

## Regulatory Update – The Fifth Money Laundering Directive

The new Fifth Money Laundering Directive (5MLD) will be in effect from 10 January 2020. Firms must comply with the new requirements by this deadline.

### What are the proposed changes with the 5MLD?

- Improving transparency on the ownership of companies and trusts via enhanced access to beneficial ownership registers.
- Better connection of the beneficial ownership registers in order to facilitate cooperation between member states.
- Lifting the anonymity on electronic money products, such as prepaid cards where the threshold for identifying the holder will reduce from €250 to €150 and there will be an extension in verification requirements.
- Extending Anti-Money Laundering and Counter Terrorism Financing rules to cover virtual currencies, tax related services, works of art. Also, virtual currency exchange platforms and custodian wallet providers will now need to apply customer due diligence controls.
- Improving checks on riskier third country transactions, including additional due diligence by banks on financial flows from non-EU countries.
- Enhancing the powers of EU Financial Intelligence Units and facilitating their cooperation: FIUs are to have access to information in centralised bank and payment account registers so they can identify account holders.
- Enhancing cooperation between financial supervisory authorities.

The UK government remains committed to preventing money laundering and terrorist financing. This is set out in the Treasury's [consultation paper](#) on the transposition of 5MLD into UK law. The government is therefore likely to implement 5MLD post-Brexit. Access the full text of 5MLD [here](#)

### How Newgate can help with your AML CTF Programme

Newgate can help firms implement a practical and risk-based money laundering (AML) and counter terrorist financing (CTF) programme for your firm by:

- Undertaking Client Due Diligence checks at onboarding and ongoing compliance monitoring
- Carrying out an AML KYC Risk Assessment for your firm
- Drafting your annual Money Laundering Reporting Officer (MLRO) report
- Assessing the adequacy of your current AML KYC systems and controls
- Drafting, designing and implementing risk-based AML KYC policies, manual, procedures, and governance frameworks
- Delivering AML training to your staff either face-to-face or via our [Online Training Centre](#)
- Providing a Country Risk Matrix reflecting current sanction lists and guidance

For further information, please contact Newgate Compliance at [info@newgatecompliance.com](mailto:info@newgatecompliance.com).