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To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
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Subject:	ANNEXES to the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing

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Delegations will find attached document COM(2021) 420 final.

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Brussels, 20.7.2021  
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ANNEXES 1 to 4

## **ANNEXES**

**to the Proposal for a**

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the prevention of the use of the financial system for the purposes of money  
laundering or terrorist financing**

{SEC(2021) 391 final} - {SWD(2021) 190 final} - {SWD(2021) 191 final}

## ANNEX I

### **Indicative list of risk variables**

The following is a non-exhaustive list of risk variables that obliged entities shall take into account when drawing up their risk assessment in accordance with Article 8 determining to what extent to apply customer due diligence measures in accordance with Article 16:

- (a) Customer risk variables:
  - (i) the customer's and the customer's beneficial owner's business or professional activity;
  - (ii) the customer's and the customer's beneficial owner's reputation;
  - (iii) the customer's and the customer's beneficial owner's nature and behaviour;
  - (iv) the jurisdictions in which the customer and the customer's beneficial owner are based;
  - (v) the jurisdictions that are the customer's and the customer's beneficial owner's main places of business;
  - (vi) the jurisdictions to which the customer and the customer's beneficial owner have relevant personal links;
- (b) Product, service or transaction risk variables:
  - (i) the purpose of an account or relationship;
  - (ii) the regularity or duration of the business relationship;
  - (iii) the level of assets to be deposited by a customer or the size of transactions undertaken;
  - (iv) the level of transparency, or opaqueness, the product, service or transaction affords;
  - (v) the complexity of the product, service or transaction;
  - (vi) the value or size of the product, service or transaction.
- (c) Delivery channel risk variables:
  - (i) the extent to which the business relationship is conducted on a non-face-to-face basis;
  - (ii) the presence of any introducers or intermediaries that the customer might use and the nature of their relationship with the customer;
- (d) Risk variable for life and other investment-related insurance:

(i) the risk level presented by the beneficiary of the insurance policy.



## ANNEX II

### **Lower risk factors**

The following is a non-exhaustive list of factors and types of evidence of potentially lower risk referred to in Article 16:

- (1) Customer risk factors:
  - (a) public companies listed on a stock exchange and subject to disclosure requirements (either by stock exchange rules or through law or enforceable means), which impose requirements to ensure adequate transparency of beneficial ownership;
  - (b) public administrations or enterprises;
  - (c) customers that are resident in geographical areas of lower risk as set out in point (3);
- (2) Product, service, transaction or delivery channel risk factors:
  - (a) life insurance policies for which the premium is low;
  - (b) insurance policies for pension schemes if there is no early surrender option and the policy cannot be used as collateral;
  - (c) a pension, superannuation or similar scheme that provides retirement benefits to employees, where contributions are made by way of deduction from wages, and the scheme rules do not permit the assignment of a member's interest under the scheme;
  - (d) financial products or services that provide appropriately defined and limited services to certain types of customers, so as to increase access for financial inclusion purposes;
  - (e) products where the risks of money laundering and terrorist financing are managed by other factors such as purse limits or transparency of ownership (e.g. certain types of electronic money);
- (3) Geographical risk factors — registration, establishment, residence in:
  - (a) Member States;
  - (b) third countries having effective AML/CFT systems;
  - (c) third countries identified by credible sources as having a low level of corruption or other criminal activity;
  - (d) third countries which, on the basis of credible sources such as mutual evaluations, detailed assessment reports or published follow-up reports, have

requirements to combat money laundering and terrorist financing consistent with the revised FATF Recommendations and effectively implement those requirements.

## ANNEX III

### **Higher risk factors**

The following is a non-exhaustive list of factors and types of evidence of potentially higher risk referred to in Article 16:

- (1) Customer risk factors:
  - (a) the business relationship is conducted in unusual circumstances;
  - (b) customers that are resident in geographical areas of higher risk as set out in point (3);
  - (c) legal persons or arrangements that are personal asset-holding vehicles;
  - (d) companies that have nominee shareholders or shares in bearer form;
  - (e) businesses that are cash-intensive;
  - (f) the ownership structure of the company appears unusual or excessively complex given the nature of the company's business;
  - (g) customer is a third country national who applies for residence rights in a Member State in exchange of any kind of investment, including capital transfers, purchase or renting of property, investment in government bonds, investment in corporate entities, donation or endowment of an activity contributing to the public good and contributions to the state budget;
- (2) Product, service, transaction or delivery channel risk factors:
  - (a) private banking;
  - (b) products or transactions that might favour anonymity;
  - (c) payment received from unknown or unassociated third parties;
  - (d) new products and new business practices, including new delivery mechanism, and the use of new or developing technologies for both new and pre-existing products;
  - (e) transactions related to oil, arms, precious metals, tobacco products, cultural artefacts and other items of archaeological, historical, cultural and religious importance, or of rare scientific value, as well as ivory and protected species;
- (3) Geographical risk factors:
  - (a) third countries subject to increased monitoring or otherwise identified by the FATF due to the compliance weaknesses in their AML/CFT systems;



- (b) third countries identified by credible sources/ acknowledged processes, such as mutual evaluations, detailed assessment reports or published follow-up reports, as not having effective AML/CFT systems;
- (c) third countries identified by credible sources/ acknowledged processes as having significant levels of corruption or other criminal activity;
- (d) third countries subject to sanctions, embargos or similar measures issued by, for example, the Union or the United Nations;
- (e) third countries providing funding or support for terrorist activities, or that have designated terrorist organisations operating within their country.

## ANNEX IV

### Correlation table

Directive (EU) 2015/849	Directive (EU) XXXX/XX <i>[please insert reference to proposal for 6<sup>th</sup> anti-money laundering Directive]</i>	This Regulation
Article 1(1)	-	-
Article 1(2)	-	-
Article 1(3)		Article 2, point (1)
Article 1(4)		Article 2, point (1)
Article 1(5)		Article 2, point (2)
Article 1(6)		Article 2, points (1) and (2)
Article 2(1)		Article 3
Article 2(2)		Article 4
Article 2(3)		Article 5(1)
Article 2(4)		Article 5(2)
Article 2(5)		Article 5(3)
Article 2(6)		Article 5(4)
Article 2(7)		Article 5(5)
Article 2(8)		Article 6
Article 2(9)		Article 4(3) and Article 5(6)
Article 3, point (1)		Article 2, point (5)
Article 3, point (2)		Article 2, point (6)
Article 3, point (3)		Article 2, point (4)
Article 3, point (4)		Article 2, point (3)
Article 3, point (5)		Article 2, point (35)
Article 3, point (6)		Article 2, point (22)

Article 3, point (6) (a)		Article 42(1)
Article 3, point (6) (b)		Article 43
Article 3, point (6) (c)		Article 42(2)
Article 3, point (7)		Article 2, point (7)
Article 3, point (8)		Article 2, point (19)
Article 3, point (9)		Article 2, point (25)
Article 3, point (10)		Article 2, point (26)
Article 3, point (11)		Article 2, point (27)
Article 3, point (12)		Article 2, point (28)
Article 3, point (13)		Article 2, point (16)
Article 3, point (14)		Article 2, point (8)
Article 3, point (15)		Article 2, point (29)
Article 3, point (16)		Article 2, point (15)
Article 3, point (17)		Article 2, point (20)
Article 3, point (18)		Article 2, point (13)
Article 3, point (19)	-	-
Article 4	Article 3	
Article 5	-	-
Article 6	Article 7	
Article 7	Article 8	
Article 8(1)		Article 8(1)
Article 8(2)		Article 8(2) and (3)
Article 8(3)		Article 7(1)
Article 8(4)		Article 7(2)
Article 8(5)		Article 7(2) and (3)
Article 9		Article 23

Article 10		Article 58
Article 11		Article 15
Article 12	-	-
Article 13(1)		Article 16(1)
Article 13(2)		Article 16(2)
Article 13(3)		Article 16(2)
Article 13(4)		Article 16(4)
Article 13(5)		Article 37
Article 13(6)		Article 18(3)
Article 14(1)		Article 19(1)
Article 14(2)		Article 19(2)
Article 14(3)		Article 19(3)
Article 14(4)		Article 17
Article 14(5)		Article 21(2) and (3)
Article 15		Article 27
Article 16		Article 27(1)
Article 17	-	-
Article 18(1)		Article 28(1)
Article 18(2)		Article 28(2)
Article 18(3)	-	Article 28(3)
Article 18(4)	-	-
Article 18a(1)		Article 28(4)
Article 18a(2)	-	Article 23(5) and Article 29, point (a)
Article 18a(3)		Article 23(5) and Article 29, point (b)
Article 18a(4)	-	-

Article 18a(5)	-	-
Article 19		Article 30
Article 20		Article 32
Article 20a		Article 33
Article 21		Article 34
Article 22		Article 35
Article 23		Article 36
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Article 25		Article 38(1)
Article 26		Article 38
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Article 28		Article 38(3)
Article 29	-	-
Article 30(1)		Article 45(1) and (3) and Article 49
Article 30(2)		Article 45(4)
Article 30(3)	Article 10(1)	
Article 30(4)	Article 10(5)	
Article 30(5)	Article 11 and Article 12(1)	
Article 30(5)a	Article 12(2)	
Article 30(6)	Article 11(1), (2) and (3)	
Article 30(7)	Article 45(2)	
Article 30(8)		Article 18(4)
Article 30(9)	Article 13	
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Article 31(1)		Articles 43(1) and 46(1) and Article 49

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Article 31(3)		Article 46(3)
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Article 31(4a)	Article 12(2)	
Article 31(5)	Article 10(5)	
Article 31(6)		Article 18(4)
Article 31(7)	Article 45(2)	
Article 31(7a)	Article 13	
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Article 32(1)	Article 17(1)	
Article 32(2)	Article 46(1)	
Article 32(3)	Article 17(2), (4) and (5)	
Article 32(4)	Articles 18(1) and 19(1)	
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Article 32(6)	Article 19(2)	
Article 32(7)	Article 20(1)	
Article 32(8)	Article 17(3)	
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Article 32a(1)	Article 14(1)	
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Article 42		Article 57
Article 43	-	-
Article 44(1)	Article 9(1)	
Article 44(2)	Article 9(2)	
Article 44(3)	Article 9(3)	
Article 44(4)	Article 9(6)	
Article 45(1)		Article 13(1)
Article 45(2)	-	-
Article 45(3)		Article 14(1)
Article 45(4)	Article 35	
Article 45(5)		Article 14(2)
Article 45(6)		Article 14(3)
Article 45(7)		Article 14(4)
Article 45(8)		Article 13(2)

Article 45(9)	Article 5(1)	
Article 45(10)	Article 5(2)	
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Article 46(1)		Article 10
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Article 53	Article 24	
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Article 56	Article 23(2) and (3)	
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Article 57a(2)	Article 50(2)	
Article 57a(3)	Article 50(3)	
Article 57a(4)	Articles 33(1) and 34(1) and (3)	
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Article 57b	Article 51	
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Article 58(2)	Article 39(2)	
Article 58(3)	Article 39(3)	
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Article 58(5)	Article 39(4)	
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Article 59(4)	Article 40(4)	
Article 60(1)	Article 42(1)	
Article 60(2)	Article 42(2)	
Article 60(3)	Article 42(3)	
Article 60(4)	Article 39(5)	
Article 60(5)	Article 42(4)	
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Article 61	Article 43	
Article 62(1)	Article 44(1)	
Article 62(2)	Article 6(6)	
Article 62(3)	Article 44(2)	
Article 63	-	-
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Article 66	-	-
Article 67	-	-
Article 68	-	-
Article 69	-	-
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