

**ESBG response to the EBA's consultation on
Guidelines on preventing the abuse of funds and
certain crypto-assets transfers for ML/TF**
High-level position paper – Executive summary
February 2024

Executive Summary:

The European Savings and Retail Banking Group (ESBG) has provided comprehensive feedback to the European Banking Authority (EBA) on its consultation regarding Guidelines on preventing the abuse of funds and certain crypto-assets transfers for Money Laundering (ML) and Terrorist Financing (TF) purposes.

ESBG's comments primarily focus on refining the proposed guidelines to ensure alignment with existing and anticipated regulatory frameworks, clarity in definitions, and practicality in implementation.

Key recommendations include:

1. Clarifying the scope and definitions, particularly regarding the "transfer chain" and terms like "persons linked/connected," to align with Regulation (EU) 2023/1113 and forthcoming EU AML Regulation.
2. Emphasizing the verification of address information accompanying fund transfers, with a preference for legal entities' principal place of business.
3. Categorizing terms like "equivalent Identifier" within official commercial registers to avoid legal uncertainty.
4. Ensuring consistency with anticipated AML regulation requirements and definitions through cross-checking with the European Commission.
5. Providing clarity on handling incomplete information and courses of action for Payment Service Providers (PSPs), referencing relevant articles of Regulation (EU) 2023/1113.
6. Recognizing the potential need for flexibility in deadlines for requests outside the Union to accommodate complex communication chains.

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7. Ensuring that the Guidelines do not imply stricter restrictions beyond the options stipulated in existing regulations for PSPs in cases of repeated failures.
8. Improving clarity and accuracy in language, particularly regarding the utilization of payer information and the consideration of both payee and payer details.

These recommendations highlight ESBG's commitment to enhancing the effectiveness and practicality of the guidelines in combating ML and TF while ensuring regulatory compliance and clarity for financial institutions