15 June 2026

EBF feedback on AMLA Draft Regulatory Technical Standards (RTS) on group-wide minimum requirements and additional measures for subsidiaries and branches in third countries under Articles 16(4) and 17(3) of Regulation (EU) 2024/1624

Section 1 - General provisions (articles 1 - 2)

Question 1: Do you have any observations concerning the definitions laid out in article 2?

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AMLA should address the following definitional gaps and align the RTS definitions with the AMLR.

The RTS uses several terms that are not defined in AMLR Art. 2 nor in RTS Art. 2, among other: decision-making powers' (Art. 3(1)(a)), 'risk classification' (Art. 4(1)(a)(xi) (AMLA should precise this terminology refers to risk assessment performed by the obliged entity) 'group-specific risks' (Art. 3(f)), 'reporting lines' (Art. 3(1)(a)), counterparty transaction' (Art. 4(1)(b)), 'negative or adverse media reports' (Art. 4(1)(c)(x)), 'close family members' (Art. 4(1)(c)(v)), 'closely associated persons' (Art. 4(1)(c)(v)) and 'common customers' (Art. 4(2)). AMLA should define these terms in RTS Art. 2 or provide cross-references to the applicable AMLR provisions from which the concepts are derived.

Considering the operational impact of the notion of "structure", the condition (a) should provide that the obliged entities should be located within the EU and subject to the application of the AML Regulation 2024/1624.

Art. 4(1)(a)(iii) of the draft RTS introduces the phrase **'the person on behalf of whom the customer acts'** without defining it. This formulation differs from AMLR 'any person purporting to act on behalf of the customer' and 'natural persons on whose behalf a transaction is conducted'. AMLA should align Art. 4(1)(a)(iii) with the applicable AMLR wording, or confirm in RTS Art. 2 that the terms and definitions of the AMLR apply.

AMLA should also clarify whether the group AML/CFT officer referred to in Art. 3(1)(a) RTS is the same person as the compliance manager at group level or a separate mandatory appointment, since AMLR Art. 16(2) refers only to one function.

Art. 2(1) defines **'control function'** as including, but not limited to, the risk management, compliance and internal audit functions. To improve legal certainty, AMLA should clarify that the concept is limited to control functions that are relevant for AML/CFT purposes. Moreover, AMLR Recital 39 mentions the 'internal audit function' but AMLR Art. 9 uses **'independent** audit function' as part of the internal controls' requirement; the formulation **'internal** audit function' is absent from the AMLR. AMLA should ensure that the AMLR terminology is used.

The definitions of **'structure'**, **'network', 'partnership'** and '**franchise'** in Art. 2 are broad and may capture arrangements beyond those warranting group-like AML/CFT obligations, including purely contractual or investment relationships without sufficient control, coordination or integration to justify such obligations. The notion of "structure" is defined in Art. 2(2) but it is not used in the rest of the RTS. Hence, we do not understand the necessity to maintain this definition in the RTS. Nevertheless, should this definition be retained, AMLA should limit its scope to entities carrying out AML/CFT-regulated activities

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subject to the application of the AMLR and established within the EU. Considering the operational impact of the notion of "structure", the condition (a) should be adjusted accordingly. Moreover, the definitions at issue rely on concepts such as **'common management', 'common compliance control'** or '**common framework'** without specifying the required level of influence or control. This may capture arrangements involving coordination but not control, where an obliged entity does not have the legal or practical ability to impose AML/CFT controls.

The EBF recognises that these concepts may be intended to address business models operating outside traditional group structures and to mitigate the risk of circumvention of AML/CFT requirements. However, for EBF members, which generally operate within clearly defined group structures, further clarification is needed to avoid unnecessary complexity and unintended expansion of scope.

The EBF therefore emphasises that the application of these concepts should remain aligned with existing prudential and accounting frameworks used to define group perimeters and should be applied in a manner that is proportionate and consistent with the risk-based approach underpinning the AMLR.

Moreover, the draft RTS appears to extend the scope of information sharing beyond what is foreseen in the AML Regulation (Level 1 text). In particular, by including references to non-implementation and circumvention of targeted financial sanctions alongside money laundering and terrorist financing (ML/TF), it risks going beyond the scope of Arts. 16 and 17, which are limited to ML/TF-related risks. As a Level 2 instrument, the RTS should remain strictly aligned with the mandate set by the Level 1 framework to ensure legal certainty and avoid an unintended broadening of information-sharing obligations. AMLA is therefore invited to review the relevant provisions and ensure that the RTS is fully consistent with the scope and principles established in Arts. 16 and 17 of the EU AML Regulation.

Section 2 - Minimum group-wide requirements (article 3)

Question 2: Do you find the minimum requirements listed in article 3 of the draft RTS related to internal policies, procedures and controls sufficient and clear? If not, could you please indicate which other requirements, or further clarification, you think should be added and/or revised?

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EBF considers the minimum requirements in Art. 3 RTS broadly appropriate as a framework for group-level governance. However, we request some clarifications. The RTS imposes a number of specific requirements beyond AMLR Art. 16, including the obligation to establish a dedicated group-level organisation and coordination body with sufficient decision-making powers and a group AML/CFT officer (Art. 3(1)(a)). These are new obligations without an AMLR equivalent. AMLA should confirm the AMLR legal basis for each of these requirements. It remains unclear whether the group AML/CFT officer is intended to be the same function as the AMLR group-level compliance manager/officer, or whether it constitutes an additional mandatory role that must exist alongside both the compliance manager and officer. This ambiguity risks creating overlapping mandates and governance complexity. AMLA must confirm whether the group AML/CFT officer is a distinct role in addition to existing AMLR functions. If so, the RTS should clearly define its responsibilities, specify whether roles may be combined (particularly in less complex groups), and establish clear reporting lines to prevent overlap/conflicts.

The RTS appears to impose obligations of result on the parent undertaking irrespective of whether entities within the group are linked through a traditional parent-subsidiary relationship. The EBF recommends that Art. 3(1) be redrafted to clarify that the parent

undertaking shall ensure minimum standards form part of group-wide policies, and that each obliged entity remains responsible for implementing those policies under Art. 16(1) AMLR. Where entities are part of a broader group but are separately incorporated and subject to distinct legal and regulatory obligations, AMLA should clarify how far group-wide requirements apply across legally distinct entities and how potential conflicts between EU-level requirements and globally applied standards are to be resolved.

Unlike what is stated in Art. 3 (1)(f), a group policy or procedure cannot consider the individual risks of each entity within the group, especially in large groups operating across different geographies. As risks evolve depending on activities/local contexts, this requirement would lead to constant updates of group-level procedures and create instability in the overall framework.

In our view, the role of the parent undertaking is to define minimum AML/CFT requirements applicable to all entities in the group, to ensure that rules are properly harmonised and consistent. Entities are responsible for applying these standards to their activities, strengthening them based on their own risk exposure, and, where necessary, escalating implementation challenges in order to identify mitigating measures.

We propose that point (f) should provide for: "ensuring that group-wide policies, procedures and controls are effectively implemented at entity level and that, where difficulties arise, mitigating measures are implemented at local level."

Similarly, in point (g): 'The group-wide policies, procedures and controls and the group-wide risk assessments shall be implemented consistently in all the obliged entities that are part of the group and shall be adequately reviewed and reassessed at the level of the parent undertaking in the Union' does not appear feasible to implement, for the same reasons as outlined above. We request to delete this requirement: *"and shall be adequately reviewed and reassessed at the level of the parent undertaking in the Union".* The sentence appears to contradict Art. 17 AMLR, which stipulates that the measures should be applied to 3rd group entities to the extent possible. This should also be reflected in the RTS.

AMLA should ensure that Art. 3 appropriately reflects the principle of proportionality allowing governance arrangements to be calibrated to the size, complexity and risk profile of the group. A single set of minimum requirements applicable uniformly to all groups, from large internationally active banking groups to small two-entity structures, is not proportionate. In addition, certain key components of an effective AML/CFT framework are not explicitly addressed in art. 3:

- Training and awareness: A group-wide AML/CFT training framework should be required, with appropriate minimum standards covering the frequency of training and the categories of staff to be trained, including senior management and the management body.
- Whistleblowing and internal reporting: Art. 3 should explicitly recognise the need for group-wide whistleblowing arrangements, including reporting channels for AML/CFT- and sanctions-related concerns and appropriate safeguards for whistleblowers.
- Incident management: Consideration should be given to requiring a group-wide framework for the management of significant AML/CFT incidents, incl. escalation and communication protocols where relevant.

Section 3 - Information sharing (articles 4 - 9)

Question 3: Do you foresee any operational or legal challenges including challenges related to legal privilege in implementing the provisions related to information sharing

within entities of a group? If so, could you please indicate which ones?

Do you foresee any operational or legal challenges in ensuring that information sharing from third countries and to third countries within entities of a group is adequate to regulatory standards in the Union? Do you have any suggestion that would make it better suited operationally or legally?

AMLA should publish a list of third countries restricting info sharing and confirm which MS pose no obstacles, reducing inefficient institution-by-institution identification and reporting to national supervisors. The obligation to report obstacles should rest with the EU/EEA parent undertaking to avoid duplication.

Art. 7 seems to require OEs to implement additional measures, incl. notifying supervisors where third-country laws restrict or prohibit transfers to the supervisor of the EU OE. However, supervisors already exchange information via MoUs or similar arrangements and are generally aware of such restrictions.

Recital 43 AMLR states that intra-group info sharing is required only where relevant for AML/CFT purposes. Where relevance is absent, no obligation to share data should arise. Art. 16 AMLR does not impose an explicit or absolute duty to share personal data within a group but requires group-wide policies, procedures and controls on data protection and info sharing for AML/CFT purposes. This should leave OEs room, consistent with the risk-based approach, to determine when sharing is relevant.

The RTS should clarify whether Art. 4 operates bidirectionally or only covers upward flows, as this affects system design, legal compliance and data protection. Art. 4(3) provides that info sharing should be "strictly necessary" and on a "need-to-know basis", suggesting the categories in Art. 4(1) are illustrative and shared only where relevant. However, the use of "shall" and "at least" in Art. 4(1) is overly prescriptive and may be read as requiring systematic sharing of all listed categories, regardless of customer risk, purpose or information availability. AMLA should reframe Art. 4 around a risk-based trigger, allowing the parent undertaking to determine, through group-wide policies and procedures, what information is relevant, when it should be shared and at what frequency. Any sharing obligation should be proportionate to customer ML/TF risk.

Intra-group sharing should be limited to information directly relevant or necessary in light of the ML/TF risks identified for that customer; the RTS should not authorise routine transfers of verification data or complete customer files. Sharing identifying data requires a clear legal basis. Explicit reference to Art. 22, or to a person-identifying number within its scope, would provide that clarity.

Art. 4 provisions requiring clarification: Art. 4(1)(a)(vii): the "more than 50%" ownership threshold should be clarified to ensure consistency with EU restrictive measures, which apply at "50% or more" ownership, as confirmed by CJEU C-84/24. Confirmation is needed that the RTS does not affect existing sanctions obligations. Art. 4(1)(a)(x): clarification is needed on the scope of "CDD" in the context of outsourcing arrangements and its interaction with existing outsourcing frameworks (e.g. EBA GLs on outsourcing arrangements). Art. 4(1)(b)(ii): the inclusion of counterparty transaction data appears to extend beyond L1 (Arts. 16/17 AMLR): no extension of scope to TFS should be introduced via L2 measures). Art. 4(2): the extension of info sharing to customers linked through BO or group/structure affiliation goes beyond Art.16(3)AMLR. AMLA needs to clarify the scope of Art. 5 RTS: whether it relates solely to governance and oversight by the parent undertaking, or whether it also imposes direct obligations on individual subsidiaries and branches in 3rd countries. If Art. 5(1) means that subsidiaries and branches of EU-based obliged entities must share information in line with the RTS regardless of applicable local legislation, this should be stated explicitly, along with the related legal basis in AMLR Art. 16. If so, an update of the Art. 5 is needed to replace the wording "receive" by "share".

Broad data sharing under art.4 conflicts with GDPR data minimisation. The list shouldn't be treated as a minimum that must always be shared, and the words "at least" should be deleted. Art. 4(1)(a) requires sharing identification and verification documents, which may include national identification numbers. Art. 4(2) requires OEs to identify common customers across the group portfolio, requiring processing of the entire customer database before any specific ML/TF risk is identified. This may not be lawful under GDPR absent an explicit legal basis/proportionality justification. AMLA should clarify the GDPR legal basis and necessity test for each data category covered by the RTS. Arts. 4/7/10 suggest that customer or beneficial owner consent may overcome legal restrictions on info sharing. While consistent with Del. Reg. (EU) 2019/758, consent under GDPR must be freely given and may be withdrawn at any time, limiting its reliability as a legal basis for AML/CFT obligations. AMLA should clarify that consent cannot be relied on where invalid under data protection law and that, where consent is refused/withdrawn, the consequences should be addressed under the AML framework.

Section 4 - Additional measures for branches or subsidiaries in third countries of obliged entities and parent undertakings in the Union (articles 10 - 16)

***Question 4*:** Do you foresee any operational or legal challenges in implementing the minimum actions and additional measures required under section 4 of the draft RTS where third-country law restricts the application of group-wide AML/CFT policies, procedures and controls? If so, please describe the challenges and provide practical examples.

The EBF requests AMLA to conduct a proportionality assessment of Section 4. The obligations imposed on obliged entities operating in third countries should be proportionate to the ML/TF risk identified and should not create structural competitive disadvantages relative to non-EU competitors in the same markets. In particular, Arts. 11, 12, 13 and 14 should be reviewed to ensure they do not impose obligations that are structurally impossible to implement in certain jurisdictions.

Arts. 10–14 and 15 should be better aligned with Art. 17 AMLR, which requires supervisors to be informed of additional measures taken where third-country law restricts the application of AMLR requirements. In contrast, Art. 10 introduces a dual notification structure, comprising an initial notification upon identification of the restriction and a subsequent notification confirming the appropriateness of the measures applied. The Level 1 basis for this duplication is not clear, and it may create unnecessary administrative burden without commensurate supervisory benefit. Art. 10(3) should be clarified to reflect that, where the ML/TF risk cannot be managed, "one or more" of the listed measured may be applied, rather than implying that the full set of measures must be imposed cumulatively in every case.

Art.10(1)(c), Arts. 11(1)(b) and 14(1)(b) refer to beneficial owner consent as a mechanism for overcoming third-country legal restrictions. These provisions should be read consistently with the existing framework under Delegated Regulation (EU) 2019/758. While obliged entities are required to assess whether customer or beneficial owner consent can be used to legally overcome restrictions, this should not be interpreted as a general or standalone solution. In particular, under GDPR, consent must be freely given and may be withdrawn at any time, which limits its reliability as a basis for AML/CFT compliance. This should be reflected in the RTS to provide a more operationally realistic framework.

EBF members understand that the additional measures set out in Art. 15 should be read and applied in light of an overarching principle of proportionality, as proposed for inclusion in Art. 1. These measures should not be interpreted as a checklist – they should be illustrative and enabling in nature, and groups should select and calibrate one or more measures based on a proportionate assessment of the specific ML/TF risks and legal constraints involved. Similarly, OE should be able to apply other measures that are equally

or more effective in managing the specific ML/TF risks arising from third-country legal restrictions, provided those measures achieve outcomes consistent with AMLR objectives.

Several provisions in Art. 15 require further calibration to ensure consistency with the risk-based approach. The reliance prohibition in Art. 15(b) appears broader than Art. 49 AMLR, as it may apply even where the underlying impediment does not directly affect the reliability of CDD, and should therefore be narrowed to ensure proportionality. Art. 15(1)(e) envisages as an additional measure the documentation of source of funds, source of wealth and destination of funds. Applying such a measure to all customer types appears disproportionate and should instead cover higher-risk business relationships, similarly to point (d). We also note that the documentation of source of wealth goes beyond the scope of the corresponding provision of Commission Delegated Regulation 2019/758. Art. 15(1)(f) should not be interpreted as imposing blanket enhanced monitoring at onboarding, as this would assume a uniform high-risk classification for all third-country clients and would not be consistent with a risk-based approach. Art. 15(g) may overlap with the mechanisms already set out in Art. 12 for addressing STR disclosure impediments, in particular where Art. 12(1)(b) already provides for aggregated or anonymised information to senior management, and it is therefore unclear whether Art. 15(g) provides additional operational value or should be treated as residual in nature.

The measures in Section 4 appear broadly equivalent to those in Commission Delegated Regulation (EU) 2019/758. AMLA is requested to confirm this equivalence in the RTS preamble in order to provide legal certainty for institutions that have already implemented compliance frameworks under that Regulation and to avoid duplication or divergence in supervisory expectations across Member States.

Finally, clarification is sought on whether Section 4 is intended to cover risks related to the non-implementation or evasion of targeted financial sanctions, as Art. 1(b) currently refers only to money laundering and terrorist financing risks. If so, this should be explicitly stated in order to ensure consistency with Sections 2 and 3 of the RTS and to avoid divergent interpretations regarding the scope of application of the framework.

Question 5: Do you foresee any challenges in applying the provisions relating to information sharing within the group where third-country law restricts the ability to access, process or exchange information for AML/CFT purposes (article 12 and 13 of the draft RTS)? If so, please explain.

5000 character(s) maximum

Clarity on minimum actions

Arts. 12 and 13 establish minimum actions where third-country law restricts the sharing of customer information or the disclosure of STR-related information. The EBF requests AMLA to clarify:

- the interaction between the minimum notification obligations in Arts. 12(1)(a) and 13(1)(a) and the 28-calendar-day deadline, given that the AMLR uses 'without undue delay' as the applicable standard; The EBF also proposes the possibility of consolidated notifications. The 28-day period starts on 'identification' of the impediment. For groups with subs/branches in multiple third countries, each material change in local law triggers a separate notification per impacted matter (CDD, sharing, STR, supervisory access, retention). A single piece of third-country legislation can trigger four parallel Art. 10/11/12/13/14 notifications simultaneously. The RTS should permit consolidated notifications addressing multiple matters arising from the same third-country instrument

- where such information-sharing restrictions exist, notification to the competent authority together with the implementation of all available mitigating measures should be considered sufficient to demonstrate compliance with the applicable requirements. Accordingly, an obliged entity that completes all required notifications and applies the measures available to it should be deemed to have met its regulatory obligations, even where group information sharing remains impossible.
- the distinction between Arts. 7 and 13, as the respective provisions appear to overlap

Limitations of the consent-based approach

Arts. 10–14 rely on customer or beneficial owner consent as the primary mechanism for addressing legal impediments to information sharing (Arts. 10(1)(b) and (c), 11(1)(b) and (c), and 14(1)(b) and (c)). Where consent cannot be obtained or is ineffective, obliged entities are required to apply the additional measures set out in Art. 15 and, ultimately, to consider termination of the business relationship or account closure.

In practice, this approach may be difficult to implement in certain jurisdictions, including the PRC and Hong Kong. Consent is often not a comprehensive solution where the restriction on information sharing arises from regulatory or legal requirements rather than from the data subject's rights. In particular, consent may not be legally effective in relation to sanctions-related disclosures, and certain restrictions, such as blocking statutes, may apply irrespective of whether the customer or beneficial owner has provided consent.

Question 6: Do you consider the proposed framework for additional supervisory actions (article 16 of the draft RTS) appropriate and workable in practice, including the addressee of supervisory decisions and the feasibility of applying restrictions or closure measures in cross-border structures? If not, please explain.

5000 character(s) maximum

Legal basis and scope for parent-led corrective action

Art. 16 introduces a 'risk mitigation plan' and 'corrective measures' as instruments that the parent undertaking must apply where third-country law prevents full AML compliance by a branch or subsidiary. These are supervisory-type instruments that AMLR assigns exclusively to competent authorities. AMLA should clarify the legal basis under AMLR Art. 16 for requiring a parent undertaking to impose binding corrective measures on a separately licensed subsidiary in a third country.

In the absence of a clear primary law basis, 'corrective measures' should be reformulated as internal group governance measures that the parent undertaking implements within its group, rather than unilateral regulatory decisions binding on separately licensed entities. Such wording would provide individual parent undertakings with the necessary flexibility to identify and implement remedial measures tailored to their specific operational circumstances. The RTS should clarify that such measures should not be construed as conferring supervisory powers on the parent undertaking. Their implementation should fully respect the legal autonomy of subsidiaries and branches, as well as the role of local competent authorities.

Given the cross-border nature of many OEs and the potential for the same third-country legal constraint to affect multiple entities or branches, clear coordination mechanisms and common supervisory expectations will be essential to avoid divergent interpretations of the same group-wide arrangements.

Terminology

AMLA should align 'corrective measures' with the AMLR's terminology ('supervisory measures') and define the term in the RTS.

Section 5 - Criteria for identifying the parent undertaking in the Union in cases of two or more obliged entities whose head office is located outside of the Union (articles 17 - 20)

Question 7: Do you find the criteria provided in section 5 effective to identify the parent undertaking in the Union in cases where two or more obliged entities not in a parent-subsidiary relationship whose head office is located outside of the Union? Do you find the criterion of annual turnover applicable in your specific sector?

5000 character(s) maximum

The EBF supports the objective of Section 5 to facilitate effective application of group-wide AML/CFT requirements within the Union. However, concerns arise regarding the criteria for identifying the parent undertaking in the Union where two or more obliged entities are located outside the Union, as the proposed approach is not effective for third-country headquartered groups with multiple EU obliged entities that are not in a parent-subsidiary relationship.

The draft RTS appears to assume that a single EU parent undertaking can always be identified across all EU entities. This would impose group-wide obligations in the absence of any legal relationship between such entities. It does not reflect the diversity of international group structures, in particular where EU entities are sister companies with separate boards, no shared management, no common compliance control and limited information-sharing. In such cases, a single designation risks creating a "responsibility without authority" outcome, where an entity is held accountable without the means to ensure implementation across affiliates. This is not comparable to other risk areas (compliance, market, operational or liquidity) and may reduce effectiveness in managing holistic risk.

The EBF also emphasizes that the RTS must remain consistent with the AMLR definition of "group" in Art. 2(41). Entities outside that definition should not be treated as a group through the RTS. A broader interpretation would create legal uncertainty, particularly given the link between AMLA direct supervision and the highest level of consolidation under accounting standards.

The proposed criteria rely heavily on quantitative indicators such as turnover, customer numbers, transaction volumes and compliance staff. While simple to apply, these are not reliable proxies for governance or AML/CFT oversight capability, particularly in asset and wealth management where turnover is not a meaningful measure of activity. In this context, the annual turnover criterion in Art. 17(2) is also less directly applicable for financial institutions, whose activity is better reflected by metrics such as total assets, assets under management or net interest income rather than "total annual turnover" in the commercial sense. Clarification is therefore needed on how turnover should be calculated for credit institutions and investment firms (e.g. whether it refers to net banking income, total operating income or gross revenues), as divergent interpretations would lead to inconsistent application across Member States and sectors. Similarly, "understanding of operations" cannot be inferred from compliance headcount. Although framed as qualitative, the approach remains overly quantitative and lacks flexibility.

'Sufficient prominence' and 'sufficient understanding'

The criteria of 'sufficient prominence' (Art. 17) and 'sufficient understanding of operations' (Art. 18) are drawn from AMLR Art. 2(1)(42)(b)(iii) but are not further elaborated in either

AMLR or the RTS. AMLA should specify the minimum content of these criteria and provide indicators that obliged entities and supervisors can use to assess compliance consistently.

'Critical or important outsourcing arrangements'

Arts. 18(1) and 22(1) refer to 'critical or important outsourcing arrangements', but this term is not defined in the AMLR or in the RTS. AMLA should define the term for AML/CFT purposes, or explain clearly how it should be interpreted in this context.

Accordingly, the EBF recommends that AMLA:

- confirm that implementation of Art. 16 AMLR does not extend beyond the defined scope of "group";
- revise Arts. 17 and 18 to include a broader mix of qualitative and quantitative indicators for "sufficient prominence" and "sufficient understanding of operations";
- preserve Art. 2(1)(42)(b)(iv) AMLR as a substantive designation criterion;
- permit, where justified by governance, regulatory perimeter or legal constraints, the designation of more than one EU parent undertaking for distinct sub-groups; or, if a single designation is retained,
- clarify that the parent undertaking's obligation is discharged through reasonable, documented coordination and escalation, rather than strict liability for separately governed affiliates.
- Provide clarity for Annual turnover and 'Critical or important outsourcing arrangements' as above

The EBF further requests that AMLA clarify how supervision should operate where entities within the same structure are supervised by different NCAs, in order to avoid conflicting expectations and support consistent implementation. In addition, the reference to 'critical or important outsourcing arrangements' should be specifically defined for AML/CFT purposes.

Section 6 - Conditions for the application of group-wide requirements to structures sharing common ownership, management or compliance control (articles 21 - 24)

Question 8: Do you find the conditions listed in article 21 sufficiently clear and effective to identify the structures that shall apply requirements similar to groups? If not, please explain.

5000 character(s) maximum

Section 6 is understood to be aimed at firms without formal group structures, such as entities outside the financial sector, in order to bring them within a comparable compliance framework. However, the text does not explicitly exclude financial sector firms with traditional group structures. Such firms would already fall within Section 5, which sets out the criteria for identifying parent undertakings within groups.

AMLA should clarify that where an entity is captured under Section 5, it is excluded from the scope of Section 6. Without such clarification, firms may be required to apply duplicative qualification tests, leading to legal uncertainty and inconsistent application.

Criteria for "common ownership, management or compliance control"

Art. 21(2) provides that structures with common ownership, management or compliance control shall fulfil at least one of the following conditions. In practice, such structures are typically established to allow two or more entities to cooperate around a common project

without full legal merger, based primarily on shared ownership and governance arrangements. Compliance control should not be treated as a standalone criterion for identifying such structures.

It is important to ensure that the criteria applicable to structures under common control remain objective, predictable and based on a demonstrable capacity to coordinate and exercise effective control.

In light of the above, the EBF suggests the following amendments:

- the conditions in Arts. 21(2)(a) and 21(2)(b) should be cumulative; Art. 21(2) should be reworded as: "that fulfil all of the following conditions" (or equivalent wording to ensure cumulative application where intended);

- Art. 1(2)(c) should be deleted.

Art. 21(2)(b) sets out six sub-criteria for establishing "common management". The RTS does not clarify whether these criteria are alternative (any one sufficient), cumulative, or indicative. This lack of clarity risks inconsistent application.

Moreover, the sub-criteria are drafted in very broad terms and could inadvertently capture relationships such as subsidiaries or branches, which should clearly be excluded from this definition.

In particular, the reference to a "homogeneous business strategy and/or business model" is not defined in the AMLR. The term "business model" appears only once in the AMLR (Recital 62) in a different context, and "homogeneous business strategy" has no clear legal basis. The criterion is therefore too vague to serve as a legal test. AMLA should either delete this criterion or define both terms clearly in Art. 2 of the RTS.

Scope of "structure"

The conditions in Art. 21 determine which entities fall within the scope of group-equivalent requirements. The EBF requests that AMLA clarify that the parent entity may determine the extent of policies, procedures and controls applicable to such structures, in line with their governance arrangements and risk profile.

Question 9: Do you foresee any legal or operational challenges in implementing the provisions listed in this RTS and in particular by article 21 for the above-mentioned structures? If so, please describe the challenges and provide practical examples.

5000 character(s) maximum

Potential application to non-obliged entities

Art. 21(3) appears to imply that non-obliged entities within a structure may be required to share information. If this is the intended scope, the provision would have a disproportionate and far-reaching impact, extending AML information-sharing obligations to entities that are not subject to AMLR and that have no established AML compliance framework. AMLA should clarify the intended scope of Art. 21(3) and, where appropriate, limit its application to entities subject to the AMLR. If non-obliged entities are intended to fall within scope, there should be an explicit legal basis in the AMLR for this extension. In the absence of a clear legal basis, Art. 21(3) should be amended to limit its scope to obliged entities within the structure.

Absence of definitions for 'network members' and 'partners'

Arts. 21(3) and 22 use 'network members' and 'partners' as concepts. Neither term is defined in AMLR or in RTS Art. 2. AMLA should define these terms and clarify how 'partners' in RTS Art. 21(3) relates to 'partnership' as defined in RTS Art. 2(4), and whether the obligations of 'network members' differ from those of 'partners'.

Absence of group-level legal authority: Unlike a corporate group with a parent-subsidiary relationship, structures share no direct legal authority. The parent undertaking identified under Art. 22 may have no legal power to impose policies, reporting obligations or compliance measures on other obliged entities within the structure. AMLA should address the legal mechanism by which the identified parent undertaking exercises its responsibilities vis-à-vis other entities that are not its subsidiaries.

Treatment of Third-Party Reliance Arrangements under the RTS: Under Art. 48 AMLR, obliged entities may rely on third parties for CDD while retaining full responsibility. In practice, this often involves cooperative structures with a central obliged entity to pool resources and reduce duplication, without forming an integrated group.

However, given the broad definitions in the draft RTS, there is a risk that such arrangements could be classified as "networks" or "partnerships," triggering group-wide requirements under Arts. 21–22. This would impose disproportionate governance, risk assessment and information-sharing obligations on structures not designed to operate as groups under Art. 16 AMLR.

The RTS should therefore clarify that Art. 48-compliant reliance arrangements, including multi-party structures with a central entity, fall outside Sections 2 and 3, provided each entity retains full AML/CFT responsibility and appropriate safeguards. This would ensure proportionality and legal certainty.

Question 10: Do you find the criteria listed in article 22 effective to identify the parent undertaking in the Union in cases where two or more obliged entities are part of the above-mentioned structures? If not, please explain and provide practical examples.

5000 character(s) maximum

Further clarification would be helpful regarding the application and interaction of the criteria used to identify the parent undertaking, particularly where multiple criteria may apply simultaneously. In addition, certain concepts used in the draft RTS would benefit from further definition to promote consistent implementation across groups.

'Essential technical information or critical services'

This criterion is not used or defined in AMLR. AMLA should define the term for AML purposes or cross-reference the applicable definition explicitly.

Interaction with Art. 22

The criteria set out in Art. 22 for identifying the parent undertaking in the context of a "Structure" seems not appropriate since the aim of the "structure" is to pool resources and decisions. This pooling is subject to contractual arrangements and negotiations. De facto, no single entity can have rights or powers on its own. The criteria listed in Art. 22 (a) and (b) are, hence, not applicable.

The other criteria may call into question existing shareholders' agreements. It would therefore be necessary to introduce a grandfathering clause for agreements concluded before 10 July 2027.

The EBF requests AMLA to clarify the hierarchy and interaction of the Art. 22 criteria. While Art. 22(1) provides for the use of 'any' of the criteria, some additional clarification on how

they should be applied in practice, particularly where multiple criteria may apply, would support consistent implementation.

Annual turnover in the structure context

The EBF's observations on the annual turnover criterion under Question 7 apply equally here. For financial institutions, this metric requires specific clarification on the applicable calculation basis.

Treatment of Joint Minority Ownership Structures under the RTS

A related concern also arises in the context of joint minority ownership structures. In practice, multiple financial institutions may hold minority shareholdings in another obliged entity, such as a payment institution, and exercise comparable levels of influence, for example through joint validation of AML/CFT policies. In these scenarios, no single shareholder exercises dominant control or holds a majority stake. Under Art. 22 RTS, where the qualitative criteria do not lead to a clear identification of a parent undertaking, the fallback criterion based on the highest total annual turnover would apply. This could result in the designation of a single entity as the parent undertaking for AML purposes solely on the basis of turnover, even where that entity has only a limited ownership interest and no greater degree of control than the other shareholders. As annual turnover may vary from year to year, a different entity may be designated as the parent undertaking over time, thereby triggering the application of Sections 2 and 3 to that entity. Such recurring changes in designation are inefficient, increase compliance costs, and elevate the risk of compliance breaches due to the lack of stability and continuity in the governance framework.

Such an outcome risks imposing a disproportionate compliance burden on the designated entity, which would be required to comply with the full set of group equivalent obligations under Sections 2 and 3 RTS, despite lacking effective control commensurate with those responsibilities. This could significantly increase compliance costs for the designated entity and create misalignment between AML obligations and actual governance influence. From a proportionality perspective, it would therefore be more appropriate to link the application of Sections 2 and 3 RTS to a parent undertaking that holds a majority shareholding, or at least to the largest shareholder by ownership interest, rather than relying solely on turnover as a fallback criterion.

Entry into force and application (art. 27)

It would be useful to clarify that the implementation period runs until 10 December 2027, consistent with the notification deadline, to avoid any ambiguity.