down in this Regulation, ensuring that their scope, intensity and frequency are proportionate to the customer's money laundering and terrorist financing risk profile.

(2) Obliged entities should, when identifying a customer and verifying their identity, collect data and information in a consistent way in all Member States. The same approach should apply to all customers, whether they are a natural person or a legal person.

(3) Obliged entities should collect information to understand the nationality and the place of birth of customers who are natural persons. Since not all government-issued identity documents contain information on the holder's nationality or their place of birth, obliged entities may need to obtain that information from other sources. Where a person holds multiple nationalities and declares them in good faith, verifying one nationality will be sufficient. In situations where the person is stateless, or has refugee or subsidiary protection status, this information should instead be obtained.

(4) Information collected by obliged entities for customer due diligence purposes may not always be in the form of documents. This Regulation specifies the situations where documents should be collected.

(5) Obtaining data and documents from independent and reliable sources is key to ensuring that obliged entities can be satisfied that they know who their customers are. Reliable and independent sources of information for customers that are not natural persons include, but are not limited to: statutory documents of the legal entity or legal arrangement required by law, including certificates of incorporation or audited financial statements; the most recent

version of the constitutive documents establishing the legal entity or legal arrangement, including the Memorandum of Association and Articles of Association, or a recent official copy of these documents issued by the applicable public registers and lists or an unofficial copy thereof certified by an independent professional or a public authority. In the case of a trust or similar legal arrangement that may not be subject to registration, a recent copy of the trust deed, or an extract thereof, together with any other document that determines the exercise of any powers by the trustees or similar administrators, certified by an independent professional, could qualify as reliable and independent sources of information.

(6) Obliged entities should assess the level of reliability and independence of the sources of information they have obtained as part of their customer due diligence process based on certain criteria. For example, unless it has been issued by a state or public authority, a recent document may be more reliable than information that dates back several years. Once such assessment of a certain source is completed, the results of such assessment can be used for multiple customers.

(7) There may be situations where identity documents issued to or held by the customer do not meet the attributes of an identity card or passport. This could be the case, for example, where the customer has credible and legitimate reasons for being unable to provide traditional forms of identity documentation: being an asylum seeker; a refugee; a person to whom a residence permit was not granted, but whose repatriation is impossible for legal or factual reasons; being homeless or being otherwise vulnerable. Regulation (EU) 2024/1624 does not provide an exemption from the list of information obliged entities should collect for natural persons in this category. To mitigate the risk of financial exclusion and unwarranted de-risking, this Regulation makes the approach more flexible by allowing obliged entities to obtain the requested information from these natural persons via other credible means. This could be the case where the customer is or acts on behalf of a minor child who does not possess a passport or identity document. In view of the minor's representation by a parent or legal guardian, who would themselves be subject to identification and verification, it would be appropriate to consider a birth certificate as a credible source for the purposes of identifying and verifying the identity of the minor child.

(8) Obtaining beneficial owner information for all customers that are not natural persons is essential for complying with anti-money laundering and countering the financing of terrorism (AML/CFT) requirements and with targeted financial sanctions obligations. For this reason, consultation of central registers for information on beneficial owners is necessary but not sufficient to fulfil the verification requirements.

(9) There are legitimate situations where the obliged entity may be unable to identify a natural person as the beneficial owner of its customer. In these situations, Regulation (EU) 2024/1624 instead requires the identification of senior managing officials (SMOs). While SMOs are not beneficial owners, for the purposes of identification and verification measures, obliged entities should collect equivalent information for SMOs as they do for the beneficial owners.

(10) The identification of SMOs is permitted under Regulation (EU) 2024/1624 only in cases where the obliged entity has been unable to identify beneficial owners having 'exhausted all possible means of identification' or where 'there are doubts that the persons identified are the beneficial owners'. Finding it difficult to identify the beneficial owner, for example in cases of complex corporate structures, does not amount to 'doubts' and therefore will not provide a sufficient basis for the obliged entity to instead identify the SMOs.

(11) When collecting information on the identity of SMOs in line with Article 22(2), second subparagraph, of Regulation (EU) 2024/1624, the obliged entity may collect the address of

the registered office of the legal entity instead of the residential address and country of residence required under Article 62(1), second subparagraph, point (a), of Regulation (EU) 2024/1624.

(12) This Regulation specifies that, in addition to the information to be collected pursuant to the relevant provisions of Section 2 of this Regulation, obliged entities shall obtain information enabling them to verify the existence and scope of any power of representation. Such information may include documentation evidencing a power of attorney or statutory representation, such as proof of legal or parental representation by means of a birth certificate or court-appointed guardianship.

(13) Understanding the purpose and intended nature of a business relationship or occasional transaction is an important component of the customer due diligence process and the modalities are set out in Article 25 of Regulation (EU) 2024/1624. Obliged entities should assess whether the information already at their disposal is sufficient to understand its purpose and intended nature. In situations where they need further information in order to be satisfied that they understand the purpose and intended nature of the business relationship or occasional transaction, this Regulation specifies which information obliged entities should obtain before entering into a business relationship or performing an occasional transaction to satisfy their information needs.

(14) Article 20(1), point (h), of Regulation (EU) 2024/1624 requires that obliged entities identify and verify the identity of the natural person on whose behalf or for the benefit of whom a transaction or activity is being conducted. This Regulation lays down specific rules for the identification and verification of the identity of the final investors of a collective investment undertaking (CIU) that distributes its shares or units through another credit or financial institution, which acts in its own name but on behalf or for the benefit of one or more final investors. To ensure the effectiveness of customer due diligence measures and the proportionality of their application, it is appropriate to allow CIUs, where the relationship with the intermediary institution is assessed as low or standard risk, to rely on that institution for the identification and verification of the final investors, provided that strict conditions are met and that information on the final investors can be obtained without undue delay. CIUs do not need to obtain information on the identity of the underlying investor in all cases and in a systematic manner. Consistent with a risk-based approach and in line with the principle of proportionality, the extent, including frequency and timing, and rationale for obtaining such information should be determined by the specific risks to be mitigated.

(15) Regulation (EU) 2024/1624 requires specific measures to be applied to transactions or business relationships with politically exposed persons (PEPs). The focus of this Regulation is on measures for the identification, by obliged entities, of politically exposed persons, their family members or persons known to be close associates. PEP screening measures should apply to the customer, its beneficial owner and the person on whose behalf or for the benefit of whom a transaction or activity is being carried out. These measures are important because once a PEP is identified, the obliged entity should apply specific and additional customer due diligence measures in relation to that customer.

(16) In situations where the ML/TF risk is assessed as low, Regulation (EU) 2024/1624 allows the application of simplified due diligence measures. Simplified due diligence measures should ease the administrative burden on obliged entities and on their customers.

(17) Minimum requirements for the identification of natural persons in low-risk situations should include at least the type of information that is usually included in a passport or identity document. This ensures that obliged entities have sufficient and verifiable

information to establish the identity of their customers, while keeping the requirements proportionate to the lower level of ML/TF risk.

(18) This Regulation identifies a service that would benefit from specific simplified due diligence measures. This is the case where a credit institution opens a pooled account for a customer that is an obliged entity, to hold or administer funds that belong to the customer's own clients, where the ML/TF risk of that service is assessed as low, based on the credit institution's risk assessment. In such cases, since the final customers are already subject to the customer due diligence measures applied by the obliged entity, it is proportionate to allow specific simplified due diligence measures, in order to avoid duplication of controls while ensuring that appropriate safeguards remain in place. Situations where credit institutions open a payment account for payment institutions or electronic money institutions will fall outside the scope of the sectoral simplified measures provision of this Regulation. Such situations would be regarded as correspondent relationships within the meaning of Article 2(22), point (b), of Regulation (EU) 2024/1624.

(19) In situations where the ML/TF risks are higher, Regulation (EU) 2024/1624 calls for the application of enhanced due diligence measures to manage and mitigate these risks appropriately. Where obliged entities obtain additional information in relation to the measures mentioned in Article 34(4) of Regulation (EU) 2024/1624 to meet these requirements and to mitigate the higher risk appropriately and effectively, this information should be of sufficient quality to enable them to assess the authenticity and accuracy of the information provided. It should also meet the criteria of reliability and independence.

(20) Additional information obliged entities obtain for understanding the source of funds and the source of wealth of the customer and of the beneficial owners in high-risk situations should enable them to satisfy themselves that the funds and assets used by the customer and beneficial owners are of legitimate origin.

(21) There may be situations where the information to be collected under Regulation (EU) 2024/1624 and this Regulation is already available to the obliged entity or, for example, to other obliged entities within the group. This could also be the case when information is obtained, for instance, to understand the customer's investment profile, or the nature of the engagement, or as part of the audit acceptance process. Where this is the case, obliged entities should consider how such information contributes to complying with their AML/CFT requirements, such as understanding the purpose and intended nature of the beneficial ownership or occasional transaction, before requesting similar information to avoid unnecessary duplication and reduce the regulatory burden on both the obliged entity and its customers. Where the existing information is not deemed sufficient, additional information should be obtained.

(22) Customer due diligence measures include a specific requirement for obliged entities to verify whether the customer or the beneficial owner is subject to targeted financial sanctions as defined by Article 2(49) of Regulation (EU) 2024/1624. Screening for the application of trade or economic sanctions such as arms embargoes, trade restrictions or travel bans falls outside the scope of Regulation (EU) 2024/1624 and, consequently, of this Regulation.

(23) Article 19(7) of Regulation (EU) 2024/1624 provides for a list of four conditions on the basis of which AML/CFT supervisors may decide to grant an exemption for electronic money issuers from the customer due diligence measures in Article 20(1), points (a), (b) and (c), of that Regulation. To enable supervisors to determine the extent of such exemption (i.e. 'fully or partially') in a consistent way across Member States, this Regulation provides AML/CFT supervisors with a non-exhaustive list of risk factors associated with features of electronic money instruments.

(24) The use of attributes of means of electronic identification and qualified trust services for customer due diligence purposes should be aligned with the risk of ML/TF posed by the customer or beneficial owner.

(25) Obliged entities need to ensure that their customer information remains up to date. The maximum periods of 1 and 5 years, respectively, for updating customer information in accordance with the requirements of the Regulation (EU) 2024/1624 should only start with the application date of this Commission Delegated Regulation for existing customers onboarded before Regulation (EU) 2024/1624 took effect.

HAS ADOPTED THIS REGULATION:

Section 1

General principles

Article 1 - Proportionality and risk-based approach

This Commission Delegated Regulation ('Regulation') shall be applied in line with the risk-based approach. The extent and the nature of the information to be obtained and the measures to be applied by obliged entities shall be commensurate with the type and level of risk identified and shall enable obliged entities to manage and mitigate that risk appropriately.

Section 2

Information to be collected for identification and verification purposes

Article 2 - Information to be obtained in relation to names

i) In relation to the names and surnames of a natural person as referred to in Article 22(1), point (a)(i), of Regulation (EU) 2024/1624, obliged entities shall obtain all names and surnames that feature on the identity document, passport or equivalent.

ii) In relation to the name of a legal entity as referred to in Article 22(1), point (b)(i), and other organisations that have legal capacity under national law as referred to in Article 22(1), point (d)(i), of Regulation (EU) 2024/1624, obliged entities shall obtain the registered name and the trade name where it differs from the registered name.

Article 3 - Information to be obtained in relation to addresses

The information on the address as referred to in provisions of Article 22(1) of Regulation (EU) 2024/1624 shall consist of the following information:

(a) the full country name or the abbreviation in accordance with the International Standard for country codes (ISO 3166);

(b) the city, or its nearest alternative;

(c) where available, postal code, street name, post boxes, building number and the apartment number.

Article 4 - Specification on the provision of the place of birth

The information on place of birth as referred to in Article 22(1), point (a)(ii), of Regulation (EU) 2024/1624 shall consist of at least the country name. Should the identity document, passport or equivalent of the customer provide additional information on place of birth, such information shall be collected.

Article 5 - Specification on nationalities

For the purposes of Article 22 (1), point (a)(iii), of Regulation (EU) 2024/1624 obliged entities shall obtain information on all nationalities or, where applicable, the statelessness and refugee or subsidiary protection status of the customer, any natural person purporting to act on behalf of the customer, and the natural persons on whose behalf or for the benefit of whom a transaction or activity is being conducted.

Article 6 - Documents for the verification of identity

1. For the purposes of verifying the identity of the natural person in accordance with Article 22(6), point (a), and Article 22(7), point (a), of Regulation (EU) 2024/1624, a document shall be considered equivalent to an identity document or passport if it meets all of the following conditions:
   (a) it is issued by a state or public authority;
   (b) it contains all names and surnames and the holder's date of birth;
   (c) it contains information on the date of expiration and a document number;
   (d) it contains a facial image and the signature of the document holder;
   (e) it contains security features to ensure authenticity.
2. In situations where the natural person cannot provide an identity document, passport or a document that meets the requirements in paragraph 1 for a legitimate reason such as their statelessness or refugee or subsidiary protection status, a document shall be considered equivalent to an identity document or passport if it meets all of the following requirements:
   (a) it is issued by a state or public authority;
   (b) it contains all names and surnames of the natural person;
   (c) it contains the date of birth of the natural person;
   (d) it contains a facial image of the document holder.

   If the document provided does not include information stipulated in the points of the first subparagraph, obliged entities shall use other credible means to obtain this information.
3. Obliged entities shall take reasonable steps to ensure that all documents obtained for the verification of the identity of the natural person pursuant to Article 22(6), point (a) and Article 22(7), point (a), of Regulation (EU) 2024/1624, as referred to in paragraphs 1 and 2, are authentic and have not been forged or tampered with.
4. When original documents are in a foreign language, obliged entities shall ensure that they understand their content.
5. For the purposes of verifying the identity of the persons referred to in Article 22(6) and Article 22(7), point (a), of Regulation (EU) 2024/1624, obliged entities shall obtain from that person the identity document, passport or equivalent, or a certified copy thereof, or act in accordance with Article 7.

6. Electronic identification means, as described in Article 7(1), shall be permitted to verify the identity of the natural person in a face-to-face context where they are available to the customer, any person purporting to act on behalf of the customer, and the natural persons on whose behalf or for the benefit of whom a transaction or activity is being carried out.

Article 7 - Verification measures conducted on a non-face-to-face basis

1. To comply with the verification requirements pursuant to Article 22(6) of Regulation (EU) 2024/1624 in a non-face-to-face situation, obliged entities shall use electronic identification means that meet the requirements of Regulation (EU) No 910/2014 with regard to the assurance levels 'substantial' or 'high', or relevant qualified trust services as set out in that Regulation.
2. In cases where the solution described in paragraph 1 is not available, or cannot reasonably be expected to be provided, obliged entities shall obtain the natural person's identity document, passport or equivalent using remote solutions that meet the conditions set out in paragraphs 3 and 4.
3. Obliged entities shall ensure that the solution described in paragraph 2 uses reliable and independent information sources and includes the following safeguards regarding the quality and accuracy of the data and documents to be verified:
   (a) controls to ensure that the natural person presenting the customer's identity document, passport or equivalent is the person on the picture of the document;
   (b) the integrity and confidentiality of the communication through the solution are ensured;
   (c) any images, video, sound and/or data processed through the solution are captured in a readable format and with sufficient quality so that the natural person is unambiguously recognisable;
   (d) where applicable, the identification process does not continue if technical shortcomings or unexpected connection interruptions are detected or there are any doubts regarding the identity of the natural person;
   (e) the information, documents and data verified through the remote solution are valid and up-to-date and copies are retained, time-stamped and stored securely by the obliged entity. The content of stored records, including images, videos, sound and data shall be available in a readable format and allow for *ex-post* verifications.
4. Obliged entities using remote solutions shall be able to demonstrate to their competent authority that the remote verification solutions they use comply with the requirements of this Article and they shall also be able to justify why the customer could not be verified through the means referred to under Article 22(6) of Regulation (EU)2024/1624.

Article 8 - Reliable and independent sources of information

In order to determine whether a source of information is reliable and independent, obliged entities shall take risk-sensitive measures to assess:

(a) the credibility of the source, including its reputation;

(b) the official status and independence of the information source;

(c) the extent to which the information is up-to-date;

(d) the accuracy of the source, based on whether the information or data provided had to undergo certain checks before being provided or is consistent with other sources;

(e) the ease with which the identity information or data provided can be forged.

Article 9 - Identification and verification of the identity of the natural or legal persons using a virtual IBAN

For the purposes of Article 22(3) of Regulation (EU) 2024/1624, the obliged entity shall obtain and verify the following information:

(a) In relation to the natural or legal persons using the virtual IBAN, the information required pursuant to Article 22(1) of Regulation (EU) 2024/1624;

(b) the virtual IBAN number assigned to that natural person or legal person;

(c) the dates on which the associated bank or payment account was opened and, where applicable, closed.

Article 10 - Reasonable measures for verification of the beneficial owner

The reasonable measures referred to in Article 22(7), point (b), of Regulation (EU) 2024/1624 shall include at least one of the following:

(a) consulting public registers, other than the central registers, or other reliable national systems that contain the information necessary to verify the identity of the beneficial owner, or the person on whose behalf or for the benefit of whom the transaction or activity is being carried out, such as the residence register, tax register, passport database and the land register, to the extent that these are accessible to obliged entities; or

(b) collecting information from the customer or other sources, which may include third-party sources such as:
   i. reputable credit agencies and/or comparable reputable data services providers;
   ii. utility bills;
   iii. up-to-date information from credit or financial institutions as defined in Article 3, paragraphs (1) and (2), of Regulation (EU) 2024/1624. The collected information shall confirm that the beneficial owner or the person on whose behalf or for the benefit of whom a transaction or activity is being carried out has been identified and verified by the respective institution;
   iv. documents from the legal entity or the legal arrangement where the beneficial owner is named, and where the identity of the named person is certified by persons that are authorised for document certification purposes.

Article 11 - Understanding the ownership and control structure of the customer

1. Obliged entities shall take risk-sensitive measures to ensure they obtain a comprehensive understanding of the ownership and control structure of the customer pursuant to Article 20(1) point (b) of Regulation (EU) 2024/1624.

2. For the purposes of the first paragraph and in situations where the customer's ownership and control structure contains more than one legal entity or legal arrangement, obliged entities shall take risk-sensitive measures to obtain and assess at least the following information:

   (a) a description of the ownership and control structure, including the legal entities and/or legal arrangements that constitute intermediate entities between the customer and their

beneficial owners and relevant for understanding the ownership and control structure; and

(b) where applicable:

i. where beneficial ownership is determined on the basis of control, information on how this is expressed and exercised; or

ii. information on the regulated market on which the securities are listed, in case a legal entity at an intermediate level of the ownership and control structure has its securities listed on a regulated market, and the number and percentage of shares listed if not all the legal entity's securities are listed on a regulated market.

3. With respect to the legal entities and/or legal arrangements described in paragraph (2), point (a), and to the extent that it is relevant, obliged entities shall take risk-sensitive measures to obtain the following information:

(a) the legal form of such entities and/or arrangements, and reference to the existence of any nominee shareholders;

(b) the jurisdiction of incorporation or registration of the legal person or legal arrangement,

(c) in the case of a trust, the jurisdiction of its governing law;

(d) where applicable, the shares of interest held by each legal entity or legal arrangement, its sub-division, by class or type of shares and/or voting rights expressed as a percentage of the respective total.

4. When obliged entities assess the ownership and control structure, they must be satisfied that:

(a) the information included in the description pursuant to paragraph 2, point (a) is credible;

(b) that there is an economic, legal or other rationale behind the structure; and

(c) that they understand how the overall structure affects the ML/TF risk associated with the customer.

Article 12 - Understanding the ownership and control structure of the customer in the case of complex corporate structures

1. To understand the ownership and control structure of the customer in accordance with Article 20(1), point (b), of Regulation (EU) 2024/1624, obliged entities shall treat an ownership and control structure as a complex corporate structure where there are three or more layers between the customer and the beneficial owner and, in addition, more than one of the following conditions is met:

(a) there is a legal arrangement or a similar legal entity such as a foundation in any of the layers;

(b) the customer and any legal entities present at any of these layers are registered in jurisdictions outside the EU;

(c) there are nominee shareholders or nominee directors involved in the structure;

(d) the structure obfuscates or diminishes transparency of ownership with no legitimate economic rationale or justification.

2. In the case of complex corporate structures as referred to in paragraph 1, obliged entities shall, where necessary to complement the measures undertaken pursuant to Article 11, obtain additional information, such as an organigram.

3. Obliged entities shall take risk-sensitive measures to satisfy themselves that the information obtained is accurate.

Article 13 - Information on senior managing officials

In relation to senior managing officials as referred to in Article 22(2), second subparagraph, of Regulation (EU) 2024/1624, obliged entities shall:

(a) collect the same information as the information they would collect for beneficial owners. Obliged entities may decide to obtain the address of the registered office of the legal entity instead of the senior managing official's residential address and country of residence;

(b) verify the identity of senior managing officials in the same way as they would for beneficial owners.

Article 14 - Identification and verification of beneficiaries of trusts and similar legal entities or arrangements

1. For the purposes of Article 22(4) of Regulation (EU) 2024/1624, the information obliged entities shall obtain from the trustee, legal entity or legal arrangement include:

   (a) a description of the class of beneficiaries and its characteristics, which shall contain sufficient information to allow the obliged entity to determine whether individual beneficiaries are ascertainable and shall be treated as beneficial owners; and

   (b) relevant documents to enable the obliged entity to establish that the description is correct and up-to-date.

2. Obliged entities shall take risk-sensitive measures to ensure that the trustee, legal entity or legal arrangement provide timely updates, including on specific material events that may lead to beneficiaries previously identified by class or characteristics becoming ascertainable and thus beneficial owners.

Article 15 - Identification and verification of beneficiaries of discretionary trusts

1. For the purposes of Article 22(5) of Regulation (EU) 2024/1624, the information obliged entities shall obtain from the trustee of the discretionary trust include:

   (a) details on the objects of a power and default takers, to establish whether it is a class of natural or legal persons or if the natural or legal persons are already identified;

   (b) relevant documents to enable the obliged entity to establish that these details are correct and up-to-date.

2. To comply with paragraph 1, obliged entities shall take risk-sensitive measures to:

   (a) obtain sufficient information about how and in which ways the power of discretion can be exercised by the trustee(s);

   (b) establish whether trustees have exercised their power of discretion and appointed one or more beneficiaries from among the objects of a power, or whether the default takers have become the beneficiaries due to the trustees' failure to exercise their power of discretion.

Article 16 - Identification and verification of the person purporting to act on behalf of the customer

In relation to the identification and verification of the person purporting to act on behalf of the customer as referred in Article 22 of Regulation (EU) 2024/1624, and in addition to the information to be collected pursuant to the relevant provisions of Section 2, obliged entities shall obtain information which enables them to verify the existence and extent of the power of representation.

Article 17 - Identification and verification obligations for collective investment undertakings

When a collective investment undertaking distributes its shares or units through another credit institution or financial institution that acts in its own name but on behalf or for the benefit of one or more final investors, it may fulfil the requirement under Article 20(1), point (h), of Regulation (EU) 2024/1624 if it is satisfied that the credit institution or financial institution will provide the information necessary to identify and verify the identity of any final investor without undue delay and upon request. This applies provided that:

(a) the credit institution or financial institution is subject to AML/CFT obligations in an EU Member State or in a third country that has AML/CFT requirements that are no less robust than those stipulated by Regulation (EU) 2024/1624;

(b) the credit institution or financial institution is effectively supervised for compliance with obligations as provided for in point (a);

(c) the risk associated with the relationship with the credit or financial institution is low or standard; and

(d) the collective investment undertaking is satisfied that the credit institution or financial institution applies robust and risk-sensitive CDD measures to its own customers and its customers' beneficial owners.

Section 3

Purpose and intended nature of the business relationship or the occasional transaction

Article 18 - Identification of the purpose and intended nature of a business relationship or occasional transaction

For the purposes of Article 20(1), point (c), and Article 25 of Regulation (EU) 2024/1624, obliged entities shall obtain, where necessary:

(a) in relation to the purpose and economic rationale of the occasional transaction or business relationship, taking into account the nature of the product or service provided, at least one of the following information:

   i. the reason the customer has requested the obliged entities' products or services;

   ii. the intended use of the products or services requested by the customer;

   iii. the reason for performing the occasional transaction;

iv. whether the customer has additional business relationships with the obliged entity or, where applicable, its wider group, and the extent to which that information influences the obliged entity's understanding of the customer.

(b) in relation to the estimated amount of the envisaged activities, at least one of the following information:

i. the estimated amount of funds to be deposited;

ii. the estimated amount of funds to be used in connection with the product offered or service provided;

iii. information to understand the anticipated type and frequency of activities that are likely to be performed during the business relationship or occasional transaction;

iv. information to understand the anticipated number, size, volume, type and frequency of transactions that are likely to be performed during the business relationship or occasional transaction.

(c) in relation to the source of funds, at least one of the following information to understand the activity that generated the funds and the means through which the customer's funds were transferred:

i. employment income, including salary, wages, bonusses and other compensation from employment;

ii. pension or retirement funds and government benefits including social benefits;

iii. grants;

iv. business revenue;

v. capital provided by shareholders and intercompany funding;

vi. loans and credit facilities;

vii. savings and investments income;

viii. inheritance, gifts, sales of assets and legal settlements.

(d) in relation to the destination of funds, at least one of the following information:

i. the expected types of recipient(s);

ii. the jurisdiction where the transactions are to be received;

iii. whether the recipient of funds is the intended beneficiary of the transferred funds, or acting as intermediary for the beneficiary.

(e) in relation to the business activity or the occupation of the customer, at least one of the following information:

i. the occupation of the customer, including information on the customer's employment status;

ii. the sector in which the customer is active, including information on customer's industry, operations, products and services;

iii. whether the business activity or the occupation of the customer is regulated;

iv. whether the customer is an obliged entity and the sector in which the customer operates;

v. whether the customer is actively engaged in business;

vi. geographical presence of the customer;

vii. information on the main sources of revenues of the customer;

viii. key stakeholders of the customer.

Section 4

Politically Exposed Persons

Article 19 - Identification of Politically Exposed Persons

1. To identify a politically exposed person or a family member[2], or person known to be a close associate[3] of a politically exposed person, pursuant to Article 20(1), point (g), of Regulation (EU) 2024/1624, obliged entities shall determine:

   (a) With the exception of the situations referred to in Article 44 of Regulation (EU) 2024/1624, before the establishment of the business relationship or the carrying out of the occasional transaction, if the customer, the beneficial owner of the customer and, where relevant, the person on whose behalf or for the benefit of whom a transaction or activity is being carried out, is a politically exposed person, a family member, or person known to be a close associate; and

   (b) whether existing customers, the beneficial owner of the customer and, where relevant, the person on whose behalf or for the benefit of whom a transaction or activity is being carried out are or have become politically exposed persons, family members or persons known to be a close associate of a politically exposed person.

2. The determination specified in paragraph 1, point (b), shall take place:

   (a) with a frequency established on the basis of a risk-sensitive approach;

   (b) without delay in case of new information or changes in information collected for the purposes of the performance of customer due diligence measures that may have an impact on the identification as a politically exposed person,

   (c) without delay in case of changes and amendments to the list of prominent public functions published pursuant to Article 43(5) of the Regulation (EU) 2024/1624.

3. To comply with paragraphs 1 and 2, obliged entities shall put in place automated screening tools and measures, or a combination of automated screening tools and manual checks unless the size, business model, complexity or nature of the business of the obliged entity justifies the use of manual checks only.

Section 5

Simplified Due Diligence measures

Article 20 - Minimum requirement for customer identification in situations of low risk

1. In situations of low risk, obliged entities shall obtain at least the following information to identify the customer and the person purporting to act on behalf of the customer:

   (a) for a natural person:

      i. all names and surnames;

[2] Article 2(1), point (35) of Regulation (EU) 2024/1624.

[3] Article 2(1), point (36) of Regulation (EU) 2024/1624.

ii. place of birth;

iii. date of birth;

iv. nationalities of the natural person or their statelessness, refugee or subsidiary protection status.

(b) for a legal entity and other organisations that have legal capacity under national law:

i. the legal form;

ii. the registered name of the legal entity and its trade name where it differs from its registered name;

iii. the address of the registered office; and

iv. where available, the registration number or tax identification number, or the legal entity identifier.

2. Paragraph 1 shall also apply to persons on whose behalf or for the benefit of whom a transaction or activity is being carried out.

Article 21 - Minimum requirements for the identification and verification of beneficial owner or senior managing officials in situations of low risk

1. To identify the beneficial owner or senior managing officials in situations of low risk, obliged entities shall consult one of the following sources of information:

(a) the information contained in the central register, business or company register;

(b) any information provided by the customer, including information that obliged entities may already hold;

(c) any publicly available information contained in a reliable independent open source.

2. To verify the identity of the beneficial owner or senior managing officials in situations of low risk, the obliged entity shall consult one of the sources of information listed in paragraph (1), points (b) or (c), that was not used for identification purposes.

Article 22 - Sectoral simplified measures with respect to pooled accounts

A credit institution that opens an account in which the account holder administers the funds of its clients fulfils the requirements stipulated in Article 20(1), point (h), of Regulation (EU) 2024/1624, if all of the following conditions are met:

(a) the credit institution is satisfied that the account holder will provide the information and documents required pursuant to Article 20(1)(h) of Regulation (EU) 2024/1624 in relation to clients for whom it administers their funds, immediately after such request has been made by the credit institution;

(b) the account holder is an obliged entity that is subject to AML/CFT obligations in an EU Member State or a third country with AML/CFT requirements that are no less robust than those stipulated by Regulation (EU) 2024/1624;

(c) the account holder is effectively supervised for compliance with obligations as provided for in point (b);

(d) the ML/TF risk associated with the business relationship is low;

(e) the credit institution is satisfied that the account holder applies robust and risk-sensitive customer due diligence measures on its clients and the clients' beneficial owners.

Article 23 - Customer identification data updates in low-risk situations

1. Where, in cases with a low degree of ML/TF risk, obliged entities reduce the frequency of customer identification updates as referred to in Article 33(1), point (b), of Regulation (EU) 2024/1624, obliged entities shall monitor the relationship in order to be satisfied that:
   (a) there is no change in the circumstances relevant for the assessment of the business relationship with the customer;
   (b) no event took place which would require an information update; and
   (c) no suspicious and/or unusual transactions or activities were identified that are inconsistent with a low-risk relationship.
2. In any case, obliged entities shall update the customer identification data in accordance with Article 26(2), point (b), of Regulation (EU) 2024/1624.

Article 24 - Minimum information to identify the purpose and intended nature of the business relationship or occasional transaction in low-risk situations

In order to apply simplified due diligence measures pursuant to Article 33(1), point (c), of Regulation (EU) 2024/1624, obliged entities shall at least take risk-sensitive measures to understand:

(a) the intended use of the products or services requested by the customer;

(b) where applicable, the estimated value of transactions during the business relationship or of the occasional transaction;

(c) where necessary, the source of funds.

Section 6

Enhanced Due Diligence measures

Article 25 - Additional information on the customer and the beneficial owners

For the purposes of Article 34(4), point (a), of Regulation (EU) 2024/1624, obliged entities shall obtain one or more of the following additional information that will allow them to:

(a) be satisfied that the information they hold on the customer and the beneficial owners or the ownership and control structure of the customer other than a natural person is authentic and accurate; or

(b) assess the reputation of the customer and the beneficial owners; or

(c) identify and assess in a comprehensive way ML/TF risks associated with the customer, the beneficial owners or any close relationships known to the obliged entity or that are publicly known.

Article 26 - Additional information on the intended nature of the business relationship

1. For the purposes of Article 34(4), point (b), of Regulation (EU) 2024/1624, obliged entities shall obtain one or more of the following additional information on the intended nature of the business relationship that will allow them to:

   (a) be satisfied that the information they hold is authentic and accurate when it comes to information on the intended nature of the business relationship; or

   (b) be satisfied that the destination of funds is consistent with the stated nature of the business relationship or occasional transaction and the customer's risk profile; or

   (c) assess that the expected number, size, type, volume and frequency of transactions that are expected to be performed are consistent with the declared business activity, source of funds or source of wealth of the customer.

2. For the purposes of points (a) to (c) of paragraph 1, information to be obtained by obliged entities may consist of additional information on the customer's key customers, contracts, business partners, associates or the occasional transaction, including, where relevant, the beneficial owner's business partners or associates.

Article 27 - Additional information on the source of funds, and source of wealth of the customer and of the beneficial owners

For the purposes of Article 34(4), point (c), of Regulation (EU) 2024/1624, obliged entities shall obtain such additional information on the source of funds, and source of wealth of the customer and of the beneficial owners, that will satisfy them that the source of funds or source of wealth is derived from lawful activities. Such information may include one or more of the following:

(a) in relation to proof of income:

   i. tax declarations;

   ii. recent pay slips or employment documentation specifying at least the amount of salary;

   iii. other official income statements;

(b) audited accounts, investment documentation, credit facility agreements and loan agreements;

(c) in case of immovable property, public deeds, or abstract from the land or residents registry;

(d) inheritance, gifts and legal settlements documentation, documentation from certified independent professionals or public authorities;

(e) contract of sale or written confirmation of sale;

(f) information from reliable asset or public registers;

(g) authentic information from reputable media publications or reputable commercially available service providers;

(h) any other relevant information from independent and reliable sources, providing a high degree of reassurance that the customer's and beneficial owners' source of funds, and source of wealth are not the proceeds of criminal activity and are consistent with the obliged entities' knowledge of the customer and the nature of the business relationship.

Article 28 - Information on the reasons for the intended or performed transactions and their consistency with the business relationship

For the purposes of Article 34(4), point (d), of Regulation (EU) 2024/1624, obliged entities shall obtain one or more of the following information on the reasons for the intended or performed transactions and their consistency with the business relationship, on which basis they can assess:

(a) the extent to which the reason provided for the transaction is credible and in line with the institution's knowledge of the customer; or

(b) the consistency of the overall transactions performed during the business relationship with the activities carried out and the customer's turnover, especially in the case of economic activities characterised by the use of assets representing higher ML/TF risks; or

(c) information to clarify any higher risks the obliged entity may have identified in respect of the parties involved in the transaction, including any intermediaries, and their relationship with the customer.

Section 7

Targeted Financial Sanctions

Article 29 - Screening of customers and beneficial owners

Obliged entities shall establish whether their customers, the beneficial owners and the entities or persons which control or meet the ownership conditions stipulated in Article 20(1), point (d), of Regulation (EU) 2024/1624 are subject to targeted financial sanctions. Where there is a suspicion of circumvention or evasion of targeted financial sanctions, obliged entities shall also establish whether the person acting on behalf of the customer is subject to targeted financial sanctions.

Article 30 - Screening requirements

For the purposes of Article 29, obliged entities shall:

(a) screen, through automated screening tools or solutions, or a combination of automated screening tools and manual checks, at least the following information on customers, beneficial owners and the entities or persons which control or meet the ownership conditions over such customers:

   i. in the case of a natural person, all the names and surnames, in the original and/or transliteration of such data;

   ii. in the case of a legal person, the registered name of the legal person, in the original and/or transliteration of such data;

   iii. in the case of a natural person, legal person, body or entity:

      – any other names, aliases or trade names where they differ from the registered name;

      – digital wallet addresses, where available in the lists of targeted financial sanctions.

   Obliged entities may perform manual checks of information subject to screening under this point only where manual checks are proportionate to the size, business model, complexity, or nature of their business.

(b) in case of a match, the information under point (a) shall be checked against all available due diligence information on the customer, the beneficial owners or entities or persons which control or meet the ownership conditions under Article 20(1), point (d), of Regulation (EU) 2024/1624 to determine whether a person is the intended target of the targeted financial sanctions. In case of doubt, the obliged entity shall refer to all other sources available to

them, including public sources of information, such as registers of owned and controlled entities and central registers.

(c) regularly screen their customers, beneficial owners and entities or persons which control or meet the ownership conditions under Article 20(1), point (d), of Regulation (EU) 2024/1624, at least under the following circumstances:

i. during customer onboarding or before entering into a business relationship or performing an occasional transaction;

ii. when there is a change in any of the existing designations, or a new designation is made pursuant to Article 26(4) of Regulation (EU) 2024/1624;

iii. there is a significant change in the due diligence data of an existing customer, beneficial owner or entity, or person which controls or meet the ownership conditions under Article 20(1), point (d), of Regulation (EU) 2024/1624, such as but not limited to a change of name, residence, or nationality or change of business operations, which may have a potential impact on the designation as a listed person, body or entity;

(d) ensure that the screening and verification are performed without undue delay by using updated targeted financial sanctions lists.

Section 8

Risk factors associated with features of electronic money instruments

Article 31 - Risk factors

Where supervisors decide to allow for an exemption under Article 19(7) Regulation (EU) 2024/1624, based on the conditions listed in Article 19(7), points (a) to (d), of Regulation (EU) 2024/1624, supervisors shall consider one or more of the following risk factors to determine the extent of that exemption:

(a) the extent to which the payment instrument has low transaction limits or thresholds to limit transaction values;

(b) the extent to which the issuer can verify that the funds originate from an account held and controlled solely or jointly by the customer at an EEA-regulated credit or financial institution;

(c) the extent to which the payment instrument is issued at a nominal or no charge;

(d) the nature and the range of the goods or services that can be acquired, including the level of risks associated with these goods and services;

(e) the extent to which the payment instrument is valid in one or multiple Member States and its issuer is regulated by a national or regional public authority for specific social or tax purposes to acquire specific goods or services from suppliers having a commercial agreement with the issuer;

(f) the extent to which the transactions through the electronic money instrument are executed by an obliged entity that applies customer due diligence measures and record-keeping requirements laid down in Regulation (EU) 2024/1624;

(g) the extent to which the payment instrument has a specific and limited duration in which the payment instrument can be used;

(h) the extent to which the payment instrument is available through direct channels which may include the issuer or a network of service providers and, in the case of online or non-face-

to-face distributions, possess adequate safeguards, including electronic signatures, and anti-impersonation fraud measures;

(i) the extent to which distribution is limited to intermediaries that are themselves obliged entities applying customer due diligence measures and record-keeping requirements laid down in Regulation (EU) 2024/1624;

(j) the extent to which the payment instrument has a limited geographical distribution;

(k) the extent to which the issuer applies adequate technological tools, including geo-fencing and IP tracking, to restrict access from, transfers to or receiving funds from countries that are not EU Member States nor EEA countries.

Section 9

Electronic identification means and relevant qualified trust services

Article 32 - Electronic identification means and relevant qualified trust services

1. Annex I defines the corresponding list of attributes that electronic identification means and qualified trust services are required to feature in accordance with Article 22(6), point (b), of Regulation (EU) 2024/1624, in order to fulfil the requirements of Article 20(1), points (a) and (b), and Article 22(1) of that Regulation, for the purposes of applying standard and enhanced due diligence measures. Where simplified due diligence is to be applied, the electronic identification means and relevant qualified trust services shall have the corresponding attributes laid down in Annex I that allow compliance with Section 5 of this Regulation.
2. Obliged entities may consider featuring additional attributes to assist the unambiguous identification and verification of the customer or beneficial owner if justified by the ML/TF risk associated with the customer or beneficial owner.
3. Where an electronic identification means or qualified trust service does not possess all attributes that allow the identification and verification of the customer or beneficial owner, as required in Article 22(1) of Regulation (EU) 2024/1624 or Section 5 of this Regulation, the obliged entity shall take steps to obtain and verify the missing attributes through other means in line with Article 22(6) of Regulation (EU) 2024/1624.
4. Obliged entities may consider putting in place enhanced measures to complement the mitigation of ML/TF risks, including the use of higher assurance levels or complementing electronic identification means with qualified trust services.

Article 33 – Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

In cases where the customer has entered into a business relationship before the publication date of this Regulation, the documents, data and information relating to those customers shall be brought in line with the requirements of this Regulation and of Regulation (EU) 2024/1624 on a risk-sensitive basis, but in all cases not later than within the periods set out in Article 26(2) of Regulation (EU) 2024/1624.

It shall apply from [*Date of application*].

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President

[For the Commission
On behalf of the President]

[Position]

ANNEX I: List of attributes referred to in Section 9

	Article 22(1)	Minimum corresponding attributes[4]
(a) for a natural person	(i) all names and surnames	• **family_name** • **given_name**
	(ii) place and full date of birth	• **birth_date** • **birth_place**
	(iii) nationalities, or statelessness and refugee or subsidiary protection status where applicable, and national identification number, where applicable	• **nationality** • **Other** existing attributes covering statelessness and refugee or subsidiary protection status (where applicable) • **personal_administrative_number** (where applicable)
	(iv) the usual place of residence or, if there is no fixed residential address with legitimate residence in the Union, the postal address at which the natural person can be reached and, where available the tax identification number	• **resident_country** • **resident_state** • **resident_city** • **resident_postal_code** • **resident_street** • **resident_house_number** • **resident_address** • **Other** existing attributes covering the tax identification code (where available)
(b) for a legal entity	(i) legal form and name of the legal entity	• **current legal name** • **Other** existing attributes covering legal form • **a unique identifier constructed by the sending Member State in accordance with the technical specifications for the purposes of cross-border identification and which is as persistent as possible in time**
	(ii) address of the registered or official office and, if different, the principal place of business, and the country of establishment	• **current address** • **Other** existing attributes covering additional addresses • **Other** existing attributes covering the country of creation
	(iii) the names of the legal representatives of the legal entity as well as, where available, the registration number, tax identification number and Legal Entity Identifier	• **Other** existing attributes covering the names of the legal representatives of the legal entity • **Legal Entity Identifier (LEI)** (where available) • **VAT registration number** or **tax reference number** (where available) • **Other** existing attributes covering the registration number (where available)
	(iv) the names of persons holding shares or a directorship position in nominee	• **Other** existing attributes covering the names of persons holding shares or a

[4] Based on Commission Implementing Regulation (EU) 2024/2977 of 28 November 2024 laying down rules for the application of Regulation (EU) No 910/2014 of the European Parliament and of the Council as regards person identification data and electronic attestations of attributes issued to European Digital Identity Wallets

	form, including reference to their status as nominee shareholders or directors	directorship position in nominee form, including reference to their status as nominee shareholders or directors

5 Accompanying documents

5.1 Draft impact assessment with cost-benefit analysis

Introduction

As per Article 49(1) of Regulation (EU) 2024/1620, before submitting draft regulatory technical standards (RTS) to the European Commission, AMLA shall conduct open public consultations and analyse the potential related costs and benefits.

This analysis presents the Impact Assessment with Cost-Benefit Analysis (IA/CBA) of the main policy options included in the draft RTS on customer due diligence (CDD) under Article 28(1) of Regulation (EU) 2024/1624.

This IA/CBA is qualitative in nature and the policy choices have been taken primarily in accordance with qualitative considerations, taking into account the experience and professional judgment of competent authorities from the financial and the non-financial sectors, self-regulatory bodies (SRBs), and the European Commission. Moreover, quantitative figures in relation to this mandate are currently unavailable and performing a targeted collection would impose a disproportionate burden on obliged entities. Where quantitative evidence is lacking, the analysis is supported by structured qualitative reasoning and professional judgement informed by supervisory experience and wider stakeholders' input.

A. Problem identification

CDD requirements are essential to ensure that obliged entities identify and verify their customers and monitor their business relationships, in relation to the money laundering and terrorist financing (ML/TF) risks that they pose. It is therefore necessary to achieve a uniform and high-standard application of CDD measures in the Union, relying on harmonised requirements, amongst others, for the identification of customers and verification of their identity, as well as identification of the purpose and intended nature of the business relationships and occasional transactions. This ensures the consistent application of the provisions throughout the Union, thus allowing for a level-playing field across sectors and within the internal market. At the same time, it is essential that obliged entities apply CDD measures in a risk-based manner.

Under the previous EU AML/CFT framework, relying heavily on the national implementation of EU requirements, notably Directive (EU) 2015/849 and its amendments, the effective prevention of ML/TF was hampered due to divergent interpretations of the AML/CFT framework across Member States. Although the earlier framework sought to ensure equivalent safeguards, the national discretion in transposing the CDD requirements resulted in regulatory divergences that created legal uncertainty and additional costs for obliged entities operating on a cross-border basis, regulatory arbitrage risks, and uneven levels of protection against ML/TF within the internal market.

To address these shortcomings, Regulation (EU) 2024/1624 introduces harmonised, directly applicable rules, including CDD obligations that are uniform throughout the Union and across sectors. This ensures that obliged entities are subject to the same standards for requirements such as customer and beneficial ownership identification and verification, and ongoing monitoring.

Regulation (EU) 2024/1624 also broadens the scope of obliged entities within the AML/CFT framework, introducing new categories that were not previously subject to AML/CFT requirements, including CDD measures. These include crowdfunding service providers, investment migration operators, football clubs and agents, credit intermediaries for mortgage and consumer credits, non-financial mixed activity holding companies, as well as types of crypto-asset service providers and traders in certain high-value goods, the latter of which were considered obliged entities under the previous framework within narrower aspects of their business activities. By expanding the list of obliged entities, the Regulation seeks to address emerging ML/FT risks in the financial and non-financial sectors by ensuring that gatekeepers to the financial system are in a position to protect the internal market from criminal misuse.

To ensure that all obliged entities have a clear understanding of CDD requirements and apply those obligations consistently and according to a risk-based approach, Article 28(1) of Regulation (EU) 2024/1624 requires AMLA to develop draft RTS on CDD.

B. Policy objectives

The overarching objective of this mandate is to further ensure the consistent, proportionate, and harmonised application of CDD measures by all obliged entities in the EU, drawing upon the experience and support of competent authorities in the financial and non-financial sectors.

More specifically, the draft RTS establish a harmonised framework specifying the information that obliged entities shall collect for the purpose of performing standard due diligence, including the information to be collected for identification and verification purposes and for identifying the purpose and intended nature of the business relationship or the occasional transaction; the type of simplified due diligence (SDD) measures to be applied in case of lower risk; and the additional information to be collected for the purposes of enhanced due diligence (EDD).

The draft RTS also promote a consistent approach towards determining the extent of the exemption under Article 19(7) of Regulation (EU) 2024/1624 for certain electronic money instruments from CDD requirements, by specifying the risk factors associated with features of electronic money instruments that supervisors must take into account in that regard.

In addition, the draft RTS set out the reliable and independent sources of information for verifying the identification data of natural and legal persons, and define the attributes that electronic identification means and relevant qualified trust services must meet for the purposes of standard due diligence, SDD, and EDD.

Overall, the draft RTS aim to clarify and specify how certain obligations established by Regulation (EU) 2024/1624 should be applied, within the boundaries of the requirements imposed by the Regulation and without imposing additional obligations. The draft RTS aim to provide details where required by the legal mandate and where this brings added value for obliged entities, in line with the underlying principle of proportionality and bearing in mind the need to ensure effectiveness in the fight against ML/TF without imposing unnecessary regulatory burden on the private sector.

As an overarching objective, the draft RTS contribute to the harmonised, risk-based goal of the AML package, by setting robust and consistent requirements that are at the same time proportionate and

risk-based. The framework is designed to be technologically neutral and to achieve a high level of harmonisation, including sector-specific criteria where necessary.

C. Baseline scenario

Under the baseline scenario, obliged entities would apply the CDD obligations as set out in Chapter III of Regulation (EU) 2024/1624. The relevant provisions in that Regulation are more detailed than those of the currently applicable Directive, enabling a greater degree of harmonisation in the Union.

However, the level of detail, particularly on the information to be collected, is not sufficient to guarantee the consistent and effective application of those CDD measures. These gaps may give rise to different supervisory approaches and expectations, which would continue to pose a regulatory burden on obliged entities that operate across borders. Where rules are not sufficiently clear, there is an additional risk that obliged entities apply different standards and their supervisors have different supervisory expectations, creating an uneven playing field across the Union.

Furthermore, Regulation (EU) 2024/1624 grants supervisors discretion to exempt certain electronic money instruments from some of the CDD rules, subject to a proven low risk. The Regulation requires AMLA to specify the risk factors that supervisors should take into account when determining the extent of that exemption. In the absence of a commonly agreed set of minimum risk factors, supervisors might apply divergent criteria. This may create an uneven landscape in which some Member States base their decisions on a narrower set of risk factors than others, or otherwise fail to take important risks into account. Given that an exemption granted by one national supervisor has implications across the internal market, Member States must have a degree of reassurance on the exemptions granted within the Union. A common set of minimum risk factors is needed to reach these objectives.

Finally, technological innovation in the area of qualified trust services and electronic identification could be hampered by uncertainty on the attributes that such solutions should feature if they are to be compliant for verification purposes.

D. Options considered, cost-benefit analysis, and preferred option

Section D. presents the main policy options discussed and the decisions taken by AMLA during the development of the draft RTS. The background part describes the process followed by AMLA to deliver this legal mandate is described, while the methodological section explains how the IA/CBA has been conducted and how stakeholders' input has been taken into account. After that, the different policy options, along with the assessment of their potential costs and benefits, followed by the choice of the preferred option, are presented.

Background

Article 28(1) of Regulation (EU) 2024/1624 requires AMLA to develop draft RTS on CDD, in line with the overall objective to introduce directly applicable rules that ensure the consistent, proportionate, and harmonised application of CDD measures by all obliged entities in the EU.

To lay the ground for the development of this important mandate before AMLA's establishment, on 12 March 2024 the European Commission issued a Call for Advice to the European Banking Authority (EBA). To prepare its response, the EBA established a drafting process involving experts from 60 EU AML/CFT supervisors. Given the EBA's remit on the financial sector, most of the supervisors involved

were responsible for the financial sector, but some were supervising both the financial and non-financial sectors. The EBA also engaged closely with the European Commission, the other European Supervisory Authorities (ESAs), and AMLA, once established. In addition, the EBA engaged with the private sector and consumer groups, the Financial Intelligence Unit (FIU) Platform, the European Data Protection Board (EDPB) and the European Data Protection Supervisor (EDPS). The process also included a 3-month public consultation as well as a public hearing, which more than 600 stakeholders joined. The draft RTS that went out for public consultation were amended, based on the written feedback provided by 170 respondents, mostly belonging to the financial sector, but also the non-financial sector albeit to a lesser extent, as well as feedback from the EDPB and EDPS. The EBA submitted its response to the European Commission's Call for Advice on 30 October 2025. The response was formally delivered to AMLA immediately after that. In line with its mandate, the EBA's response focused on the financial sector.

In parallel, to specifically address the needs of the non-financial sector, the European Commission set up an informal subgroup of its Expert Group on Money Laundering and Terrorism Financing (ML/TF) comprising representatives of non-financial supervisors, to complement the EBA's work with sector-specific input, where needed. The outcome of this exercise was formally handed over to AMLA in September 2025.

Through this work the European Commission provided technical advice to facilitate AMLA's delivery of the mandate under Article 28(1) of Regulation (EU) 2024/1624.

Building on this work, AMLA reviewed and, where needed, amended the EBA's draft RTS, taking into consideration the European Commission's input regarding the non-financial sectors, and input collected from other stakeholders representing both the financial and the non-financial sectors.

Overarching principles

Overall, in line with the objectives set out in Regulation (EU) 2024/1624, the draft RTS aim to ensure a high level of harmonisation across supervisors, Member States and sectors, while preserving flexibility for obliged entities to apply a risk-based approach.

In particular, AMLA sought to preserve and promote the risk-based approach, focusing on effective, workable outcomes within the parameters of Regulation (EU) 2024/1624.

The policy decisions also adhere to the principle of proportionality. This means that the draft RTS aim to define obligations that are suitable and necessary to achieve the desired outcomes, and do not impose additional burden on the obliged entities that is excessive in relation to the objective pursued.

In addition, AMLA placed a particular focus on simplification, by avoiding specifying further provisions in the draft RTS where Regulation (EU) 2024/16241 is sufficiently clear, and by ensuring flexibility by setting out options obliged entities shall consider when deciding on the most effective and proportionate measures, according to the risk profile of their customers and the nature of the products or services offered.

Moreover, AMLA strived to be comprehensive, by considering the material impact of this regulatory instrument on all obliged entities within both the financial and non-financial sectors, including entities

which were not subject to CDD requirements under the previous AML/CFT framework, as well as new AML/CFT supervisors and competent authorities.

In addition, AMLA ensured to be **unbiased** by considering the perspective of the different obliged entities to which this regulatory product is addressed, giving equal importance to the interests and needs of the obliged entities that are impacted at the same level, regardless of whether they operate in the financial or the non-financial sector.

The principle of **technological neutrality** was also respected, for example in relation to the measures related to verification of the identity on a non-face-to-face basis, as well as the screening requirements for the identification of politically exposed persons and the screening of customers and beneficial owners against targeted financial sanctions.

Lastly, AMLA aimed to ensure **continuity** of the regulatory framework by building on the work already undertaken and validated by the EBA and its AML/CFT stakeholders, while also taking into account further input from AMLA's stakeholders in both the financial and non-financial sectors. Changes to the EBA's proposed text were therefore limited to duly justified cases. AMLA focused on adapting the draft RTS where necessary to reflect AMLA's specific mandate and findings, ensuring harmonised regulatory expectations across both the financial and non-financial sectors, while preserving the integrity of the foundational work conducted by the EBA.

Policy issue 1: Applicability and proportionality to the financial and non-financial sectors

In its response to the European Commission's Call for Advice, the EBA highlighted that several of the provisions set out in the proposed draft RTS apply to obliged entities in the non-financial sector in the same manner as to institutions in the financial sector. At the same time, considering the significant differences between the financial and non-financial sectors in terms of business models, operation, AML/CFT capacity and compliance maturity, the EBA suggested that AMLA may wish to assess the need for separate, standalone RTS on CDD measures for the non-financial sector.

Therefore, the first decision made by AMLA focused on assessing the cross-sectoral applicability of the draft RTS developed by the EBA and their proportionality on non-financial sector obliged entities.

In that context, AMLA considered the following options:

A. Adopting a **sector-specific approach**, by developing two separate draft RTS for the financial and the non-financial **sectors**;
B. Adopting a **horizontal approach**, by issuing one single draft RTS setting **flexible,** horizontal provisions, complemented with limited, targeted sector-specific **measures** only where necessary.

Option A

Under **Option A,** two distinct draft RTS would be developed, one applicable to the financial sector and one to the non-financial sector, including specific provisions reflecting identified differences in business models, risk exposure, and operational needs.

Benefits

- This approach would allow for **tailored CDD requirements**, closely aligned with sector specificities and operational realities.
- It would also allow for **more tailored expectations** by requiring the use of specific sources or types of documents, which could be useful especially for those obliged entities which have been subject to CDD requirements for the first time under the new AML/CFT framework.
- This may reduce the need for **interpretative guidance** at a later stage for sectors with very specific business models and operational needs.
- Sector-specific draft RTS might be **easier to apply for some categories of obliged entities,** particularly those that are different to traditional banking and finance products, as more tailored and prescriptive provisions may limit the room for interpretation in the practical application of specific measures.

Costs

- This approach risks **undermining the risk-based approach** that underpins an effective AML/CFT regime. The specific rules may reduce the discretion left to obliged entities to determine which measures, including information and documents to be collected, are most appropriate to address the specific risk posed by a given business relationship or occasional transaction. This would in turn reduce the opportunity to focus resources where risks are higher. This may also reduce an obliged entity's ability to apply measures that are equally or more effective than those specified in the draft RTS.
- When considering that both the financial and non-financial sectors present a certain level of **heterogeneity in their subsectors**, the rationale for having one instrument for the financial sector and another instrument for the non-financial sector becomes less clear.
- Moreover, separate instruments will likely result in **different rules for the same requirements**. As the customer due diligence requirements (e.g., understanding the ownership and control structure) do not inherently change by sector, there is no obvious, substantial justification for requiring different information and documents to be collected for the financial and non-financial sectors.
- In line with the previous point, this approach would aggravate **regulatory fragmentation**, thus undermining the harmonisation objective pursued by Regulation (EU) 2024/1624 and creating an unlevel playing field across Member States and sectors, ultimately increasing the risk of inconsistent application of CDD measures across the Union.
- The separation of the draft RTS might also lead to **higher compliance costs** for obliged entities operating across both the financial and non-financial sectors, which would need to comply with varying regulatory requirements. In practice, this would entail the development and maintenance of parallel internal policies and procedures, additional legal analysis and compliance oversight, higher training and adaptation costs, and would ultimately increase operational complexity.
- Lastly, in the medium-long term, updating separate draft RTS would potentially **reduce regulatory agility**, given the lengthy regulatory process required, particularly where emerging ML/TF risks affect both sectors simultaneously. This would result in slower regulatory responses, increase the risk of regulatory gaps, and potentially delay legal certainty for obliged entities.

Assessment: while offering greater granularity and providing tailored sector-specific guidance, this option would entail disproportionate costs relative to the benefits for obliged entities and supervisors. Given that core CDD measures under Level 1 are largely identical across sectors, introducing two separate draft RTS for the financial and the non-financial sector would create unnecessary and unjustified complexity. It would also lead to unnecessary fragmentation without materially improving CDD effectiveness, running counter to the harmonisation objective pursued by Regulation (EU) 2024/1624.

Option B

Under **Option B**, a single draft RTS would apply to both the financial and non-financial sectors, establishing common CDD requirements, with proportionality and flexibility embedded through risk-based application rather than sector-specific rules. **Targeted sector-specific provisions** would only be introduced where necessary and justified.

Benefits

- In line with the objective of Regulation (EU) 2024/1624, this approach would promote **harmonisation** and support the **level-playing field**, by ensuring consistency and legal clarity across all obliged entities.
- A common draft RTS would adhere to the **risk-based approach**, by setting horizontally applicable CDD requirements which can be applied in a flexible way to address the level and nature of the ML/TF risk identified, rather than differentiating rules according to the sector in which the obliged entity operates.
- This approach would also allow the RTS to address clearly identified and duly justified sectoral specificities, increasing **legal certainty** for obliged entities with specific operational needs.
- Horizontally applicable provisions would be **future proof**, being flexible enough for obliged entities to respond to emerging and evolving ML/TF risks and allow them to determine the extent, method and type of information or documents needed to mitigate the ML/TF risks they identify, regardless of sector, product or service.
- For obliged entities operating cross-sectoral, this approach would foster **simplification** and reduce implementation and compliance costs, as the same flexible requirements would apply regardless of sector, product offered, or service provided.

Costs

- The objective to provide **legal certainty might not always be achieved**, since some entities might face interpretative challenges in applying horizontal rules to very sector-specific business models. This might lead to increased compliance costs for obliged entities, along with increasing the risk of neglectful application due to misinterpretation.
- If interpretative challenges arise, interpretative guidance would be needed at a later stage, resulting in **increased costs for supervisors** by requiring the translation of horizontal rules into sector-specific guidance.

Assessment: this approach would be coherent with the co-legislator's approach in Regulation (EU) 2024/1624, which is to ensure a high level of harmonisation while adhering to the risk-based approach.

Overall impact assessment and cost-benefit analysis

Based on the assessments described above, these draft RTS adopt a **horizontal approach with targeted sector-specific measures where necessary (Option B),** with one single regulatory instrument setting flexible, horizontal provisions and requirements, complemented with limited, targeted sector-specific measures.

The draft RTS are designed to be consistent with the risk-based approach of Regulation (EU) 2024/1624, requiring obliged entities to scale the extent and depth of CDD measures according to ML/TF risks, including those arising out of the business model and customer type. Input from financial and non-financial supervisors indicated that principle-based draft RTS provide sufficient flexibility to accommodate sectoral differences in most cases, and that a horizontal framework supports legal certainty, particularly for obliged entities operating across multiple sectors or jurisdictions. Applying the same core CDD principles across sectors also ensures regulatory coherence and reduces the risk of divergent interpretations and expectations across sectors.

Feedback from financial and non-financial supervisors also suggests that CDD challenges are not primarily sector-specific but risk specific, meaning that the determining factor should be the risk posed by the customer and the transaction, and the application of proportionate, risk-based CDD measures, rather than the sector in which the obliged entity operates (i.e., same risk, same rules).

Based on feedback from non-financial supervisors, while in certain cases sectoral specificities in the non-financial sectors translate into specific regulatory requirements at national level, those needs cannot be addressed within this mandate. Since those rules mainly reflect operational differences, AMLA expects that the new, harmonised framework will address many of the divergent practices and divergent supervisory expectations, and any remaining divergence would be better addressed through targeted interpretative guidance rather than differentiated obligations.

This decision acknowledges that some newly introduced obliged entities, particularly in parts of the non-financial sector, may incur initial compliance costs in interpreting how horizontal CDD principles apply to their specific business models, mainly associated with internal legal analysis, policy updates, and staff training. However, many of these costs would arise from the application of Regulation (EU) 2024/1624 on its own, independently of the draft RTS. Moreover, such costs are expected to be counterbalanced by an increase in the effectiveness of the application of CDD measures over time, and would be justified by the objective pursued.

In line with the simplification and burden reduction objectives, these draft RTS adopt a streamlined approach, avoiding excessive detail and supporting sector compliance on a risk-based basis.

Overall, the benefits outweigh the costs. Principle-based, horizontal provisions ensure harmonisation and legal certainty, while avoiding the significant administrative and compliance burden that would arise from developing and maintaining extensive sector-specific rules for a highly diverse set of obliged entities. While some short-term interpretative costs may arise, particularly for parts of the non-financial sector, these would be mitigated by the principle-based nature of the requirements and can be

addressed through targeted interpretative guidance, such as Q&As, if necessary. While compliance costs may arise in the short term, these would be counterbalanced by an increase in the effectiveness of the application of CDD measures over time, with an overall benefit in terms of prevention of ML/TF risks.

Methodology

The assessment of the policy options underpinning these draft RTS was informed by targeted supervisory input and comparative legal analysis.

The assessment of the need for a specific regulatory instrument for the non-financial sector builds on structured exchanges with experts from national supervisors responsible for the supervision of different non-financial sectors. These discussions focused on supervisory experience with the application of CDD requirements across the non-financial sector, taking into account:

- the diversity of business models and risk exposures within the non-financial sector;
- observed challenges in applying horizontal, risk-based CDD obligations in practice;
- supervisory expectations regarding proportionality and scalability of CDD measures; and
- the potential compliance and supervisory implications of sector-specific versus principle-based regulatory approaches.

Input from these discussions was used to assess the operational feasibility, proportionality, and expected cost implications of the policy options, as well as their impact on supervisory convergence.

In parallel, the assessment considered the regulatory framework set out in Regulation (EU) 2024/1624, notably the use of horizontal AML/CFT obligations applicable across both the financial and non-financial sectors, and grounded in the risk-based approach. This analysis aimed to ensure consistency between the draft RTS and the underlying legislative framework, and to avoid introducing divergences that could undermine legal coherence or implementation at national level.

Limitations

The analysis is primarily based on qualitative supervisory input and comparative legal assessment. While the discussions with supervisors provided valuable insights into practical supervisory experience, they may not capture all sector-specific particularities within the highly heterogeneous non-financial sectors. In addition, supervisory practices and market structures continue to evolve, particularly for newly designated obliged entities. These limitations are mitigated by the principle-based design of the draft RTS and the possibility to address any emerging issues through interpretative tools, where necessary.

Policy issue 2: Potential amendments to the EBA's draft RTS

The second assessment conducted by AMLA focused on evaluating whether and to what extent the draft RTS proposed by the EBA needed to be amended, based on the subsequent input collected.

In that context, AMLA considered the following options:

A. Retaining the draft RTS proposed by the EBA with **targeted and limited amendments** where necessary;
B. Using the draft RTS proposed by the EBA as a baseline for **reopening discussions and** proposing **substantive amendments**.

Option A

Under **Option A**, AMLA's draft RTS would largely replicate the text proposed by the EBA, with some limited, targeted amendments aimed at further enhancing legal clarity and ensuring consistency with Regulation (EU) 2024/1624 and other changes, where necessary and justified. These amendments would reflect the outcomes of AMLA's assessment and additional input collected.

Benefits

- This approach would allow AMLA to focus on changes that a) ensure that the text of the draft RTS is applicable for all categories of obliged entities, including those in the non-financial sector, and b) promote further legal clarity and consistency with Regulation (EU) 2024/1624.
- By building on the consensus already reached by the EBA and national supervisors through the drafting and governance process previously established by the EBA, and noting the significant resources dedicated to delivering the draft RTS, this approach aims to facilitate the **swift adoption** of the draft RTS, also avoiding potential delays in the regulatory process.
- This approach would also ensure **continuity** for obliged entities and supervisors that were already familiar with the EBA's proposed text and expected that AMLA would not provide significant amendments, possibly also facilitating the **swift implementation** of the draft RTS by obliged entities that were already aware of the content and expected to implement them.

Costs

- In preparing its reply to the Call for Advice, the EBA focused on the financial sector. Consequently, certain provisions may not fully reflect the **diverse scope of sectors** covered by AMLA's draft RTS, which are extended to the non-financial sector.
- AMLA would **miss the opportunity to further discuss provisions** that may generate interpretative challenges under the draft RTS proposed by the EBA.

Assessment: this approach represents a robust and low-risk baseline, capitalising on the maturity of the EBA's proposed text. It prioritises continuity and cost efficiency, and supports a smooth transition to the new framework, while ensuring that AMLA can propose changes where necessary to ensure the quality of the final text and representation of the non-financial sector.

Option B

Under **Option B**, the draft RTS proposed by the EBA would serve as baseline, but AMLA would reopen discussions and propose substantive amendments, possibly to a wide range of provisions.

Benefits

- This approach would grant AMLA the opportunity to **rediscuss provisions** that may have been contentious.
- It would provide AMLA with the **opportunity to provide additional details** on any topics which might raise interpretative challenges in the EBA's text, based on AMLA's judgment and the input subsequently collected.

Costs

- This approach would entail significant **drafting and governance costs** associated with identifying, discussing and reaching agreements on provisions that are already set out in the draft RTS proposed by EBA. This would duplicate the discussions previously undertaken by the EBA and national supervisors, posing an unnecessary burden on AMLA and supervisors' resources.
- Obliged entities and supervisors which were relying on the adoption of the draft RTS proposed by the EBA might face **additional adaptation costs** and a **prolonged legal uncertainty**.

Assessment: this option priorities AMLA's opportunity to reopen provisions on potentially contentious issues in the draft RTS proposed by the EBA, over the swift adoption and implementation of the draft RTS, possibly leading to increased adaptation costs.

Overall impact assessment and cost-benefit analysis

Based on the assessments described above, these draft RTS follow the approach described under **Option A.** The text proposed by the EBA has been largely retained, with only targeted, duly justified amendments based on AMLA's assessment and the subsequent input collected.

This approach preserves **continuity**, aiming to ensure the swift adoption of this important regulatory instrument and to support a smooth transition to the new framework. This approach considers that the draft RTS proposed by the EBA have already been amended based on the outcome of the EBA's public consultation, and consensus has already been reached between national supervisors and the EBA. All in all, the EBA's text is deemed to be **robust** and sufficiently **flexible** to accommodate the diverse scope of obliged entities, allowing consistent application across both the financial and non-financial sectors. By retaining the core EBA's text, this option minimises transition risks, ensures legal certainty, and avoids unnecessary implementation costs for obliged entities, while maintaining high standards of consistency and promoting harmonisation.

While this approach might not fully exploit the opportunity to further refine or clarify specific elements of the text, any remaining interpretative challenges can continue to be addressed through targeted interpretive tools, such as Q&As, issued both by AMLA and national supervisors, where warranted. Overall, this option ensures stability and proportionality, while leaving scope for future targeted refinements if needed.

Overall, the **benefits overweigh the costs**. Retaining the draft RTS proposed by the EBA limits structural and operational burden, ensures regulatory stability, and reinforces confidence among obliged entities and supervisors. At the same time, the draft RTS remain fit for purpose, future proof, and aligned with AMLA's mandate, providing a solid foundation for targeted refinements or guidance over time, if needed.

Methodology

The analysis draws on practical insights gathered through discussions with supervisors from the financial and non-financial sectors, on the application of the draft RTS proposed by the EBA across different sectors and business models. Particular attention was paid to:

- Provisions that have proven effective and operationally workable in practice;
- Areas where divergent interpretations or supervisory practices have emerged;
- The impact of the draft RTS proposed by the EBA on compliance costs and supervisory convergence; and
- The extent to which the EBA's text can accommodate the expanded scope of obliged entities under the new framework.

In parallel, the assessment considered alignment with Regulation (EU) 2024/1624 and AMLA's mandate, to ensure that any retained or amended provisions support regulatory coherence and effective supervision at EU level.

These exercises confirmed that the EBA had effectively addressed the outcomes of its consultation paper in the final report, ensuring that the draft RTS reflected stakeholders' views and operational realities. Participants also noted that the draft RTS were already sufficiently flexible to accommodate sectoral differences and robust enough to support consistent application across both financial and non-financial sectors.

Limitations

The analysis is largely qualitative and based on supervisory experience and expert judgment. While this assessment provides valuable insights into the practical applicability of the draft RTS proposed by the EBA, it may not fully capture all sector-specific impacts, particularly for newly designated obliged entities. These limitations are mitigated by favoring incremental and targeted changes, allowing further clarification to be provided through interpretative tools where necessary.

Further assessments

During the public consultation, respondents will have the opportunity to provide supporting data, evidence, or concrete examples to substantiate any proposals or suggested amendments to the draft RTS. In particular, stakeholders will be invited to submit quantitative information illustrating sector-specific risks, operational constraints, compliance costs, or supervisory impact, where relevant.

This evidence-based input will support AMLA in re-assessing, where justified, whether proposed changes are proportionate, justified, and consistent with the risk-based approach underpinning the draft RTS, and in determining whether any further clarification or targeted adjustments are warranted. In particular, it will support AMLA's work in ensuring that CDD rules can be applied in a risk-based manner regardless of the product or service offered or the category of obliged entity.

5.2 Overview of questions for consultation

Provisions that are clearly marked as applying only to a specific sector or service should not be taken into consideration in your response if they do not impact your sector.

Question 1

Do you agree with the proposals set out in these draft RTS? If you do not agree, please specify:
(i) the provision(s) concerned; and
(ii) the rationale for your position.
Please provide concrete drafting proposals to resolving the issue and explain why the measure you propose would be more appropriate.

Question 2

Do you agree that the proposals set out in these draft RTS can be applied across the range of products and services provided by your obliged entity? If you do not agree, please:
(i) explain your rationale for why the current proposals do not provide sufficient flexibility; and
(ii) provide concrete drafting proposals and explain why the specific measures you propose would be more appropriate.

Question 3

Do you agree that the proposals set out in these draft RTS allow for the effective application of a risk-based approach towards compliance with AML/CFT requirements? If you do not agree, please:
(i) specify the provisions concerned; and
(ii) provide concrete drafting proposals and explain why the specific measures you propose would be more appropriate.

Question 4

Considering the nature of your business, including its size, risks, and complexity, are there any situations where the information to be collected for the purposes of customer due diligence as proposed in these draft RTS is routinely unavailable and the proposals in these draft RTS do not provide an alternative solution? If so, please provide concrete examples of such situations and your proposals for alternative solutions.

Question 5

Considering AMLA's legal mandate in Article 28(1) of Regulation (EU) 2024/1624, and taking into account your obliged entities' products offered and service provided, what other simplified due diligence measures should be included in the draft RTS, for example because of the associated lower ML/TF risks of these products and services? Please provide concrete drafting proposals and rationale for the specific measures you would propose.