

New European legal framework in the field of the measures against money laundering

On 20th July 2021 the European Commission ("EC") presented a comprehensive legislative package laying down new legal framework on EU level in the field of prevention of money laundering and terrorist financing. The EC's proposals are related **to expanding the scope of the obliged persons** in the sector, **establishment of a new European agency** engaged with supervising the compliance with the regulatory requirements, as well as **harmonization of the legal framework in the different Member States** when it comes to due diligence of counterparties, transparency as regards the beneficial ownership of companies, etc. In practice, the changes envisaged shall lead to the repeal of the current European legal framework (including the so-called Fourth and Fifth Anti-Money Laundering Directives), which served as basis for the adoption of the Bulgarian Measures against Money Laundering Act (the latter set out a number of liabilities for a considerable part of the business on local level in the previous few years).

The EC proposal, subject to discussion in the Council and the European Parliament, includes the adoption of **three entirely new regulations** with direct application in the countries part of the Union in the field of measures against money laundering, as well as a **new directive** that shall be implemented in the national legislations. Among the main purposes of these regulations is the **harmonization of the procedures for carrying out customer due diligence** in all Member States, as well as the setting of requirements for a **more comprehensive procedure for disclosure of beneficial owners** of legal entities within the Union. A separate new regulation is foreseen for the persons organizing **cryptocurrency trading** with view to ensuring the traceability of all transactions and mitigating the risk of money laundering and terrorist financing.

Better coordination between the competent national supervisory authorities through sharing of information and the provision of access to an **information system allowing the detection of bank accounts of persons** under investigation is also under the focus of the proposals made. In this regard the establishment of a **new European supervisory authority (Anti-Money Laundering Authority - AMLA)** is envisaged engaged not only with coordinating functions over the national directorates, but also with direct supervision and conduct of investigations against high-risk obliged entities (credit institutions). The preliminary expectations are that AMLA shall start operating effectively in the period 2024-2026.

It remains to be seen within what period the new proposals shall be reviewed on an EU level, respectively what period shall be given to the obliged persons in the Union (including the Bulgarian business) for preparation before the entry into force of the new requirements.

Of course, you can contact us for additional information and assistance at lawyers@penkov-markov.eu