



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

From: Presidency

To: Permanent Representatives Committee

Subject: Proposal for a Directive of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (AMLD)

and

Proposal for a Regulation of the European Parliament and of the Council on information accompanying transfers of funds (AMLR)

- *General approach*

I. INTRODUCTION

1. On 7 February 2013, the Commission presented a package composed of two elements:
 - a proposal for a Directive of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (AML Directive)¹;
 - a proposal for a Regulation of the European Parliament and the Council on information accompanying transfers of funds (AML Regulation)².

¹ Doc. 6231/13

² Doc. 6230/13

2. In its Conclusions of 22 May 2013, the European Council called for rapid progress and, *inter alia*, stated that the "revision of the third anti-money laundering Directive should be adopted by the end of the year".
3. The European Central Bank delivered its opinion on 17 May 2013. The European Economic and Social Committee delivered its opinion on 23 May 2013. The European Data Protection Supervisor delivered its opinion on 4 July 2013.
4. On 13 February 2013, the joint report by the European Parliament's ECON and LIBE Committees was adopted, and the European Parliament adopted its position at first reading on 11 March 2014.

II. STATE OF PLAY

5. The Working Party has now met 16 times to examine the AML package. Following deliberations in the Coreper of 28 May 2014 and bilateral consultations, the Presidency revised its compromise texts, as set out in documents 10970/14 and 10971/14, with a view to confirming agreement on a general approach.
6. The current compromise texts have the support of all Member States with the exception of Malta and Austria.
7. Malta considers that there should be no exemptions in relation to gambling services from the provisions of the AML Directive or, in any case, no different treatment of online and offline gambling. Therefore Malta opposes the current compromise text, Article 2(1a) of which provides the possibility of exemption for the providers of gambling services, except for cross-border online gambling. Furthermore Malta maintains its reservations on the procedure for such an exemption.
8. For Austria, concerns still persist in relation to storage of beneficial ownership information, as provided for in the AML Directive. On the mechanism for holding the beneficial ownership information, Austria has strong preference for a central register. With regard to the access to that information, Austria has strong preference for fully public access. Articles 29 and 30 of the current compromise text provides for Member States' flexibility in selecting and/or establishing appropriate mechanisms which ensure unrestricted access for competent authorities, FIUs and, if allowed by the Member State concerned, for obliged entities.

9. However, the Presidency is of the opinion that current compromise texts of AML Regulation and AML Directive reflect the best achievable balance and is supported by a strong qualified majority.

III. CONCLUSION

10. Against this background the Presidency recommends that the Permanent Representatives Committee:
- agree on the general approach with regard to the proposed Regulation and Directive as set out in documents 10970/14 and 10971/14;
 - invite the incoming Presidency to pursue, as soon as possible, negotiations with the European Parliament on the basis of that general approach, with a view to reaching an agreement at early second reading.
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