COMPARISON BETWEEN THE PROPOSED CHANGES TO THE 4TH MONEY LAUNDERING DIRECTIVE IN JULY 2016

AND

THE FURTHER PROPOSED CHANGES AS OF 25 NOVEMBER 2016

REFERENCES:

2nd Compromise Text: Council of the European Union Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directive 2009/101/EC - Presidency compromise text as proposed by the European Council, 25 November 2016.

5AMLD: Council of the European Union Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directive 2009/101/EC - Presidency compromise text, 28 October 2016.

July 2016: Reference to Draft report on the proposal for a directive of the European Parliament and of the Council amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directive 2009/101/EC, Strasbourg 5 July 2016.

2015 4AMLD: Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015

New or replacement text proposed is written in **bold text.**
Deleted text is written in ~~strike-through~~ text.
My comments are in **blue.**
Latest Revisions are indicated by a Green Coloured Box

1. IMPLEMENTATION

Changes	Article 67 - Transposition
Original 2015 4AMLD Text	Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by 26 June 2017. They shall immediately communicate the text of those measures to the Commission. When Member States adopt those measures, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. The methods of making such reference shall be laid down by Member States.
Changes proposed in July 2016	**Maintained wording in original text with the following amendments:** Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive **by 1 January 2017 at the latest**. They shall forthwith communicate to the Commission the text of those provisions.
Amendments proposed in the 5AMLD	**Maintained wording in original text with the following additional amendments:** Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by ~~1 January~~**26 June** 2017. **Access to the information recorded in the registries pursuant to this Directive shall be granted within 6 months after the implementation date.** They shall immediately communicate the text of those measures to the Commission. **Proposed that Paragraph 1a be added:** **(1a) Notwithstanding paragraph 1, Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Article 30(10) and Article 31(9) by 26 June 2018.**
Wording in 2nd Compromise Text	**Rewords Article 67 to read as follows:** Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive ~~by 26 June 2017~~ at the latest **within six (6) months after the publication of this Directive in the Official Journal of the European Union**. They shall ~~forthwith communicate to the Commission the text of those provisions~~ **immediately communicate the text of those measures to the Commission**. **Access to the information recorded in the registries pursuant to this Directive shall be granted within 18 months after the implementation date.** When Member States adopt those ~~provisions~~ **measures**, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. ~~Member States shall determine how such reference is to be made~~. **They shall also include a statement that references in existing laws, regulations and administrative provisions to the Directive(s) repealed by**

Changes	Article 67 - Transposition
	this Directive shall be construed as references to this Directive. Member States shall determine how such reference is to be made and how that statement is to be formulated.

2. VIRTUAL CURRENCIES

Changes	Article 3(18) - Definition of "Virtual Currency"
Original 2015 4AMLD Text	**Original text did not include a definition for virtual currencies.**
New definition proposed in July 2016	'Virtual currencies' means a digital representation of value that is neither issued by a central bank or a public authority, nor necessarily attached to a fiat currency, but is accepted by natural or legal persons as a means of payment and can be transferred, stored or traded electronically.
Amendments proposed in the 5AMLD	**Maintains definition proposed in July 2016 above with the following additional amendments:** 'Virtual currencies' means a digital representation of value that ~~is neither issued by a central bank or a public authority, nor necessarily attached to a fiat currency, but is accepted by natural or legal persons as a means of payment and can be transferred, stored or traded electronically~~ **can be digitally transferred, stored or traded and functions as a medium of exchange, but does not have legal tender status in any jurisdiction and which is not funds as defined in point (25) of Article 4 of the Directive 2015/2366/EC nor monetary value stored on instruments exempted as specified in Article 3(k) and 3(l) of that Directive**.
Wording in 2nd Compromise Text	**Maintains definition in the 5AMLD with the following additional amendments:** 'Virtual currencies' means a digital representation of value that can be digitally transferred, stored or traded and ~~**functions as**~~ **is accepted by natural or legal persons** as a medium of exchange, but does not have legal tender status ~~in any jurisdiction~~ and which is not funds as defined in point (25) of Article 4 of the Directive 2015/2366/EC nor monetary value stored on instruments exempted as specified in Article 3(k) and 3(l) of that Directive.

3. PREPAID CARDS

Changes	Recital 11 – Purpose Behind Prepaid Card Thresholds
New recital proposed in July 2016	General purpose prepaid cards have legitimate uses and constitute an instrument contributing to financial inclusion. However, anonymous prepaid cards are easy to use in financing terrorist attacks and logistics. It is therefore essential to deny terrorist this means of financing their operations, by further reducing the limits and maximum amounts under which obliged entities are allowed not to apply certain customer due diligence measures provided by Directive (EU) 2015/849. Thus, while having due regard to consumers' needs in using general purpose prepaid instruments and not preventing the use of such instruments for promoting social and financial inclusion, it is essential to lower the existing thresholds for general purpose anonymous prepaid cards and suppress the customer due diligence exemption for their online use.
Amendments proposed in the 5AMLD	**Maintained the July 2016 recital wording and proposed the following amendment:** …it is essential to lower the existing thresholds for general purpose anonymous prepaid cards and ~~suppress~~ **to limit** the customer due diligence exemption for their online use.
Wording in 2nd Compromise Text	**Maintains the July 2016 recital wording. Does not adopt the 5AMLD amendment. Adds the following wording to the recital:** …it is essential to lower the existing thresholds for general purpose anonymous prepaid cards **and to identify the customer in the case of remote payment transactions where the amount paid exceeds EUR 50. In order to mitigate the aforementioned risks and having due regard market participants and the sensitivity of this specific market segment, the zero threshold should subsequently be applied to all remote payment transactions only after a sufficient transitional period is given allowing the adaptation to new regulatory framework.**

Changes	Article 3(16) – Obliged Entities - Electronic Money
Original 2015 4AMLD Text	'electronic money' means electronic money as defined in point (2) of Article 2 of Directive 2009/110/EC
Proposed amendment in July 2016	**Adopts original definition and proposes the following amendment:** (16) 'electronic money' means electronic money as defined in point (2) of Article 2 of Directive 2009/110/EC, **but excluding monetary value as referred to in Article 1(4) and (5) of that Directive.**
5AMLD	**Maintained amended wording as proposed in July 2016 above.**
Wording in 2nd Compromise Text	**Maintains amended wording as proposed in July 2016 above.**

Changes	Article 12 – Prepaid Cards
Original 2015 4AMLD Text	1.By way of derogation from points (a), (b) and (c) of the first subparagraph of Article 13(1) and Article 14, and based on an appropriate risk assessment which demonstrates a low risk, a Member State may allow obliged entities not to apply certain customer due diligence measures with respect to electronic money, where all of the following risk- mitigating conditions are met: (a) the payment instrument is not reloadable, or has a maximum monthly payment transactions limit of EUR 250 which can be used only in that Member State; (b) the maximum amount stored electronically does not exceed EUR 250; (c) the payment instrument is used exclusively to purchase goods or services; (d) the payment instrument cannot be funded with anonymous electronic money; (e) the issuer carries out sufficient monitoring of the transactions or business relationship to enable the detection of unusual or suspicious transactions. For the purposes of point (b) of the first subparagraph, a Member State may increase the maximum amount to EUR 500 for payment instruments that can be used only in that Member State. 2.Member States shall ensure that the derogation provided for in paragraph 1 is not applicable in the case of redemption in cash or cash withdrawal of the monetary value of the electronic money where the amount redeemed exceeds EUR 100
Additions proposed in July 2016	**Adopted original wording and proposed the following amendments:** (i) in the first subparagraph, points (a) and (b) to be replaced by the following: **(a) the payment instrument is not reloadable, or has a maximum monthly payment transactions limit of EUR 150 which can be used only in that Member State;** **(b) the maximum amount stored electronically does not exceed EUR 150;** (ii) **Delete** the second subparagraph (starting with “For the purposes”). **Proposal to replace the wording in Paragraph 2 with the following text:** **Member States shall ensure that the derogation provided for in paragraph 1 is not applicable in the case either of online payment or of redemption in cash or cash withdrawal of the monetary value of the electronic money where the amount redeemed exceeds EUR 50**. **Proposal to add a new Paragraph 3**:

Changes	Article 12 – Prepaid Cards
	Member States shall ensure that Union credit institutions and financial institutions acting as acquirers only accept payments carried out with prepaid cards issued in third countries where such cards meet requirements equivalent to those set out in points (a), (b), (c) of the first subparagraph of Article 13(1) and Article 14, or can be considered to meet the requirements in paragraphs 1 and 2 of this Article.
Amendments proposed in the 5AMLD	**Maintained the amendments made to paragraph 1 as proposed in July 2016 above.** **Maintained the replacement wording proposed in July 2016 above with the following additional amendments:** Member States shall ensure that the derogation provided for in paragraph 1 is not applicable in the case ~~either~~ of**:** ~~online payment~~ **a)** or of redemption in cash or cash withdrawal of the monetary value of the electronic money where the amount redeemed exceeds EUR 50 **or** **b) remote payment transactions as defined in point (6) of Article 4 of the Directive 2015/2366/EC where the amount paid exceeds EUR 50 and as from the date of entry into force of this directive + 24 months for all remote payment transactions**."; **Maintained the new wording in Paragraph 3 proposed in July 2016 with the following additional amendments:** Member States shall ensure that **payment card schemes as defined in point 16 of the Article 2 of the Regulation No 2015/751 allow only the use of anonymous prepaid cards issued in third country where the issuer has proven that it meets requirements equivalent to** those set out in points (a), (b), (c) of the first subparagraph of Article 13(1) and Article 14, or the requirements in paragraphs 1 and 2 of this Article.
Wording in 2nd Compromise Text	**Maintains amendments made to Paragraph 1 as proposed in July 2016 above.** **Adopts the wording for paragraph 2(a) as proposed in July 2016 above and that item b) as proposed in July 2016 be renumbered 2a and incorporate the following additional amendments:** 2a. Member States shall ensure that in case of remote payment transactions as defined in point (6) of Article 4 of the Directive 2015/2366/EC where the amount paid exceeds EUR 50 the customer has to be identified. After **36**~~24~~ months from entry into force of this directive identification shall be applied to all remote payment transactions. **Maintains paragraph 3 as proposed in 5AMLD above with the following additional amendments:** Member States shall ensure that payment card schemes as defined in point 16 of the Article 2 of the Regulation No 2015/751 allow only the use of anonymous prepaid cards issued in third country where the issuer has ~~sufficiently~~ proven to the card

Changes	Article 12 – Prepaid Cards
	scheme that it meets requirements equivalent to those set out in points (a), (b), (c) of the first subparagraph of Article 13(1) and Article 14, or the requirements in paragraphs 1 and 2 of this Article. ~~[Without prejudice to the Directive 2015/2366/EC]~~ Member States may decide not to accept **on their territory** payments carried out by the anonymous prepaid cards ~~on their territory~~.

4. E-MONEY ISSUERS, E-WALLET PROVIDERS ET AL.

Changes	Article 2(1)(3) – Obliged Entities (i.e. Who Must Comply with the 4AMLD)
Original 2015 4AMLD Text	**List of obliged entities did not originally include e-wallet providers or virtual currencies.**
Additions proposed in July 2016	In point (3) of Article 2(1), the following points (g) and (h) are added: g) providers engaged primarily and professionally in exchange services between virtual currencies and fiat currencies; h) wallet providers offering custodial services of credentials necessary to access virtual currencies.
Amendments proposed in the 5AMLD	**Maintained the wording proposed in July 2016 above with the following additional amendments:** g) providers engaged ~~primarily and professionally~~ in exchange services between virtual currencies and fiat currencies; h) **custodian** wallet providers ~~offering custodial services of credentials necessary to access virtual currencies~~. **New definition:** **Article 3(19) 'custodian wallet provider' means an entity that provides services to safeguard private keys on behalf of their customers, to holding, store and transfer virtual currencies.**
Wording in 2nd Compromise Text	**Maintains of wording proposed in 5AMLD above for (g) and (h).** **Maintains the definition of "custodian wallet provider in 5AMLD above with the following amendment:** (19) "custodian wallet provider" means an entity that provides services to safeguard private **cryptographic** keys on behalf of their customers, to holding, store and transfer virtual currencies.

Changes	Article 47(1) – Registration of E-Wallet Providers, E-Currency Exchanges
Original 2015 4AMLD Text	Member States shall provide that currency exchange and cheque cashing offices and trust or company service providers be licensed or registered and providers of gambling services be regulated.
Replacement proposed in July 2016	Member States shall ensure that providers of exchanging services between virtual currencies and fiat currencies, custodian wallet providers, currency exchange and cheque cashing offices, and trust or company service providers are licensed or registered, and that providers of gambling services are regulated.
Amendments proposed in the 5AMLD	**Maintained wording proposed in July 2016 above with the following additional amendments:** Member States shall ensure that providers of ~~exchanging~~**exchange** services between virtual currencies and fiat currencies, **and** custodian wallet providers, **are registered, that** currency exchange and cheque cashing offices, and trust or company service providers are licensed or registered, and that providers of gambling services are regulated.
Wording in 2nd Compromise Text	**Maintains amended wording as proposed in the 5AMLD above.**

5. CUSTOMER DUE DILIGENCE

Changes	Article 13 - Customer Due Diligence ("CDD")
Original 2015 4AMLD Text	1.Customer due diligence measures shall comprise: (a) identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source; (b) identifying the beneficial owner and taking reasonable measures to verify that person's identity so that the obliged entity is satisfied that it knows who the beneficial owner is, including, as regards legal persons, trusts, companies, foundations and similar legal arrangements, taking reasonable measures to understand the ownership and control structure of the customer; (c) assessing and, as appropriate, obtaining information on the purpose and intended nature of the business relationship; (d) conducting ongoing monitoring of the business relationship including scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the obliged entity's knowledge of the customer, the business and risk profile, including where necessary the source of funds and ensuring that the documents, data or information held are kept up-to-date.

	When performing the measures referred to in points (a) and (b) of the first subparagraph, obliged entities shall also verify that any person purporting to act on behalf of the customer is so authorised and identify and verify the identity of that person.
New wording proposed in July 2016	**Proposal that Article 13(1), point (a) be replaced by the following:** (a) identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source, including, where available, electronic identification means as set out in Regulation (EU) No 910/2014.
Changes proposed in the 5AMLD	**Maintained proposed revisions to 13(1)(a) in July 2016 above with the following additional amendments:** "(a) identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source, including, where available, electronic identification means **and relevant trust services** as set out in Regulation (EU) No 910/2014***or national law**;
Wording in 2nd Compromise Text	**Maintains amended wording for 13(1)(a) as proposed in the 5AMLD above.**

Changes	Article 14(5) - CDD on Existing Customers
Original 2015 4AMLD Text	Member States shall require that obliged entities apply the customer due diligence measures not only to all new customers but also at appropriate times to existing customers on a risk-sensitive basis, including at times when the relevant circumstances of a customer change.
New wording proposed in July 2016	**Proposed that paragraph 5 be replaced by the following:** 5. Member States shall require that obliged entities apply the customer due diligence measures not only to all new customers but also at appropriate times to existing customers on a risk-sensitive basis, or when the relevant circumstances of a customer change, **or when the obliged entity has a duty in the course of the relevant calendar year, to contact the customer for the purpose of reviewing any information related to the beneficial owner(s), in particular under Directive 2011/16/EU.**
Changes proposed in the 5AMLD	**Maintained the amendments proposed in July 2016 above with the following additional amendment:** Member States shall require that obliged entities apply the customer due diligence measures not only to all new customers but also at appropriate times to existing customers on a risk-sensitive basis, or when the relevant circumstances of a customer change, or when the obliged entity has ~~a~~**any legal** duty in the course of the relevant calendar year, to contact the customer for the purpose of reviewing any information related to the beneficial owner(s), in particular under Directive 2011/16/EU.

Changes	Article 14(5) - CDD on Existing Customers
Wording in 2nd Compromise Text	**Maintains the wording proposed in the 5AMLD above.**

Changes	Article 31(1) - CDD for Trusts and Other Legal Arrangements
Original 2015 4AMLD Text	Member States shall require that trustees of any express trust governed under their law obtain and hold adequate, accurate and up-to-date information on beneficial ownership regarding the trust.
New wording proposed in July 2016	**Maintained 2015 4AMLD text and added the following additional wording**: Member States shall ensure that this Article applies to trusts and other types of legal arrangements having a structure or functions similar to trusts, such as, inter alia, fiducie, Treuhand or fideicomiso.
Amendments proposed in the 5AMLD	**Maintained additional proposed wording in July 2016 with the following additional amendments:** Member States shall ensure that this Article applies to trusts and other types of legal arrangements having a structure or functions similar to trusts, such as, inter alia, fiducie, Treuhand or fideicomiso **when having a structure and functions similar to trusts**.
Wording in 2nd Compromise Text	**Maintains amended wording proposed in the 5AMLD with the following additional amendments:** Member States shall ensure that this Article applies to trusts and other types of legal arrangements, such as, inter alia, fiducie, Treuhand or fideicomiso when having a structure **and**~~**or**~~ functions similar to trusts. **Member States shall define the characteristics to determine where legal arrangements have a structure and functions similar to trusts.**

Changes	Article 31(3)(a) – Location of Trust Register
New wording proposed in July 2016	The information referred to in paragraph 1 shall be held in a central register set up by the Member State where the trust is administered.
Amendments proposed in the 5AMLD	**Maintained additional proposed wording in July 2016 with the following additional amendments:** The information referred to in paragraph 1 shall be held in a central **beneficial ownership** register set up by the Member State where the trust is administered.

Changes	Article 31(3)(a) – Location of Trust Register
Wording in 2nd Compromise Text	**Maintains amended wording proposed in 5AMLD with the following additional amendments:** 3a. The information referred to in paragraph 1 shall be held in a central beneficial ownership register **such as the one referred to in the Article 30 paragraph 3** set up by the Member State where the trust is administered.

6. HIGH RISK JURISDICTIONS

Changes	Article 18(1)– Enhanced Due Diligence and High Risk Jurisdictions
Original 2015 4AMLD Text	The third countries identified by the Commission as high-risk third countries, as well as in other cases of higher risk that are identified by Member States or obliged entities, Member States shall require obliged entities to apply enhanced customer due diligence measures to manage and mitigate those risks appropriately. Enhanced customer due diligence measures need not be invoked automatically with respect to branches or majority- owned subsidiaries of obliged entities established in the Union which are located in high-risk third countries, where those branches or majority-owned subsidiaries fully comply with the group-wide policies and procedures in accordance with Article 45. Member States shall ensure that those cases are handled by obliged entities by using a risk-based approach.
New wording proposed in July 2016	(1) In the cases referred to in Articles 19 to 24, as well as in other cases of higher risk that are identified by Member States or obliged entities, Member States shall require obliged entities to apply enhanced customer due diligence measures to manage and mitigate those risks appropriately. **NEW – 18a:** With respect to transactions involving high risk third countries, Member States shall require that, when dealing with natural persons or legal entities established in the third countries identified as high-risk third countries pursuant to Article 9 (2), obliged entities shall apply at least all the following enhanced customer due diligence measures: (a) obtaining additional information on the customer; (b) obtaining addition information on the intended nature of the business relationship; (c) obtaining information on the source of funds or source of wealth of the customer; (d) obtaining information on the reasons for the intended or performed transactions; (e) obtaining the approval of senior management for establishing or continuing the business relationship;

Changes	Article 18(1)– Enhanced Due Diligence and High Risk Jurisdictions
	(f) conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination; (g) requiring the first payment to be carried out through an account in the customer's name with a bank subject to similar CDD standards. 2. In addition to the measures provided in paragraph 1 and in compliance with international obligations of the Union, Member States may require obliged entities, when dealing with natural persons or legal entities established in the third countries identified as high-risk third countries pursuant to Article 9(2) to apply one or several additional mitigating measures: (a) requiring financial institutions to apply additional elements of enhanced due diligence; (b) introducing enhanced relevant reporting mechanisms or systematic reporting of financial transactions; (c) limiting business relationships or financial transactions with natural persons or legal entities from the identified country. 3. In addition to the measures provided in paragraph 1, Member States may apply one of the following measures to third countries identified as high-risk third countries pursuant to Article 9(2) in compliance with international obligations of the Union: In addition to the measures provided in paragraph 1, Member States shall apply where applicable one or several of the following measures to high risk third countries identified pursuant to Article 9(2) in compliance with international obligations of the Union: (a) refusing the establishment of subsidiaries or branches or representative offices of financial institutions from the country concerned, or otherwise taking into account the fact that the relevant financial institution is from a country that does not have adequate AML/CFT systems; **(**b) prohibiting financial institutions from establishing branches or representative offices in the country concerned, or otherwise taking into account the fact that the relevant branch or representative office would be in a country that does not have adequate AML/CFT systems; (c) prohibiting financial institutions from relying on third parties located in the country concerned to conduct elements of the customer due diligence process; (d) requiring financial institutions to review and amend, or if necessary terminate, correspondent relationships with financial institutions in the country concerned; (e) requiring increased supervisory examination or external audit requirements for branches and subsidiaries of financial institutions based in the country concerned;

Changes	Article 18(1)– Enhanced Due Diligence and High Risk Jurisdictions
	(f) requiring increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in the country concerned. 4. When enacting or applying the measures set out in paragraphs 2 and 3, Member States shall take into account, as appropriate relevant evaluations, assessments or reports drawn up by international organisations and standard setters with competence in the field of preventing money laundering and combatting terrorist financing, in relation to the risks posed by individual third countries. 5. Member States shall notify the Commission before enacting or applying the measures set out in paragraphs 2 and 3.
Amendments proposed in the 5AMLD	**Maintained the revised wording proposed in July 2016 above with the following additional amendments**: With respect to **business relationships or** transactions involving high risk third countries **identified pursuant to Article 9 (2)**, Member States shall require ~~that, when dealing with natural persons or legal entities established in the third countries identified as high-risk third countries pursuant to Article 9 (2),~~ obliged entities ~~shall~~ **to** apply ~~at least~~ all the following enhanced customer due diligence measures: (a) obtaining additional information on the customer **and on the beneficial owner**; (b) obtaining ~~addition~~**additional** information on the intended nature of the business relationship; (c) obtaining information on the source of funds ~~or~~**and** source of wealth of the customer **and of the beneficial owner**; (d) obtaining information on the reasons for the intended or performed transactions; (e) obtaining the approval of senior management for establishing or continuing the business relationship; (f) ~~conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination;~~ ~~(g) requiring the first payment to be carried out through an account in the customer's name with a bank subject to similar CDD standards.~~ **Member States shall ensure that the obliged entities as far as reasonably possible:** **(a) conduct monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination;**

Changes	Article 18(1)– Enhanced Due Diligence and High Risk Jurisdictions
	(b) require the first payment to be carried out through an account in the customer´s name with a credit institution subject to CDD standards that are not less robust than those laid down in this Directive. 2. In addition to the measures provided in paragraph 1 and in compliance with international obligations of the Union, Member States ~~may~~**shall** require obliged entities, ~~when dealing with natural persons or legal entities established in the third countries identified as high-risk third countries pursuant to Article 9(2)~~ to apply **as far as reasonably possible** one or several additional mitigating measures: (a) ~~requiring financial institutions to~~ apply additional elements of enhanced due diligence; (b) introducing enhanced relevant reporting mechanisms or systematic reporting of ~~financial~~ transactions; (c) limiting business relationships or ~~financial~~ transactions with natural persons or legal entities from the **third countries** identified ~~country~~**as high risk countries pursuant to Article 9(2)**. 3. In addition to the measures provided in paragraph 1, Member States ~~may~~ **shall** apply **as far as reasonably possible** one **or several** of the following measures to **high risk** third countries identified ~~as high-risk third countries~~ pursuant to Article 9(2) in compliance with international obligations of the Union: (a) refusing the establishment of subsidiaries or branches or representative offices of ~~financial institutions~~**obliged entities** from the country concerned, or otherwise taking into account the fact that the relevant ~~financial institution~~**obliged entity** is from a country that does not have adequate AML/CFT systems; (b) prohibiting ~~financial institutions~~**obliged entities** from establishing branches or representative offices in the country concerned, or otherwise taking into account the fact that the relevant branch or representative office would be in a country that does not have adequate AML/CFT systems; (c) prohibiting ~~financial institutions~~**obliged entities** from relying on third parties located in the country concerned to conduct elements of the customer due diligence process **pursuant to Article 25**; (d) requiring ~~financial institutions~~**obliged entities** to review and amend, or if necessary terminate, correspondent relationships with ~~financial institutions~~**obliged entities** in the country concerned; (e) requiring increased supervisory examination or external audit requirements for branches and subsidiaries of ~~financial institutions~~**obliged entities** based in the country concerned; (f) requiring increased external audit requirements for financial groups with respect to any of their branches and subsidiaries located in the country concerned.

Changes	Article 18(1)– Enhanced Due Diligence and High Risk Jurisdictions
	Maintained subparagraphs 4 and 5 as proposed in July 2016 above.
Wording in 2nd Compromise Text	**Maintains amended wording for 18(1) as proposed in July 2016 above.** **For 18a:** **Maintains the first subparagraph of 18a and criteria (a) through (e) as amended in the 5AMLD above.** **Re-adds criteria (f) as proposed in July 2016 above (conducting enhanced monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination)** **Deletes criteria (g) as proposed in the 5AMLD above**. **Maintains the 2nd subparagraph as proposed in the 5AMD above with the following additional amendments:** Member States ~~shall ensure that~~**may require** ~~the~~ obliged entities **to ensure** where applicable **that** : ~~(a) conduct monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination~~; (b) ~~require the~~ first payment ~~to~~ be carried out through an account in the customer´s name with a credit institution subject to CDD standards that are not less robust than those laid down in this Directive. **Maintains 3(a)(c)(d)-(f) as proposed in the July 2016 amendments above. Deletes 3(c)** **Maintains subparagraphs 4 and 5 as proposed in July 2016 above.**

7. PERFORMANCE BY THIRD PARTIES

Changes	Article 27 – Performance by Third Parties
Original 2015 4AMLD Text	1. Member States shall ensure that obliged entities obtain from the third party relied upon the necessary information concerning the customer due diligence requirements laid down in points (a), (b) and (c) of the first subparagraph of Article 13(1). 2. Member States shall ensure that obliged entities to which the customer is referred take adequate steps to ensure that the third party provides, immediately, upon request, relevant copies of identification and verification data and other relevant documentation on the identity of the customer or the beneficial owner.
New wording proposed in July 2016	**Proposed that paragraph 2 wording be replaced by the following:** 2. Member States shall ensure that obliged entities to which the customer is referred take adequate steps to ensure that the third party provides immediately, upon request, relevant copies of identification and verification data**, including, where available, data obtained through electronic identification means as set out in Regulation (EU) No 910/2014**, and other relevant documentation on the identity of the customer or the beneficial owner.
Amendments proposed in the 5AMLD	**Maintained new wording proposed in July 2016 above with the following additional amendments**: 2. Member States shall ensure that obliged entities to which the customer is referred take adequate steps to ensure that the third party provides immediately, upon request, relevant copies of identification and verification data, including, where available, data obtained through electronic identification means **and relevant trust services** as set out in Regulation (EU) No 910/2014 **or national law**, and other relevant documentation on the identity of the customer or the beneficial owner.
Wording in 2nd Compromise Text	**Maintains the amended wording proposed in the 5AMLD above.**

8. BENEFICIAL OWNERSHIP

Changes	Article 3(6) - Beneficial Ownership of Legal Entities
Wording proposed in July 2016	**Additional wording proposed for 3(6)(a)(i):** **For the purposes of Article 13(1)(b) and Article 30 of this Directive, the indication of ownership or control set out in the second paragraph is reduced to 10% whenever the legal entity is a Passive Non-Financial Entity as defined in Directive 2011/16/EU.**
Amendments proposed in the 5AMLD	**Deletes wording proposed in July 2016 above and proposes the following amendments:**
Wording in 2nd Compromise Text	**Does not include the wording proposed in July 2016 above.**

Changes	Article 3(6)(a)(i) - Beneficial Owner of Corporate Entities
Changes proposed in July 2016	**Proposed that the following subparagraph be added:** For the purposes of Article 13(1)(b) and Article 30 of this Directive, the indication of ownership or control set out in the second paragraph is reduced to 10% whenever the legal entity is a Passive Non-Financial Entity as defined in Directive 2011/16/EU.
Proposed addition in 5 AMLD	**Deletes addition proposed in July 2016 above.**
Wording in 2nd Compromise Text	**Maintains deletion proposed in the 5AMLD above.**

9. REGISTERS

Changes	Recital 41 – When Amendments to Establish Registers Must be Transposed
New recital proposed in July 2016	Given the need to urgently implement measures adopted with a view to strengthen the Union's regime set in place for the prevention of money laundering and terrorism financing, and seeing the commitments undertaken by Member States to quickly proceed with the transposition of Directive (EU) 2015/849, this Directive should be transposed by 1 January 2017. For the same reasons, the amendments to Directive (EU) 2015/849 and Directive 2009/101/EC should also be transposed by 1 January 2017.

Changes	Recital 41 – When Amendments to Establish Registers Must be Transposed
Changes proposed in 5AMLD	**Maintained July 2016 wording with the following additional amendments:** Given the need to urgently implement measures adopted with a view to strengthen the Union's regime set in place for the prevention of money laundering and terrorism financing, and seeing the commitments undertaken by Member States to quickly proceed with the transposition of Directive (EU) 2015/849, ~~this Directive should be transposed by 1 January 2017. For the same reasons,~~ the amendments to Directive (EU) 2015/849 ~~and Directive 2009/101/EC~~ should ~~also~~ be transposed by ~~1 January~~**26 June** 2017. **Access to the information recorded in the registries pursuant to this Directive should be granted within 6 months after the implementation date. Central registers should be interconnected via the European Central Platform by 26 June 2018.**
Wording in 2nd Compromise Text	**Further amends the recital wording proposed in the 5AMLD as follows**: Given the need to urgently implement measures adopted with a view to strengthen the Union's regime set in place for the prevention of money laundering and terrorism financing, and seeing the commitments undertaken by Member States to quickly proceed with the transposition of Directive (EU) 2015/849, the amendments to Directive (EU) 2015/849 should be transposed **within 6 months after the publication in the Official Journal of the European Union** ~~by 26 June 2017~~. Access to the information recorded in the registries pursuant to this Directive should be granted within **18**6 months after the implementation date. Central registers should be interconnected via the European Central Platform **within 18 months after the implementation date**~~by 26 June 2018.~~

Changes	Recital 22 – 25 – Access to Information on Corporate Registers
Additions proposed in July 2016	22.Public access by way of compulsory disclosure of certain information on the beneficial ownership of companies provides additional guarantees to third parties wishing to do business with those companies. Certain Member States have taken steps or announced their intention to make information contained in registers of beneficial ownership available to the public. The fact that not all Member States would make information publicly available or differences in the information made available and its accessibility may lead to different levels of protection of third parties in the Union. In a well-functioning internal market, there is a need for coordination to avoid distortions. 23.Public access also allows greater scrutiny of information by civil society, including by the press or civil society organisations, and contributes to preserving trust in the integrity of business transactions and of the financial system. It can contribute to combating the misuse of legal entities and legal arrangements both by helping investigations and through reputational effects, given that anyone who could enter into transactions with them is aware of the identity of the beneficial owners. It also facilitates the timely

Changes	Recital 22 – 25 – Access to Information on Corporate Registers
	and efficient availability of information for financial institutions as well as authorities, including authorities of third countries, involved in the fight against these offences. 24.Confidence in financial markets from investors and the general public depends in large part on the existence of an accurate disclosure regime that provides transparency in the beneficial ownership and control structures of companies. This is particularly true for corporate governance systems that are characterized by concentrated ownership, such as the one in the Union. On the one hand, large investors with significant voting and cash-flow rights may encourage long-term growth and firm performance. On the other hand, however, controlling beneficial owners with large voting blocks may have incentives to divert corporate assets and opportunities for personal gain at the expense of minority investors. 25.Member States should therefore allow access to beneficial ownership information in a sufficiently coherent and coordinated way, through the central registers in which beneficial ownership information is set out, by establishing a clear rule of public access, so that third parties are able to ascertain, throughout the Union, who are the beneficial owners of companies. It is therefore necessary to amend Directive 2009/101/EC of the European Parliament and the Council28 in order to harmonise the national provisions on disclosure of information on the beneficial ownership of companies, particularly for the purpose of protecting the interests of third parties.
Changes proposed in 5AMLD	**Maintained wording proposed for recital 22 in July 2016 above with the following additional amendments:** 22.Public access by way of compulsory disclosure of certain information on the beneficial ownership of ~~companies provides additional guarantees~~**corporate and other legal entities contributes** ~~to third parties wishing to do business with those companies~~**prevent the misuse of these legal entities and arrangements through enhanced public scrutiny**. **The same applies to information on the beneficial ownership of trusts which comprise any property held by, or on behalf of, a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit, and other types of legal arrangements having a structure or functions similar to such trusts.** Certain Member States have taken steps or announced their intention to make information contained in registers of beneficial ownership available to the public. The fact that not all Member States would make information publicly available or differences in the information made available and its accessibility may lead to different levels of ~~protection of third parties in the Union~~.**AML/CFT protection.** In a well-functioning internal market, there is a need for coordination to avoid distortions. **Maintained the wording proposed for recital 23 in July 2016 above.** **Maintained the wording proposed for recitals 24 and 25 in July 2016 above with the following additional amendments:** 24. ~~Confidence~~**Transparency** in **beneficial ownership can provide** financial markets from**and** investors and ~~the general public~~**with greater confidence. This confidence** depends in large part on the existence of an accurate disclosure regime that provides

Changes	Recital 22 – 25 – Access to Information on Corporate Registers
	~~transparency~~ in**information on** the beneficial ownership and control structures of ~~companies~~**corporate and other legal entities**. ~~This is particularly true for corporate governance systems that are characterized by concentrated ownership, such as the one in the Union. On the one hand, large investors with significant voting and cash-flow rights may encourage long-term growth and firm performance. On the other hand, however, controlling beneficial owners with large voting blocks may have incentives to divert corporate assets and opportunities for personal gain at the expense of minority investors~~. 25. Member States should therefore allow access to beneficial ownership information in a sufficiently coherent and coordinated way, through the central registers in which beneficial ownership information is set out, by establishing a clear rule of public access, so that third parties are able to ascertain, throughout the Union, who are the beneficial owners of ~~companies~~**corporate and other legal entities**. ~~It is therefore necessary to amend Directive 2009/101/EC of the European Parliament and the Council~~**7** ~~in order to harmonise the national provisions on disclosure of information on the beneficial ownership of companies, particularly for the purpose of protecting the interests of third parties.~~
Wording in 2nd Compromise Text	**Proposes further amendments to the recitals:** 22.Public access **based on legitimate interest allowing access to** ~~by way of compulsory disclosure~~ of certain information on the beneficial ownership of corporate and other legal entities contributes to prevent**ing** the misuse of these legal entities and arrangements through enhanced ~~public~~ scrutiny. The same applies to information on the beneficial ownership of trusts ~~which comprise any property held by, or on behalf of, a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit~~, and other types of legal arrangements having a structure **and**~~or~~ functions similar to such trusts. Certain Member States have taken steps or announced their intention to make information contained in registers of beneficial ownership available to the public. **Member States may decide to opt for such wider access in their national legislation in case they choose to do so having regard to the utmost importance to retian balance and proportionality in the aim of transparency and the aim of protection of fundamental rights of the individuals especially the right to privacy.** ~~The fact that not all Member States would make information publicly available or differences in the information made available and its accessibility may lead to different levels of protection of AML/CFT protection. In a well-functioning internal market, there is a need for coordination to avoid distortions~~. 23.Public access **based on legitimate interest** also allows greater scrutiny of **beneficial ownership** information **on corporate and other legal entities as well as on trusts and similar legal arrangements** by ~~civil society, including by the press or civil society organisations~~ those holding a legitimate interest~~, and contributes to preserving trust in the integrity of business transactions and of the financial system~~. It can contribute to combating the misuse of legal entities and legal arrangements both by helping investigations and through reputational effects, ~~given that anyone who could enter into transactions with them is aware of the~~

Changes	Recital 22 – 25 – Access to Information on Corporate Registers
	~~identity of the beneficial owners~~. It also facilitates the timely and efficient availability of information for financial institutions as well as authorities, including authorities of third countries, involved in the fight against these offences. **Recital 24 as proposed in July 2016 and the 5AMLD is deleted in full.** (25) Member States should ~~therefore~~ allow access to beneficial ownership information in a sufficiently coherent and coordinated way, through the central registers in which beneficial ownership information is set out, by establishing a clear rule of ~~public~~ access **based on legitimate interest**, so that third parties **holding a legitimate interest** are able to ascertain, throughout the Union, who are the beneficial owners of corporate and other legal entities.

Changes	Recital 34-35 – Access to Information on Trust Registers
Additional wording proposed in July 2016	34.It is essential to take into account the particularities of trusts and similar legal arrangements, as far as publicly available information on their beneficial owner is concerned. Irrespective of their qualification under national law, a distinction should be drawn between, on the one hand, trusts which consist of any property held by or on behalf of a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit, and, on the other hand, any other trusts. Given the nature of the first category of trusts, information on their beneficial owners should be made publicly available through compulsory disclosure. Access should be given to the same limited set of data on the beneficial owner as in the case of companies. 35.In order to ensure proportionality, the beneficial ownership information in respect of any other trusts than those which consist of any property held by, or on behalf of, a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit should only be available to parties holding a legitimate interest. The legitimate interest with respect to money laundering, terrorist financing and the associated predicate offences should be justified by readily available means, such as statutes or mission statement of non-governmental organisations, or on the basis of demonstrated previous activities relevant to the fight against money laundering and terrorist financing or associated predicate offences, or a proven track record of surveys or actions in that field.
Changes proposed in 5AMLD	**Maintained wording of recital 34 proposed in July 2016 above with the following additional amendments:** 34. It is essential to take into account the particularities of trusts and similar legal arrangements, as far as publicly available information on their beneficial owner is concerned. Irrespective of their qualification under national law, a distinction should be drawn between, on the one hand, trusts **and other legal arrangements similar to trusts** which consist of any property held by or on behalf of a person carrying on a business which consists of or includes the management of trusts **or other legal arrangements**

	similar to trusts, and acting as trustee of a trust in the course of that business with a view to gain profit, and, on the other hand, any other trusts **or other legal arrangements similar to trusts**. Given the nature of the first category of trusts **and other legal arrangements similar to trusts**, information on their beneficial owners should be made publicly available through compulsory disclosure. Access should be given to the same limited set of data on the beneficial owner as in the case of ~~companies~~**corporate and other legal entities**. **Maintained wording of recital 35 as proposed in July 2016 above.**
Wording in 2nd Compromise Text	**Deletes recital 34 in full.** **Maintains wording of recital 35 proposed in July 2016 above with the following additional amendments:** In order to ensure proportionality, the beneficial ownership information in respect ~~of any other trusts than those which consist of any property held by, or on behalf of, a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit~~**corporate and other legal entities as well as trusts and similar legal arrangements** should only be available to parties holding a legitimate interest. The legitimate interest with respect to money laundering, terrorist financing and the associated predicate offences should be **at least given to those** ~~justified by readily available means, such as statutes or mission statement of non-governmental organisations, or on the basis of~~ **who** demonstrated previous **relevant** activities ~~relevant~~ **related** to the fight against money laundering and terrorist financing or associated predicate offences, or a proven track record of ~~surveys or~~ actions in that field.

Changes	Article 30(5) - Access to Information on Corporate Registers
Changes proposed in July 2016	5.Member States shall ensure that the information on the beneficial ownership is accessible in all cases to: (a) competent authorities and FIUs, without any restriction; (b) obliged entities, within the framework of customer due diligence in accordance with Chapter II; (c) ~~any person or organisation that can demonstrate a legitimate interest.~~ The persons or organisations referred to in point (c) shall access at least the name, the month and year of birth, the nationality and the country of residence of the beneficial owner as well as the nature and extent of the beneficial interest held. ~~For the purposes of this paragraph, access to the information on beneficial ownership shall be in accordance with data protection rules and may be subject to online registration and to the payment of a fee. The fees charged for obtaining the information shall not exceed the administrative costs thereof~~.

Changes	Article 30(5) - Access to Information on Corporate Registers
Amendments proposed in the 5AMLD – Corporate Registers	**30(5) - Maintained amendments proposed in July 2016 above.** **Proposed new subparagraph 5A:** 5a. Member States shall take the necessary measures to ensure public access to information on the beneficial ownership of the entities referred to in paragraph 1. This information shall consist of the name, the month and year of birth and the country of residence of the beneficial owner as well as the nature and extent of the beneficial interest held. For the purposes of this paragraph, access to the information on beneficial ownership shall be in accordance with data protection rules and may be subject to online registration and to the payment of a fee. The fee charged for obtaining the information shall not exceed the administrative costs thereof. The personal data of beneficial owners of the entities referred to in paragraph 1 shall be disclosed for the purpose of enabling third parties and civil society at large to know who are the beneficial owners, thus contributing through enhanced public scrutiny to prevent the misuse of corporate and other legal entities for the purposes of money laundering and terrorist financing.
Wording in 2nd Compromise Text	**Maintains original wording proposed in the 2015 AMLD. Does not incorporate amendments proposed in July 2016 above.**

Changes	Article 30(6)/31(4) Corporate and Trust Registers - Access
Original 2015 4AMLD Text	30(6). The central register referred to in paragraph 3 shall ensure timely and unrestricted access by competent authorities and FIUs, without alerting the entity concerned. It shall also allow timely access by obliged entities when taking customer due diligence measures. 31(4) Member States shall require that the information referred to in paragraph 1 is held in a central register when the trust generates tax consequences. The central register shall ensure timely and unrestricted access by competent authorities and FIUs, without alerting the parties to the trust concerned. It may also allow timely access by obliged entities, within the framework of customer due diligence in accordance with Chapter II. Member States shall notify to the Commission the characteristics of those national mechanisms.
Changes proposed in July 2016	**Proposed that Paragraph 30(6) text be replaced by the following wording:**

Changes	Article 30(6)/31(4) Corporate and Trust Registers - Access
	6. The central register referred to in paragraph 3 shall ensure timely and unrestricted access by competent authorities and FIUs to all information held in the central register without any restriction and without alerting the entity concerned. It shall also allow timely access by obliged entities when taking customer due diligence measures in accordance with Chapter II. Competent authorities granted access to the central register referred to in paragraph 3 shall be those public authorities with designated responsibilities for combating money laundering or terrorist financing, including tax authorities and authorities that have the function of investigating or prosecuting money laundering, associated predicate offences and terrorist financing, tracing and seizing or freezing and confiscating criminal assets. **Proposed that Paragraph 31(4) text be replaced by the following wording:** Member States shall ensure that the information held in the register referred to in paragraph 3a is accessible in a timely and unrestricted manner by competent authorities and FIUs, without alerting the parties to the trust concerned. They shall also ensure that obliged entities are allowed timely access to that information, pursuant to the provisions on customer due diligence laid down in Chapter II. Member States shall notify to the Commission the characteristics of those mechanisms. Competent authorities granted access to the central register referred to in paragraph 3a shall be those public authorities with designated responsibilities for combating money laundering or terrorist financing, including, tax authorities and authorities that have the function of investigating or prosecuting money laundering, associated predicate offences and terrorist financing and seizing or freezing and confiscating criminal assets. **Proposed that new paragraphs to be added to 31(4):** 4a. The information held in the register referred to in paragraph 3a of this Article with respect to any other trusts than those referred to in Article 7b (b) of Directive (EC) 2009/101 shall be accessible to any person or organisation that can demonstrate a legitimate interest. The information accessible to persons and organisations that can demonstrate a legitimate interest shall consist of the name, the month and year of birth, the nationality and the country of residence of the beneficial owner as defined in Article 3(6)(b). 4b. Whenever entering into a new customer relationship with a trust or other legal arrangement subject to registration of beneficial ownership information pursuant to paragraph 3a, the obliged entities shall collect proof of registration whenever applicable.
Additions Proposed in the 5AMLD	**30(6) - Maintained replacement wording proposed in July 2016 above.** **31(4) – Maintained replacement wording and new paragraphs proposed in July 2016 above. Proposed the addition of the following paragraph:**

Changes	Article 30(6)/31(4) Corporate and Trust Registers - Access
	4a-1. Member States shall take the necessary measures to ensure public access to information on the beneficial ownership of trusts which comprise any property held by, or on behalf of, a person carrying on a business which consists of or includes the management of trusts, and acting as trustee of a trust in the course of that business with a view to gain profit, and other types of legal arrangements having a structure or functions similar to such trusts. This information shall consist of the name, the month and year of birth and the country of residence of the beneficial owner as well as the nature and extent of the beneficial interest held. For the purposes of this paragraph, access to the information on beneficial ownership shall be in accordance with data protection rules and may be subject to online registration and to the payment of a fee. The fee charged for obtaining the information shall not exceed the administrative costs thereof. The personal data of beneficial owners of the trusts and other legal arrangements similar to trusts referred to in the first subparagraph shall be disclosed for the purpose of enabling third parties and civil society at large to know who are the beneficial owners, thus contributing through enhanced public scrutiny to prevent the misuse of trust and other legal arrangements similar to trusts for the purposes of money laundering and terrorist financing.
Wording in 2nd Compromise Text	**30(6) - Maintains replacement wording proposed in July 2016 above.** **31(4) – Maintains replacement wording proposed in July 2016 above; does deletes paragraph 4a-1 in the 5AMLD above and maintains new paragraphs 4a and 4b with the following additional amendments to 4a**: 4a. The information held in the register referred to in paragraph 3a of this Article ~~[with respect to any other trusts and other types of legal arrangements than those referred to in paragraph 4a-1]~~ shall be accessible to any person or organisation that can demonstrate a legitimate interest. The information accessible to persons and organisations that can demonstrate a legitimate interest shall consist of the name, the month and year of birth, the nationality and the country of residence of the beneficial owner as defined in Article 3(6)(b). **Member States may allow for a wider access to the information held in the register reffered to in the paragraph 3a in accordance with their national law.** **For the purposes of this paragraph, access to the information on beneficial ownership shall be in accordance with data protection rules and may be subject to online registration and to the payment of a fee. The fee charged for obtaining the information shall not exceed the administrative costs thereof.**

Changes	Article 30(9) / Article 31(7a)- Exemptions Regarding Access to Register Information
Original 2015 4AMLD Text	30(9). Member States may provide for an exemption to the access referred to in points (b) and (c) of paragraph 5 to all or part of the information on the beneficial ownership on a case-by-case basis in exceptional circumstances, where such access would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation, or where the beneficial owner is a minor or otherwise incapable. Exemptions granted pursuant to this paragraph shall not apply to the credit institutions and financial institutions, and to obliged entities referred to in point (3)(b) of Article 2(1) that are public officials. 31(7) Member States shall ensure that competent authorities and FIUs are able to provide the information referred to in paragraphs 1 and 4 to the competent authorities and to the FIUs of other Member States in a timely manner.
Changes proposed in July 2016	**Proposes revisions to wording of Paragraph 30(9):** 30(9). **In exceptional circumstances to be laid down in national law**, where the access referred to in point (b) of paragraph 5 would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation, or where the beneficial owner is a minor or otherwise incapable, **Member States may provide for an exemption from such access to all or part of the information on the beneficial ownership on a case-by-case basis.** Exemptions granted pursuant to this paragraph shall not apply to credit institutions and financial institutions, and to the obliged entities as referred to in point (3)(b) of Article 2(1) that are public officials. **Maintained wording in 2015 4AMLD and proposed new Paragraph 31(7a):** 7a. In exceptional circumstances laid down in national law, where the access referred to in paragraphs 4 and 4a would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation, or where the beneficial owner is a minor or otherwise incapable, Member States may provide for an exemption from such access to all or part of the information on the beneficial ownership on a case-by-case basis. Exemptions granted pursuant to the first subparagraph shall not apply to the credit institutions and financial institutions, and to obliged entities referred to in point (3)(b) of Article 2(1) that are public officials. Where a Member State decides to establish an exemption in accordance with the first subparagraph, it shall not restrict access to information by competent authorities and FIUs.
Amendments proposed in the 5AMLD	**Maintained wording proposed in July 2016 above with the following additional amendments:** 30(9) In exceptional circumstances to be laid down in national law, where the access referred to in point (b) of paragraph 5 **and paragraph 5a** would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation, or where the beneficial owner is a minor or otherwise incapable, Member States ~~may~~ **shall** provide for an exemption from such access to all or

	part of the information on the beneficial ownership on a case-by-case basis. **Member States shall ensure that these exemptions are granted upon a detailed evaluation of the exceptional nature of the circumstances.** **31(7) Similar amendments made to Article 30(9) proposed in July 2016 regarding trust registers.**
Wording in 2nd Compromise Text	**30(9) – Maintains wording proposed as amended in the 5AMLD above [deletes reference to paragraph 5a].** **31(7) – Maintains wording proposed as amended in the 5AMLD above.**

Changes	Article 31(9) – Interconnectivity of and Striking Information off Registers
Original 2015 4AMLD Text	31(9) 9.By 26 June 2019, the Commission shall submit a report to the European Parliament and to the Council assessing the conditions and the technical specifications and procedures for ensuring safe and efficient interconnection of the central registers. Where appropriate, that report shall be accompanied by a legislative proposal.
Replacement proposed in July 2016	**Proposed that wording of 31(9) wording be replaced by the following:** 9. **Member States shall ensure that the central registers referred to in paragraph 3a of this Article are interconnected via the European Central Platform established by Article 4a(1) of Directive 2009/101/EU. The connection of the Member States' central registers to the platform shall be set up in accordance with the technical specifications and procedures established by implementing acts adopted by the Commission in accordance with Article 4c of Directive 2009/101/EC.** **Member States shall ensure that the information referred to in paragraph 1 of this Article is available through the system of interconnection of registers established by Article 4a(2) of Directive 2009/101/EU, in accordance with Member States' national laws implementing paragraphs 4 and 5 of this Article.** **Member States shall ensure that only the information referred to in paragraph 1 that is up to date and corresponds to the actual ownership beneficiaries is made available through their national registers and through the system of interconnection of registers, and the access to that information shall be in accordance with data protection rules.** **Member States shall cooperate with the Commission in order to implement the different types of access in accordance with paragraphs 4 and 4a of this Article.**
Addition proposed in the 5AMLD	**Maintained the wording as proposed in July 2016 above and proposed the addition of the following paragraph:** **The information referred to in paragraph 1 of this Article shall be publicly available through the national registers and through the system of interconnection of registers for no longer than 10 years after the corporate or other legal entity has been struck off from the commercial or company register.**

Wording in 2nd Compromise Text	**Maintains the amended wording as proposed in July 2016 with the following amendment to the additional paragraph proposed in the 5AMLD above:** The information referred to in paragraph 1 of this Article shall be ~~publicly~~ available through the national registers and through the system of interconnection of registers for no longer than 10 years after the corporate or other legal entity has been struck off from the commercial or company register.

Changes	Article 31(10) - Jurisdiction Where a Trust is Administered / Update on Structures
Original 2015 4AMLD Text	**Original text did not include subsection (10).**
Addition proposed in July 2016	For the purposes of this Article, a trust is considered to be administered in each Member State where the trustees are established**.**
Changes made in 5 AMLD	**Maintained the wording proposed in July 2016 above and with the addition of the following paragraph:** **10a. By 26 June 2020, the Commission shall submit a report to the European Parliament and to the Council assessing whether all legal arrangements which have a structure and function similar to trusts governed under the law of Member States were duly identified and made subject to the obligations as set out in this Directive. Where appropriate, the Commission shall take the necessary steps to act upon the findings of that report.**
Wording in 2nd Compromise Text	**Maintains the wording proposed in July 2016 above.** **Does not adopt the wording for 10a proposed in the 5AMLD, and replaces it with the following text:** 10a. **Member States shall notify to the Commission the categories and characteristics of the legal arrangements that have been identified pursuant to the paragraph 1 within 12 months from the entry into the force of this Directive and upon expiry of that period the Commission should publish within 2 months in the Official Journal of the European Union the consolidated list of such legal arrangements.**

Changes	Article 32(a) Centralised Register/ Retrieval System for Payment and Bank Accounts
Original 2015 4AMLD Text	**Original text did not contain provisions concerning registers/ retrieval systems.**
Addition proposed in July 2016	NEW: Article 32a: *Article 32a*

Changes	Article 32(a) Centralised Register/ Retrieval System for Payment and Bank Accounts
	1. Member States shall put in place automated centralised mechanisms, such as central registries or central electronic data retrieval systems, which allow the identification, in a timely manner, of any natural or legal persons holding or controlling payment accounts as defined in Directive 2007/64/EC and bank accounts held by a credit institution within their territory. Member States shall notify the Commission of the characteristics of those national mechanisms. 2. Member States shall ensure that the information held in the centralised mechanisms referred to in paragraph 1 is directly accessible, at national level, to FIUs and competent authorities for fulfilling their obligations under this Directive. Member States shall ensure that any FIU is able to provide information held in the centralised mechanisms referred to in paragraph 1 to any other FIUs in a timely manner in accordance with Article 53. 3. The following information shall be accessible and searchable through the centralised mechanisms referred to in paragraph 1: – for the customer-account holder and any person purporting to act on behalf of the customer: the name, complemented by the other identification data required under the national provisions transposing Article 13(1) (a) or a unique identification number; – for the beneficial owner of the customer-account holder: the name, complemented by the other identification data required under the national provisions transposing Article 13(1)(b) or a unique identification number; – for the bank or payment account: the IBAN number and the date of account opening and closing.
Amendments proposed in the 5AMLD	**Maintained the wording proposed in July 2016 above with the following additional amendments:** 1.Member States shall put in place ~~automated~~ centralised **automated** mechanisms, such as central registries or central electronic data retrieval systems, which allow the identification, in a timely manner, of any natural or legal persons holding or controlling payment accounts as defined in ~~Directive 2007/64/EC~~**2015/2366 identified by IBAN,** and bank accounts held by a credit institution **identified by IBAN**16 within their territory. Member States shall notify the Commission of the characteristics of those national mechanisms. 2. Member States shall ensure that the information held in the centralised mechanisms referred to in paragraph 1 is directly accessible, ~~at~~ **in an immediate and unfiltered way to** national ~~level, to~~ FIUs and **also accessible to national** competent authorities for fulfilling their obligations under this Directive. Member States shall ensure that any FIU is able to provide information held in the centralised mechanisms referred to in paragraph 1 to any other FIUs in a timely manner in accordance with Article 53. 3. The following information shall be accessible and searchable through the centralised mechanisms referred to in paragraph 1: – for the customer-account holder and any person purporting to act on behalf of the customer: the name, complemented by **either** the other identification data required under the national provisions transposing Article 13(1) (a) or a unique identification number;

Changes	Article 32(a) Centralised Register/ Retrieval System for Payment and Bank Accounts
	– for the beneficial owner of the customer-account holder: the name, complemented by **either** the other identification data required under the national provisions transposing Article 13(1)(b) or a unique identification number; – for the bank or payment account: the IBAN number and the date of account opening and closing. **3a. Member States may consider requiring other information deemed essential for FIUs and competent authorities for fulfiling their obligations under this Directive to be accessible and searchable through the centralised mechanisms.**
Wording in 2nd Compromise Text	**Maintains the amended wording as proposed in the 5AMLD above.**

Changes	Article 39(3) – Prohibition of Disclosure
Original 2015 4AMLD Text	3.The prohibition laid down in paragraph 1 shall not prevent disclosure between the credit institutions and financial institutions or between those institutions and their branches and majority-owned subsidiaries located in third countries, provided that those branches and majority-owned subsidiaries fully comply with the group-wide policies and procedures, including procedures for sharing information within the group, in accordance with Article 45, and that the group-wide policies and procedures comply with the requirements laid down in this Directive. 5.6.2015 L 141/100 Official Journal of the European Union.
Changes Proposed in July 2016	**Proposed that the text of subparagraph (3) be replaced with the following wording:** 3. The prohibition laid down in paragraph 1 shall not prevent disclosure between the credit institutions and financial institutions from the Member States provided that they belong to the same group, or between these entities and their branches and majority owned subsidiaries established in third countries, provided that these branches and majority-owned subsidiaries fully comply with the group-wide policies and procedures, including procedures for sharing information within the group, in accordance with Article 42 and that the group-wide policies and procedures comply with the requirements set out in this Directive.
Wording Proposed in 5AMLD	**Maintained the wording proposed in July 2016 above.**
Wording in Compromise Text	**Maintains the wording proposed in July 2016 above.**

Changes	Article 40(1) - Data Protection, Record-Retention and Statistical Data
Original 2015 4AMLD Text	Member States shall require obliged entities to retain the following documents and information in accordance with national law for the purpose of preventing, detecting and investigating, by the FIU or by other competent authorities, possible money laundering or terrorist financing: (a) in the case of customer due diligence, a copy of the documents and information which are necessary to comply with the customer due diligence requirements laid down in Chapter II, for a period of five years after the end of the business relationship with their customer or after the date of an occasional transaction; (b) the supporting evidence and records of transactions, consisting of the original documents or copies admissible in judicial proceedings under the applicable national law, which are necessary to identify transactions, for a period of five years after the end of a business relationship with their customer or after the date of an occasional transaction. Upon expiry of the retention periods referred to in the first subparagraph, Member States shall ensure that obliged entities delete personal data, unless otherwise provided for by national law, which shall determine under which circumstances obliged entities may or shall further retain data. Member States may allow or require further retention after they have carried out a thorough assessment of the necessity and proportionality of such further retention and consider it to be justified as necessary for the prevention, detection or investigation of money laundering or terrorist financing. That further retention period shall not exceed five additional years.
Proposed Changes in July 2016	**Maintained the wording of Article 40(1) with the following amendments:** (a) in the case of customer due diligence, a copy of the documents and information which are necessary to comply with the customer due diligence requirements laid down in Chapter II**, including, where available, information obtained through electronic identification means as set out in Regulation (EU) No 910/2014**, for a period of five years after the end of the business relationship with their customer or after the date of an occasional transaction; (b) the supporting evidence and records of transactions, consisting of the original documents or copies admissible in judicial proceedings under the applicable national law, **including, where available, information obtained through electronic identification means as set out in Regulation (EU) No 910/2014,** which are necessary to identify transactions, for a period of five years after the end of a business relationship with their customer or after the date of an occasional transaction. **Proposed that the following subparagraph was also added:** The second subparagraph shall also apply in respect of the data accessible through the centralised mechanisms referred to in Article 32a.

Changes	Article 40(1) - Data Protection, Record-Retention and Statistical Data
Wording of 2nd Compromise Text	**Maintains the amended wording in July 2016 above with the following additional amendments:** (a) in the case of customer due diligence, a copy of the documents and information which are necessary to comply with the customer due diligence requirements laid down in Chapter II, including, where available, information obtained through electronic identification means and relevant trust services as set out in Regulation (EU) No 910/2014 **or national law**, for a period of five years after the end of the business relationship with their customer or after the date of an occasional transaction; **(b) Maintains the amended wording proposed in July 2016 above.** **Maintains the additional paragraph proposed in July 2016 above with the following additional amendments:** The retention period referred to in this paragraph**, including the further retention period that shall not exceed five additional years,** shall also apply in respect of the data accessible through the centralised mechanisms referred to in Article 32a.

10. REAL ESTATE SECTOR

Changes	Article 32 – Real Estate Registers & Letting Agents
	2nd Compromise text does not incorporate either the introduction of real estate registers or the inclusion of letting agents in the list of obliged entities.