After the implementation of the fifth EU Anti-Money Laundering Directive 2018/843 (AMLD5), Member States have the obligation to adjust their Anti-Money Laundering and Anti-Terrorist Financing legislation frameworks. Main changes in the AMLD5 relate to: virtual currencies, measures with respect to high-risk third countries, anonymous prepaid cards, information sharing between competent authorities, requirements regarding the registration of beneficial ownership information and central data retrieval systems for bank accounts.

On 21 May 2020, an implementation act came into force to implement the fifth Anti-Money Laundering Directive (EU) 2018/843 (AMLD5) into Dutch legislation. This document provides insights into the new legislative requirements and defines actions that should be taken by obliged entities to implement the requirements in their policies, procedures and processes.
Changes implemented in the Dutch Anti-Money Laundering and Counter-Terrorist Financing Act (Wwft).

Extending rules to virtual currencies, art dealerships and real estate rental agents

The following obliged entities will be brought within the scope of the Wwft:

- Custodian wallet providers and virtual currency exchange platforms.
- Agents that are involved in real estate rental contracts that are EUR 10,000 or more per month.
- Art dealerships who accept both cash payments and payments by card that are EUR 10,000 or more.

Measures high-risk third countries

- Obligated entities are required to take specific enhanced due diligence (EDD) measures when confronted with transactions, business relationships and correspondent banking relationships in high-risk third countries (as appointed by the European Commission).
- These EDD measures consist of obtaining additional information on the client, UBO, nature and purpose of the relationship, source of wealth and funds of clients and UBOs, nature and purpose of (intended) transactions and approval must be obtained from senior management to accept or continue the business relationship.

Lower threshold anonymous prepaid cards

- The threshold that requires providers of prepaid cards to perform CDD on their customers has been lowered from EUR 250 to EUR 150.
- The threshold has been lowered from EUR 100 to EUR 50 for cards that make a repayment in cash possible.

Improved cooperation and information sharing

A provision to share information between Financial Supervision Act (Wft) regulators and Wwft regulators has been introduced in the Wwft.

Changes that will be implemented in other Dutch legislation.

Beneficial ownership registry

- The Dutch UBO register will become part of the Trade Register of the Chamber of Commerce (KVK). Amendments will be made in the Dutch Company Register Act.
- It is not allowed to solely base the identification and verification of UBOs on the UBO register, independent research must also be conducted.

Central data retrieval

- In the Wft a requirement will be implemented for providers of Dutch IBAN accounts. These providers must be connected with a central data retrieval system, for sharing account information with financial intelligence units (FIUs).

What should you do?

- Review your risk assessment and make updates on the basis of the new requirements under the amended Wwft.
- Re-evaluate the information in your KYC records.
- Implement new EDD requirements in your policies, procedures and systems and train employees.
- Perform evaluation on your institution’s footprint in high-risk third countries.
- Make employees aware how they may use information from the UBO register.
- Investigate if your systems and procedures are capable in connecting with central data retrieval solutions.

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