

FINNIUS

EBA publishes final revised Guidelines on money laundering and terrorist financing risk factors

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The European Banking Authority (**EBA**) published its final revised Guidelines on money laundering and terrorist financing risk (**ML/TF**) risk factors (the **Guidelines**, see [link](#)) on 1 March 2021. In practice, these Guidelines are important for compliance with the Dutch Money Laundering and Terrorist Financing (Prevention) Act (**Wwft**).

The Guidelines are addressed to both financial institutions and supervisory authorities. They set out factors that firms should consider when assessing the ML/TF risk associated with a business relationship or occasional transaction. In addition, they provide guidance on how financial institutions can adjust their customer due diligence measures to mitigate the ML/TF risk they have identified so as to make them more appropriate and proportionate. Finally, they support competent authorities' supervision efforts when assessing the adequacy of firms' risk assessments and policies and procedures.

In this revised version of the Guidelines, EBA, *inter alia*, added new guidance on:

- the identification of beneficial owners;
- the use of innovative solutions to identify and verify customers' identities;
- TF risk factors; and
- how financial institutions should comply with legal provisions on enhanced customer due diligence related to high-risk third countries. In this respect it is important to note that the Guidelines have a broad interpretation of 'related to high-risk countries'. This can have far-reaching implication for market participants.

In addition, EBA included new sectoral guidelines for crowdfunding platforms, corporate finance, account information service providers (**AISPs**) and payment initiation services providers (**PISPs**), and firms providing activities of currency exchanges offices.

EBA also reiterates that there is no requirement for financial institutions to discontinue services to entire categories of customers that they associate with higher ML/TF risk (so-called 'de-risking'). Instead, financial institutions should balance the need for financial inclusion with the need to mitigate and manage ML/TF risk.

The revised Guidelines will apply three months after publication in all EU official languages. Upon the date of application, the original Risk Factor Guidelines ([JC/2017/37](#)) will be repealed and replaced with the revised Guidelines.

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