Consultation Paper

Draft Regulatory Technical Standards on the methodology for assessing and classifying the inherent and residual risk profile of obliged entities in the non-financial sector under Article 40(2) of Directive (EU) 2024/1640

Contents

1 Executive Summary

Directive (EU) 2024/1640 (AMLD) establishes rules on the organisation and functioning of anti-money laundering and counter-terrorist financing (AML/CFT) supervision. It provides for a harmonised framework for risk-based supervision across the Union, thereby strengthening the Union's framework for anti-money laundering and countering the financing of terrorism (AML/CFT). Notably, Article 40(2) of AMLD mandates AMLA to develop draft regulatory technical standards (RTS) setting out the benchmarks and methodology for assessing and classifying the inherent and residual risk profile of obliged entities, and the frequency at which such risk profiles are to be reviewed.

AMLA is fulfilling this mandate in two phases. The draft RTS setting out the benchmarks and methodology for assessing and classifying the inherent and residual risk profile of credit institutions and financial institutions, as well as the frequency at which it shall be reviewed were submitted by AMLA to the European Commission in December 2025. The draft RTS under consultation cover obliged entities operating in the non-financial sector, as defined under Article 3(3) of Regulation (EU) 2024/1624 (AMLR). They contain a common risk assessment methodology that non-financial supervisors will use to direct supervisory efforts and resources towards higher-risk obliged entities. Obliged entities operating in the non-financial sector may be required to provide information enabling supervisors to assess their risk profile and determine the appropriate level of supervision, though supervisors may be able to obtain such information from other sources also.

These draft RTS are part of a broader set of instruments that AMLA will deliver regarding risk-based supervision in the financial and non-financial sectors. They strike a balance between the need for a harmonised methodology, the need to accommodate sector-specific requirements, and the importance of proportionality, ensuring that the rules are effective, while limiting the reporting burden for obliged entities where possible. As part of this, the draft RTS propose a specific regime for smaller obliged entities operating in the non-financial sector that takes account of their reduced reporting capacity and simplifies AML/CFT compliance where possible. Furthermore, in the context of the public consultation, AMLA is seeking input on additional transitional arrangements that would phase the data collection from small obliged entities.

1.1 Next steps

This Consultation last for a period of eleven weeks. AMLA will consider the feedback received during this consultation when preparing the final report to be submitted to the European Commission.

As part of the consultation period, AMLA is also publishing surveys to obtain feedback on the clarity and availability of the data points. Findings from this exercise may be reflected in the final report. In addition, in 2027 AMLA will collect data from a sample of obliged entities to calibrate the risk assessment model.

2 Background and rationale

In 2024, the European Union adopted a legislative package to strengthen the EU's AML/CFT rules. Within this framework, the AMLD introduces, for the first time, a harmonised risk assessment methodology for the financial and non-financial sector, ensuring a consistent approach to identifying and mitigating ML/TF risks across the EU going forward.

A harmonised risk-assessment methodology is important because it enables supervisors to have a common understanding of ML/TF risks, and it provides obliged entities with a standardised reporting framework. AMLA is fulfilling this mandate in two phases to enable non-financial supervisors to adapt to the new framework. The draft RTS setting out the benchmarks and methodology for assessing and classifying the inherent and residual risk profile of credit institutions and financial institutions, as well as the frequency at which it shall be reviewed were submitted by AMLA in December 2025 to the Commission. The draft RTS under consultation cover obliged entities operating in the non-financial sector, as defined under Article 3(3) of Regulation (EU) 2024/1624 (AMLR).

To-date, not all obliged entities operating in the non-financial sector are subject to registration requirements, making it challenging for supervisors to identify obliged entities under their supervision and to oversee their activities. To address this, the AMLD establishes a new minimum registration requirement under its Article 4, enabling proper identification and effective supervision of all obliged entities operating in the non-financial sector.

2.1 Rationale

To develop this mandate, AMLA assessed the characteristics and specificities of obliged entities operating in the non-financial sector across the Union.

The non-financial sector is heterogeneous in terms of size, business models, risk exposure and national legal frameworks. It includes more than two million natural and legal persons, with a prevalence of very small entities including solo entrepreneurs. Some categories of obliged entities have been subject to AML/CFT obligations for a long time, while others have only recently been brought within the scope of the AML framework. Overall, feedback from national supervisors and international standard-setters like the Financial Action Task Force and Moneyval suggests that the sector has not yet reached a sufficient level of compliance maturity.

The non-financial sector supervisory landscape mirrors the heterogeneity of the sector as supervision is fragmented among Member States and within some Member States. Supervisory powers and models differ, as do supervisory approaches. For example, while some supervisors have been conducting detailed entity-level risk assessments using around 200 data points, others have not carried out entity-level risk assessments so far. Sectoral level assessments are important for identifying broad patterns and common vulnerabilities but do not replace a clear, data-driven understanding of the risks posed by each obliged entity. This is why the AMLD requires supervisors to assess risk at entity-level and to base the intensity of AML/CFT supervision on the specific risk profiles of individual entities.

As a consequence, the draft RTS has to strike a balance between the need for a harmonised methodology, the need to accommodate sector-specific requirements, and the importance of proportionality, ensuring that the rules are effective, yet not unduly burdensome for obliged entities.

2.2 Simplification and proportionality

In line with the European Commission's simplification agenda, AMLA is committed to limiting the reporting burden on obliged entities where possible. In line with this, the draft RTS introduce a common methodology with datapoints that all non-financial sector supervisors in the EU will use to assess entity-level ML/TF risk, making risk assessments more predictable and simplifying compliance for obliged entities that operate across borders.

They also introduce a simplified regime for small entities, with a limited number of data points that are necessary for risk assessment purposes, taking into account their reporting capacity.

AMLA proposes that the draft RTS apply from December 2028 to give obliged entities and their AML/CFT supervisors sufficient time to put in place the systems necessary to report and collect the required data. In addition, as part of this consultation, AMLA is inviting proposals for additional transitional arrangements that could be envisaged for small entities, to help address the operational challenges such entities currently face, as well as suggestions for proportionate, harmonised approaches to assessing the risk profile of small obliged entities while minimising reporting burdens.

3 Scope of the draft RTS

In accordance with Article 40(2) AMLD, these draft RTS set out the methodology for assessing and classifying the inherent and residual risk profile of obliged entities operating in the non-financial sector, and the frequency at which such risk profiles are to be reviewed. The methodology requires an entity-level assessment.

3.1 General approach

The draft RTS establish a harmonised methodology for supervisors to assess and classify the inherent and residual ML/TF risk profiles of obliged entities operating in the non-financial sector. The methodology is based on a three-step approach whereby supervisors first assess the inherent risk profile of obliged entities, then assess the quality of their AML/CFT controls and finally determine the residual risk profile reflecting the level of risk remaining after mitigating measures have been applied.

The draft RTS do not prescribe the source of data points, allowing supervisors to obtain the necessary information directly from obliged entities or from other sources, including for example information obtained from obliged entities, FIUs, supervisory authorities, external auditors and other public bodies.

3.2 Assessment of inherent risk

The draft RTS require supervisors to assess and classify the inherent risk profile of all obliged entities registered or licensed pursuant to Article 4 AMLD. The assessment is based on sector-specific inherent risk data points included in Annex I and follows a structured methodology consisting of the identification of applicable data points, allocation of scores, calculation of weighted category scores and determination of an overall inherent risk score. The methodology relies on weighted arithmetic averages, with higher-risk indicators and categories receiving greater weight. The final inherent risk profile is classified into four categories: low, medium, substantial and high risk.

The draft RTS take into account the specific characteristics of the non-financial sector, including the diversity of business models, the fragmented supervisory landscape and the prevalence of small entities, and therefore include sixteen lists of data points tailored to the different categories of obliged entities operating in the non-financial sector.

3.3 Assessment of controls and of residual risk

The draft RTS establish a methodology for assessing the quality of AML/CFT controls put in place by obliged entities. They require supervisors to assess controls on the basis of data points listed in Annex II and calculate controls quality scores through weighted arithmetic averages. The controls quality is classified into four categories ranging from very good to poor quality. The residual risk profile is then determined by combining the inherent risk score with the controls quality score using a weighted average favouring inherent risk, rather than the arithmetic mean. Where the controls quality score is greater than or equal to the inherent risk score, the residual risk score remains equal to the inherent risk score. Where the controls quality score is lower than the inherent risk score, the residual risk score is calculated through a weighted average favouring the inherent risk score. The residual risk profile is subsequently classified into a low, medium, substantial or high risk category.

3.4 Simplified regime for small entities

The draft RTS introduce a simplified regime for small entities to ensure proportionality. Small entities are defined as entities with fewer than five full-time equivalent employees and an annual turnover below EUR 600,000. For these entities, supervisors are required to obtain a reduced set of inherent risk indicators. Regarding the quality of AML/CFT controls, small entities are not required to report information on their controls to alleviate the reporting burden. Therefore, where supervisors do not hold relevant information on the quality of a small entity's controls, the control quality score is set equal to the inherent risk score and does not affect the entity's final risk classification. Where supervisors possess relevant information on the quality of the controls of a specific small entity, they should adjust the controls score accordingly.

In line with the risk-based approach, supervisors may require all entities within a sector, including small entities, to be assessed using the full set of indicators where the sector is considered exposed to elevated ML/TF risk.

3.5 Supervisory adjustments

The draft RTS provide supervisors with the possibility to adjust both the inherent risk score and the controls quality score where relevant supervisory information indicates that the calculated scores do not adequately reflect the actual ML/TF risks or the effectiveness of AML/CFT controls. Adjustments to the inherent risk score may increase or decrease the classification by no more than one level and must be duly justified and documented. Adjustments to the controls quality score may be based on supervisory assessments or external auditors' assessments concerning the effectiveness and compliance of the entity's AML/CFT systems, procedures and controls. In addition, supervisors are required to adjust risk profiles or controls scores following major events or developments affecting the entity, including significant changes in business models or identification of serious weaknesses in AML/CFT controls.

3.6 Timeline and frequency

The draft RTS state that supervisors must carry out the first assessment and classification of inherent and residual risk profiles on a full reporting year of obliged entities under their supervision. Thereafter, assessments must generally be conducted annually. However, where an obliged entity has already been assessed at least once and its residual risk profile was classified as low, supervisors may reduce the frequency of assessment to at least once every three years. The draft RTS require risk assessments for obliged entities registered or licensed pursuant to Article 4 AMLD, on a period covering at least one full calendar year prior to the date of the assessment.

The draft RTS also require supervisors to adjust risk scores within six months after becoming aware of major events or developments affecting an obliged entity.

To provide supervisors and obliged entities, including newly regulated sectors introduced by the AML package, with sufficient time to adapt to the new framework and implement the systems and processes necessary for the application of the harmonised risk assessment methodology, the draft RTS has a deferred application date. The Regulation will enter into force on the twentieth day following its publication in the Official Journal of the European Union and will apply from 31 December 2028, except in relation to obliged entities referred to in Article 3, points (3)(n) and (o), of the Regulation (EU) 2024/1624 to which it shall apply from 31 December 2029. Until the draft RTS become applicable, supervisors should apply their existing national methodologies in order to ensure risk-based supervision in accordance with Article 40 AMLD, while both supervisors and obliged entities should use this period to adapt their systems and processes to the new framework set out in the draft RTS.

4 Draft regulatory technical standards

COMMISSION DELEGATED REGULATION (EU) …/...

of XXX

supplementing Directive (EU) 2024/1640 of the European Parliament and of the Council with regards to regulatory technical standards setting out the benchmarks and methodology for assessing and classifying the inherent and residual risk profile of the non-financial sector, and the frequency at which such risk profiles are to be reviewed

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024, on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing[1], and in particular Article 40(2) thereof,

Whereas:

(1) Supervisors should periodically assess the money laundering and terrorist financing (‘ML/TF’) risk profile of each supervised entity. This should enable them to apply a risk-based approach to supervision allowing them to focus their resources where the risks are the highest.

(2) The non-financial sector differs in size, diversity and business models from credit institutions and financial institutions. To take account of such specific characteristics of the non-financial sector and to ensure a proportionate treatment, the mandate under Article 40(2) of Directive (EU) 2024/1640 has been fulfilled by two separate instruments: the Commission Delegated Regulation (EU) .../... which establishes the methodology for assessing and classifying the ML/TF risks of credit institutions and financial institutions, and this Regulation that establishes such methodology for the non-financial sector.

(3) Supervisors may collect the information needed to carry out the assessment and classification of the inherent and residual risk profile of the non-financial sector from a number of sources, such as the obliged entities themselves, external auditors, supervisory authorities, Financial Intelligence Units (FIUs) or other public bodies in the context of cooperation or ongoing exchanges.

(4) To assess and classify the inherent and residual risk profiles of the non-financial sector, supervisors should adopt a three-step approach. Firstly, supervisors should assess and classify the inherent risk profile of obliged entities based on a set of indicators provided by this Regulation. Secondly, supervisors should assess the quality of the anti-money

[1] OJ L, 2024/1640, 19.6.2024, ELI: http://data.europa.eu/eli/dir/2024/1640/oj.

laundering and countering the financing of terrorism (AML/CFT) controls put in place by obliged entities. Lastly, supervisors should assess and classify the residual risk profile of obliged entities that should reflect the level of ML/TF risk to which they remain exposed after their controls have been applied.

(5) To ensure that the obliged entities are classified on the basis of properly calibrated risk scores, supervisors should apply a weighted average that strengthens the inherent risk score's contribution to the residual risk score.

(6) Supervisors may possess relevant information suggesting that the inherent risk score or the quality of AML/CFT controls score of the obliged entity does not reflect the level of ML/TF risks to which it is exposed, including risks arising due to national specificities of their Member States. To address such cases, a mechanism should be introduced whereby supervisors should adjust the inherent risk score and the quality of AML/CFT controls score of the relevant obliged entities, based on duly justified considerations.

(7) To ensure that supervisors can identify which small obliged entities should be prioritised in AML/CFT supervision, the amount of information collected from small obliged entities should be reduced to what is necessary to obtain a view on the level of their inherent risk. Consequently, supervisors should deem the controls quality score of the small obliged entities to be equal to their inherent risk score unless they hold information from previous supervisory engagement that suggests a different level of quality of AML/CFT controls. At the same time, where there are indications of the elevated risk in a whole category of non-financial sector in a Member State, supervisors may require the full set of information from all obliged entities within that category, including small obliged entities.

(8) To ensure that supervisors obtain up-to-date risk profiles of the whole non-financial sector, they should conduct the assessment on all obliged entities registered or licensed pursuant to Article 4 of Directive (EU) 2024/1640 on a period covering at least one full calendar year prior to the date of the assessment. Subsequently, the inherent and residual risk profiles of the non-financial sector should be reviewed at least once per year. Where the obliged entity is exposed to a low level of risk that does not justify reviewing its inherent and residual risk profile every year, supervisors should be able to review such profile only once every three years, provided that no major event or development in the management and operations of the obliged entity concerned occurs during the three years preceding the assessment. Where such events or developments occur, supervisors should adjust the inherent and residual risk profile of the affected obliged entity to reflect their impact.

(9) Several categories of the non-financial sector have been introduced for the first time in the scope of the Union's anti-money laundering and countering the financing of terrorism ('AML/CFT') framework by the Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing[2]. To ensure that supervisors and the obliged entities concerned will have the necessary time to adjust to the framework established by the Regulation (EU) 2024/1624 and the Directive (EU) 2024/1640, this Regulation shall apply from 31 December 2028, except

[2] OJ L, 2024/1624, 19.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1624/oj.

in relation to obliged entities referred to in Article 3, points (3)(n) and (o), of the Regulation (EU) 2024/1624 to which it shall apply from 31 December 2029.

(10) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the Authority,

HAS ADOPTED THIS REGULATION:

Article 1

Definitions

For the purposes of this Regulation, in addition to the definitions set out in Article 2 of Regulation (EU) 2024/1624, Article 2 of Directive (EU) 2024/1640 and Article xx of Commission Delegated Regulation (EU) [yyyy/No], the following definition shall apply:

(1) ‘small obliged entity’ means an obliged entity operating in the non-financial sector that meets the following criteria simultaneously:

(a) the total number of full-time equivalent employees employed by the obliged entity is less than five;

(b) the total annual turnover or the corresponding type of income of the obliged entity is less than EUR 600 000 or the equivalent in national currency.

Article 2

Assessment and classification of the inherent risk profile of the non-financial sector

1. Supervisors shall assess and classify the inherent risk profile of each obliged entity under their supervision that fulfils the requirement pursuant to Article 4 of Directive (EU) 2024/1640 no later than during the year prior to the year that the assessment and classification takes place.

2. Supervisors shall carry out the assessment and classification of the inherent risk of each obliged entity on the basis of the specified risk indicators for the relevant category of obliged entity listed in Annex I.

3. Supervisors shall assess and classify the inherent risk profile of small obliged entities by applying, as a minimum, the reduced set of risk indicators for the relevant category, as set out in Annex I. Where the sectoral risk assessment pursuant to Article 8 of Directive (EU) 2024/1640 for a given category of obliged entities indicates a medium-high or high level of risk, supervisors may, at their discretion, conduct the assessment and classification of the inherent risk of all obliged entities within that category on the basis of the full set of risk indicators.

4. For the purposes of the assessment and classification referred to in paragraphs 1 and 2, supervisors shall apply the following steps in the following order:

(a) identify whether the obliged entity meets the criteria to be considered a small obliged entity according to Article 1, point (1) as at the end of the year prior to conducting the risk assessment;

(b) identify all the inherent risk indicators listed in Annex I that apply to the obliged entity having considered its nature and its size;

(c) allocate a score to each of those indicators, in accordance with paragraph 3;

(d) identify, where applicable, all the sub-categories of indicators referred to in Annex I, within the 'products and services' category, that apply to the obliged entity, and calculate a combined score for each of those sub-categories, in accordance with paragraph 6;

(e) calculate combined scores for all categories of indicators referred to in Annex I, in accordance with paragraph 5;

(f) calculate the inherent risk score of the obliged entity, in accordance with paragraph 6;

(g) where the inherent risk score does not adequately reflect the level of ML/TF risks to which the obliged entity is exposed, adjust the inherent risk score, in accordance with paragraph 7;

(h) classify the inherent risk profile of the obliged entity in accordance with paragraph 8.

5. Each score allocated to an inherent risk indicator shall be a numerical value without decimal places ranging from 1, that corresponds to the lowest level of risk, to 4, that corresponds to the highest level of risk. Supervisors shall establish the inherent risk indicators based on the indicators referred to in Annex I.

6. A sub-category shall apply only where at least one of its indicators applies to the obliged entity. Each combined score per sub-category shall be a numerical value with two decimal places ranging from 1, that corresponds to the lowest level of risk, to 4, that corresponds to the highest level of risk. Supervisors shall calculate, where applicable, each combined score per sub-category from the scores allocated to its inherent risk indicators, in accordance with paragraph 5. For that purpose, supervisors shall use a weighted arithmetic average method. The weight applied to each indicator shall be based on its risk significance. The weights shall be expressed as a numerical value without decimal places ranging from 1, that corresponds to the lowest level of risk significance, to 5, that corresponds to the highest level of risk significance.

7. Each combined score per category shall be a numerical value with two decimal places ranging from 1, that corresponds to the lowest level of risk, to 4, that corresponds to the highest level of risk. Supervisors shall calculate each combined score per category from the scores allocated to its inherent risk indicators, in accordance with paragraph 5. By way of derogation from the first subparagraph, where applicable, supervisors shall calculate the combined score of the 'products and services' category from the combined scores attributed to its sub-categories, in accordance with paragraph 6. For that purpose, supervisors shall use a weighted arithmetic average method. The weight applied to each indicator or sub-category shall be based on its risk significance. The weights shall be expressed as a numerical value without decimal places ranging from 1, that corresponds to the lowest level of risk significance, to 5, that corresponds to the highest level of risk significance.

8. The inherent risk score shall be a numerical value with two decimal places ranging from 1, that corresponds to the lowest level of risk, to 4, that corresponds to the highest level of risk. Supervisors shall calculate the inherent risk score from the combined scores per category determined in accordance with paragraph 7. For that purpose, supervisors shall use a weighted arithmetic average method. The weight applied to each category shall depend on the score it received. Categories that received a higher risk score shall have a greater weight than categories that received a lower risk score.

9. Where supervisors possess relevant information from either national specificities or any other circumstances identified in the course of their supervisory activities suggesting that the inherent risk score does not reflect the level of inherent ML/TF risks to which the obliged entity is exposed, they can adjust the inherent risk score. The adjusted score shall not lead to an increase or decrease by more than one level in accordance with paragraph 10. Where the risk is increased by one level, the adjusted score shall be set at the minimum value of the corresponding level. Where the risk is decreased by one level, the adjusted score shall be set at the maximum value of the corresponding level. Supervisors shall duly justify and document the adjustment.

10. The classification shall be based on the inherent risk score attributed to the obliged entity. Supervisors shall classify the inherent risk profile of the obliged entity in accordance with the following conversion rules:

Score < 1.75: Low risk (1)

1.75 ≤ Score < 2.5: Medium risk (2)

2.5 ≤ Score < 3.25: Substantial risk (3)

Score ≥ 3.25: High risk (4)

Article 3

Assessment and classification of the quality of AML/CFT controls put in place by the non-financial sector

1. Supervisors shall assess and classify the quality of the AML/CFT controls put in place by each obliged entity under their supervision that was registered or licensed no later than during the year prior the year that the assessment and classification take place.

2. Where an obliged entity meets the definition of small obliged entity according to Article 1, supervisors shall deem the controls quality score of the small obliged entity to be equal to its inherent risk score. Where supervisors possess relevant information on the quality of AML/CFT controls of the small obliged entity, they shall adjust the controls score in accordance with paragraph 5.

3. Each score allocated to an AML/CFT controls quality indicator shall be a numerical value without decimal places ranging from 1, that corresponds to the highest level of quality, to 4, that corresponds to the lowest level of quality. Supervisors shall establish the AML/CFT controls quality indicators based on the indicators referred to in Annex II.

4. Each combined score per category shall be a numerical value with two decimal places ranging from 1, that corresponds to the highest level of quality, to 4 that corresponds to the lowest level of quality. Each combined score per category shall be calculated from the scores allocated to its controls quality indicators, in accordance with paragraph 3. For that purpose, supervisors shall use a weighted arithmetic average method. The

weight applied to each indicator shall be based on its significance. The weights shall be expressed as a numerical value without decimal places ranging from 1, that corresponds to the lowest level of significance, to 5, that corresponds to the highest level of significance.

5. Where supervisors possess relevant information based on supervisory assessment or an external auditors' assessment suggesting that the AML/CFT controls quality score does not reflect the quality of the AML/CFT controls of the obliged entity, they can adjust the score. Supervisors shall duly justify and document each adjustment. For the purposes of this paragraph:

(a) a supervisory assessment shall mean any assessment of the effectiveness or compliance with AML/CFT legal requirements laid down in Union law, of an obliged entity's AML/CFT governance, procedures, systems and controls carried out by a supervisor within the course of its supervisory activities, including full scope or targeted on-site inspections, thematic off-site reviews and other off-site analyses;

(b) an external auditor's assessment shall mean any assessment of the effectiveness, or compliance with an obliged entity's AML/CFT governance, procedures, systems and controls carried out by external auditors.

6. The controls quality score shall be a numerical value with two decimal places ranging from 1, that corresponds to the highest level of quality, to 4, that corresponds to the lowest level of quality. Supervisors shall calculate the controls quality score from the combined scores per category determined in accordance with paragraphs 3 and 4. For that purpose, supervisors shall use a weighted arithmetic average method. The weight applied to each category shall depend on the score it received. Categories that received a higher score that corresponds to a lower level of quality shall have a greater weight than categories that received a lower score that corresponds to a higher level of quality.

7. The classification shall be based on the AML/CFT controls quality score attributed to the obliged entity in accordance with paragraph 6. Supervisors shall classify the obliged entity in accordance with the following conversion rules:

Score < 1.75: Very good quality of AML/CFT controls (A)

$1.75 \leq$ Score < 2.5: Good quality of AML/CFT controls (B)

$2.5 \leq$ Score < 3.25: Moderate quality of AML/CFT controls (C)

Score ≥ 3.25: Poor quality of AML/CFT controls (D)

Article 4

Assessment and classification of the residual risk profile of the non-financial sector

1. Supervisors shall assess and classify the residual risk profile of each obliged entity under their supervision that was registered or licensed no later than during the year prior to the year during which that assessment and classification takes place.

2. For the purposes of the assessment and classification referred to in paragraph 1, supervisors shall apply the following steps in the following order:

(a) determine the residual risk score of the obliged entity, based on the inherent risk score and the controls quality score attributed to the obliged entity, in accordance with Articles 2 and 3;

(b) apply the following rules to combine the inherent risk score and the controls quality score, in accordance with paragraph 1:

(i) where the controls quality score is greater than or equal to the inherent risk score, the residual risk score shall be equal to the inherent risk score;

(ii) where the controls quality score is lower than the inherent risk score, the residual risk score shall be equal to the weighted average of the inherent risk score and the controls quality score, favouring the inherent risk score;

(c) based on the residual risk score determined in accordance with paragraphs 1 and 2, classify the residual risk profile of the obliged entity, in accordance with the following conversion rules:

Score < 1.75: Low risk (1)

$1.75 \leq$ Score < 2.5: Medium risk (2)

$2.5 \leq$ Score < 3.25: Substantial risk (3)

Score ≥ 3.25: High risk (4)

Article 5

Frequency of the assessment and classification of inherent and residual risk profiles of the non-financial sector

1. Supervisors shall carry out the first assessment and classification of the inherent risk and residual risk profiles of the non-financial sector pursuant to Article 2, 3 and 4 by 31 December 2029, except for supervisors of obliged entities referred to in Article 3, points (3)(n) and (o), of the Regulation (EU) 2024/1624 that shall carry out the first assessment by 31 December 2030.

2. Supervisors shall carry out any subsequent assessment and classification of the inherent risk and residual risk profile of the non-financial sector pursuant to Article 2, 3 and 4 every year by 31 December of the year during which the assessment take place.

   By way of derogation from the first subparagraph, supervisors shall carry out the assessment and classification of the inherent risk and residual risk profile of an obliged entity pursuant to Article 2, 3 and 4, at least once every three years, where the residual risk profile of the obliged entity has already been assessed and classified in accordance with Article 4 at least once, and the latest result of the residual risk profile was classified as low-risk.

3. Where major events or developments in the management and operations of the non-financial sector occur, supervisors shall adjust the inherent risk profile or the AML/CFT controls quality score of the relevant obliged entity. Supervisors shall adjust the scores in accordance with Article 2 (9) and Article 3(5) no later than six months after they become aware of the major event or development.

4. For the purposes of paragraph 3, major events or developments in management and operations of the non-financial sector include, but are not limited to:

(a) significant changes in the business model, structure, nature or size of the obliged entity;

(b) the identification by supervisors of significant weaknesses in the entity's AML/CFT procedures, systems or controls.

Article 6

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

It shall apply from 31 December 2028, except in relation to obliged entities referred to in Article 3, points (3)(n) and (o), of the Regulation (EU) 2024/1624, to which it shall apply from 31 December 2029.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President
Ursula VON DER LEYEN

5 Accompanying documents

5.1 Draft cost-benefit analysis and impact assessment

As per Article 49(1) of Regulation (EU) 2024/1620, before submitting draft regulatory technical standards (RTS) to the European Commission, AMLA shall conduct open public consultations and analyse the potential related costs and benefits.

This draft impact assessment and cost-benefit analysis examine the policy options presented in the consultation paper on the draft RTS under Article 40(2) of Directive (EU) 2024/1640.

It considers expert views from national supervisors, the European Commission, and feedback received from representatives of the private sector who participated in a round table that AMLA hosted on 4 May 2026. It also draws on statistical estimates available at EU level.

In parallel, while the public consultation is underway, AMLA will continue to assess the clarity, plausibility and availability of the proposed data points. AMLA may review the cost-benefit analysis should insights gained during this exercise suggest that this is warranted.

5.1.1 BACKGROUND AND CONTEXT

Article 40(2) of Directive (EU) 2024/1640 requires AMLA to develop regulatory technical standards that define the methodology for assessing and classifying the inherent and residual risk profile of obliged entities in both the financial and non-financial sector.

The purpose of this mandate is to support national supervisors to apply a risk-based approach to supervision whereby supervisory efforts and resources are directed towards higher-risk obliged entities.

5.1.2 PROBLEM IDENTIFICATION

An effective risk-based supervisory framework relies on robust entity-level risk assessments. Given the EU single market, it is important that every obliged entity is evaluated using common criteria, yielding consistent outcomes, no matter where it operates. Without such convergence, divergent interpretations and supervisory practices may create loopholes, which criminals could exploit to launder illicit funds, add unnecessary burdens particular for entities operating cross-national and undermine the effectiveness of the EU AML/CFT framework.

To address this challenge, the Directive (EU) 2024/1640 introduces provisions to develop directly applicable technical standards for a harmonised supervisory methodology for assessing entity level AML/CFT risks. With this methodology, obliged entities will be subject to the same risk assessment standards ensuring comparable outcomes across the EU. Despite being grouped under the umbrella of the non-financial sector, sub-sectors differ significantly in operations, legal frameworks, and regulatory maturity. This heterogeneity adds complexity to AMLA's harmonisation efforts, carefully balancing sector specificities with ensuring a cohesive EU-wide approach.

5.1.3 POLICY OBJECTIVES

The core goal of this mandate is to develop a proportionate, harmonised and consistently applied risk assessment methodology for all non-financial sector entities that reliably informs supervisors' risk-based allocation of supervisory resources.

Once applied, this will lead to a stronger more cohesive EU defence against money laundering and financing of terrorism.

Therefore, this draft RTS introduces a harmonised framework for assessing the inherent and residual risk of each non-financial sector obliged entity, based on a common set of sector-specific data points, a shared understanding of data requirements, and a common architecture and calculation logic of the methodology.

To accommodate the diverse population of obliged entities, the draft RTS also outlines, when a separate reporting regime may apply, such as for small or low risk entities, to ensure proportionality, while maintaining effectiveness.

The data collected at entity level by national supervisors will also inform AMLA's oversight work in the non-financial sector and AMLA's understanding of risks and vulnerabilities across the Union. Through the execution of its oversight powers, AMLA will ensure a harmonised implementation of the methodology across all jurisdictions.

Overall, the draft RTS sets out technical standards specifying how Member States should apply their obligations established by Directive (EU) 2024/1640 without imposing undue burdens. It strikes a careful balance, between providing detailed technical standards, upholding the principle of proportionality and ensuring effective ML/TF prevention while minimising unnecessary regulatory strain on the private sector.

5.1.4 BASELINE SCENARIO

Under the baseline scenario, supervisory authorities would be required to apply risk-based supervision as outlined in Chapter IV of Directive (EU) 2024/1640. The Directive establishes the assessment parameters, in particular the focus on entity level, emphasising the obliged entities' risks regarding customers, products and services, as well as the assessment of both inherent and residual risk. Without clear standards how to perform the necessary entity-level risk assessment, the lack of clarity would perpetuate divergent supervisory approaches, creating gaps in the EU's AML/CFT defences. It would also maintain unnecessary regulatory burden on obliged entities that operate across borders.

Moreover, the absence of agreed simplification and proportionality criteria could augment divergence and contribute to an uneven landscape, easily exploited by criminals, as simplifications granted by one national supervisor have implications across the internal market.

5.1.5 OPTIONS CONSIDERED, COST-BENEFIT ANALYSIS, PREFERRED OPTIONS

This section outlines the main policy options considered during the development of the policy mandate, along with AMLA's rationale for selecting the preferred approach. The key policy options were assessed by reference to their expected costs and benefits, including their implications for supervisory convergence, proportionality, operational feasibility and burden reduction.

It should be noted that this impact assessment does not quantitatively assess the costs arising directly from the implementation of the Directive's requirements such as identifying each obliged entity to ensure a risk assessment at entity level.

5.1.5.1 Overarching principles

In line with the objectives set out in the overall AML/CFT 2024 package, the draft RTS aims to harmonise supervisory practices across the EU and to strengthen the EU's defense against money laundering and terrorist financing.

To achieve this goal the following core principles guided the design of the risk assessment methodology.

In designing the risk assessment methodology AMLA sought to preserve and promote the risk-based approach, to allow for the allocation of scarce supervisory resources, where they are most needed and effective.

The policy decisions adhere to the principle of simplification. Taking into account the heterogeneity of the non-financial sector, AMLA defined standards that are suitable and necessary to achieve the desired outcomes, and do not impose additional burden on the obliged entities that is excessive in relation to the objective pursued. Focusing on the burden reduction for small businesses, obligations for this group have been reduced and simplified considering their reporting capacity.

In addition, AMLA placed a particular focus on proportionality. Obligations have been tailored to each sector, adapting to respective business models and terminology thus increasing clarity and reducing complexity for individual sectors.

The principle of technological neutrality was also respected. The standards were designed to remain accessible for entities relying on manual data collection systems, ensuring no sector and entity is disadvantaged by technological requirements.

5.1.5.2 General considerations

To address the diverse and complex nature of the non-financial sector, AMLA has evaluated multiple scenarios focusing on proportionality, burden reduction and simplification, to design a harmonised EU-wide risk assessment approach, accounting for different maturity levels, business models, entity sizes etc.:

Entity-level vs. sector-level risk assessments: Given the expected logistical and administrative challenges for supervisors to administer annual questionnaires to a very large population of obliged entities, AMLA explored whether the risk assessments could be conducted at sectoral level, rather than at entity level. However, a legal interpretation of Article 40(2) of Directive (EU) 2024/1640 confirmed that the methodology must support the assessment and classification of the ML/TF risk profile of individual obliged entities. Sector-level analysis may nonetheless be used as a complementary tool for calibration, contextualisation and supervisory planning, but it cannot replace the entity-level assessment required under Article 40(2).

Leveraging secondary data to reduce reporting burden: AMLA considered whether pre-existing readily available national administrative data could be used as the primary basis to populate the risk assessment methodology, thereby reducing the reporting burden on obliged entities and supervisors. However, a preliminary analysis conducted on a sample of Member States revealed that routinely collected administrative data differed significantly across jurisdictions. Moreover, much of the data accessible for national supervisors was not sufficiently indicative of ML/TF risk or was not at entity level. Importantly, even in cases where some administrative bodies in the Member States have relevant data at their disposal, the supervisory bodies reported significant technical, operational and legal barriers to automatically retrieve and merge that administrative data to their data systems. As a result, this option was deemed unsuitable as the primary basis for a harmonised EU-wide risk assessment methodology at this stage.

Simplification for newly obliged sectors: Recognising the varying levels of AML/CFT maturity, particularly among recently added categories of obliged entities, AMLA weighted the introduction of a tiered simplification regimes based on experience and maturity. Under this approach, first-time entities would face lighter assessment requirements. This option was not retained, as the fact that an entity or sector is newly subject to AML/CFT obligations does not, in itself, imply a lower level of ML/TF risk exposure. Nor can it be assumed that newly obliged entities are necessarily unable to provide the data required for an entity-level risk assessment. Introducing a simplified regime solely on the basis of recently added status could therefore undermine the risk-based nature of the methodology and reduce comparability across sectors and Member States. At the same time, AMLA recognises that recently added categories of obliged entities may face specific implementation challenges due to different levels of AML/CFT maturity and supervisory capacity. These considerations have been addressed through the application timeline and supporting implementation measures, rather than through a reduction of the substantive requirements of the methodology. In particular, to allow supervisors and obliged entities to adapt to the new framework, the application date for the draft RTS has been postponed to December 2028, with the exception of supervisors overseeing professional football clubs and agents, for whom the application of the draft RTS is extended to 31 December 2029.

Phased implementation approach: AMLA is continuing to examine the feasibility of additional transitional measures to support the initial implementation of the methodology, particularly for small entities with immature AML/CFT frameworks and limited reporting capacity.

In this context, AMLA is considering introducing additional transitional arrangements for small entities. AMLA is seeking input as part of this public consultation on potential mechanisms for transitional arrangements that will address the operational challenges faced by some small entities in reporting the datapoints set out in the risk assessment methodology.

Addition of a new risk category: Contrary to the financial sector risk assessment methodology, AMLA had to consider how to adequately reflect ML/TF risk that emanate from the structural characteristics of the obliged entity itself. After assessing the consistency with the Level 1 framework, AMLA concluded that it was appropriate to introduce a new risk category related to the obliged entity itself. This category is intended to adequately capture risks associated with the inherent features of the entity, such as beneficial owners resident, or undertakings located in high-risk third countries, as well as links to politically exposed persons.

Operational bottleneck – entity identification: A primary obstacle to effectively operationalise the risk assessment methodology is the comprehensive identification of all non-financial sector obliged entities. This prerequisite is linked to Article 4 of Directive (EU) 2024/1640, which requires Member States to ensure minimum registration requirements for obliged entities that are not yet licensed or registered under other Union legal acts or national rules, by July 2027. To ease the compliance burden, AMLA considered an application date set one year after mandatory registration of all obliged entities, a timeline deemed proportionate and justified.

Frequency of assessment: The review frequency is a key design choice, as the review cycle has direct implications for the timely identification of evolving risks, the effectiveness of AML/CFT supervision, and the compliance and supervisory costs generated by the framework. Under the methodology, the assessment should in principle be carried out annually. However, considering a risk-based and proportionate approach, AMLA decided to apply a reduced review frequency of at least once every three years to entities whose residual risk profile has previously been assessed and classified as low risk. Thus, establishing the ML/TF risk assessment as the sole criteria, rather than combining it with additional size- or activity-based conditions. This approach was considered appropriate in light of the diversity of the non-financial sector, as it preserves a clear risk-based logic.

The above elaborations reflect critical debates in developing a harmonised EU-wide risk assessment framework for the non-financial sector. Other more complex policy decisions warranting further elaboration are assessed in greater detail below.

5.1.5.3 Policy issue 1: Degree of alignment with the financial-sector methodology

AMLA is delivering the mandate under Article 40(2) AMLD through a phased approach, under which two separate draft RTSs - one for the financial sector and one for the non-financial sector - will be issued. In December 2025, AMLA published the draft RTS on the methodology for assessing and classifying the inherent and residual risk profile of obliged entities in the financial sector.

The first policy choice for AMLA in developing the non-financial-sector methodology therefore concerned the degree of alignment with the financial-sector methodology already published. This question is particularly relevant because AMLA presented the financial-sector methodology as the basis for a common understanding of risks and more consistent supervision across the Union, while at the same time recognising the structural diversity of the non-financial sector.

Based on analysis and survey evidence gathered, the non-financial sector differs materially from the financial sector in ways that are relevant for methodology design. In particular, the sector is characterised by a very large and heterogeneous population of obliged entities, the prevalence of small and micro-businesses, uneven levels of AML/CFT maturity, and more limited supervisory capacity in some parts of the sector. These features point to the need to balance convergence with proportionality and operational feasibility.

In that context, AMLA considered the following options:

Option A: Full alignment with the financial-sector risk assessment methodology

Under Option A, AMLA would replicate the financial-sector methodology for the non-financial sector as closely as possible, including the overall architecture of the model, the treatment of inherent and residual risk, the role of AML/CFT controls, the use of supervisory adjustments and the review frequency, subject only to replacing financial-sector data points with data points relevant to the non-financial-sector.

Benefits

- This option would maximise methodological consistency across sectors and would be most closely aligned with the harmonisation objective underlying Article 40(2) AMLD.
- It would support greater legal clarity by anchoring both sectors in one common methodological framework for the assessment of the inherent and residual risk profiles of obliged entities and one common supervisory logic.

Costs

- This option would insufficiently reflect the structural and operational specificities of the non-financial sector. In particular, it would risk imposing a methodology designed around the relative data availability, AML/CFT maturity and supervisory infrastructure of the financial sector onto a sector characterised by a much more

fragmented population, often composed of smaller entities with limited AML/CFT capabilities, and a supervisory capacity that is still developing. The greater clarity from a legal perspective would be compromised by application challenges due to terminology ambiguities.
- It would likely create disproportionate compliance and reporting burdens for smaller obliged entities that are less regulated than their financial sector counterparts, by disregarding their reporting capabilities and thus increasing implementation difficulties for supervisors.
- In practice, this could reduce the effectiveness of the methodology by creating a framework that is formally harmonised, but difficult to apply in a proportionate and workable manner in the non-financial sector. It may also increase the risk that the methodology relies on information that is not readily available, not sufficiently reliable or too resource-intensive to collect across large parts of the sector.

Assessment: while Option A would maximise formal alignment with the financial-sector methodology and thus support the convergence of risk assessment across all entities and jurisdictions, it would not sufficiently account for the structural characteristics and operational realities of the non-financial sector needed to ensure effective compliance. On balance, the benefits in terms of consistency and legal clarity would be outweighed by disproportionate implementation costs and reduced practical usability.

This assessment was further supported through AMLA's early engagements with sector experts nominated by the respective national competent authorities. The sector specific discussions evolved around key risks per business models and how they could be reflected in potential data points. The deliberations highlighted the challenge of transposing the financial sector risk assessment methodology to the non-financial sector. These exchanges consistently highlighted the need for greater flexibility to adequately reflect the structural specificities of the non-financial sector.

Option B: Need-based adjustment of the financial sector approach to ensure an effective risk-based methodology

Under Option B, AMLA would develop a tailored methodology for the non-financial sector, prioritising applicability and practicability, and maintaining the flexibility to depart from the financial-sector approach where necessary. The guiding principle would be to align with the financial sector methodology only where feasible without compromising proportionality and simplification for obliged entities. This could include a distinct conceptual structure for the model, an alternative treatment of AML/CFT controls and supervisory adjustments, and a more tailored proportionality and simplification framework throughout.

Benefits

- This option would offer the greatest flexibility to tailor the methodology to the specificities of the non-financial sector and would better accommodate the diversity of entity size, business model, reporting capacities and supervisory structures of the sector, thereby improving the operational applicability and overall effectiveness of the framework.

- It provides a broad scope to adjust individual methodological components directly to the needs of the various sectors, without being limited by a model originally developed for the financial sector. Only with this level of independence can the principle of proportionality and simplification be adequately applied as these concepts are intrinsically linked to the characteristic of the obliged entity.

Costs

- This option would reduce the degree of immediate alignment with the financial-sector methodology and may further limit full comparability of outcomes across the non-financial sectors in the short term.
- It would reduce legal clarity and transparency by creating two tailored but structurally coherent methodologies under the same legal mandate. It would further increase the complexity of the regulatory framework, and the risk of fragmented supervisory practices over time.
- It would also impose higher design, implementation and maintenance costs on AMLA, as two fully separate methodological frameworks would need to be developed, explained, maintained and updated.

Assessment: Option B prioritises flexibility and customisation to build a fit-for-purpose model for the non-financial sector. This approach allows to address the complexity of the non-financial sector by designing a methodology, in a first foundational step, that is sufficiently simple and proportionate to apply to all obliged entities - regardless of their size, nature or business model. This approach should considerably reduce the compliance burden for small entities and thus achieve a common framework for the entire non-financial sector while acknowledging its significant diversity. To mitigate the risk of fragmentation, the methodology will retain common core concepts, a comparable treatment of inherent and residual risk, and consistent documentation and review requirements.

Though option B accepts divergence from the financial sector, it will ensure practical usability and ease of application for obliged entities in the non-financial sector; building a strong foundation of compliance, on which to build possible future convergence.

Preferred option

Option B was selected as the preferred option.

This option aligns with AMLA's broader objective of developing a common supervisory risk assessment methodology applicable to the entire target population, with due consideration to proportionality, simplification and operational feasibility. Option B offers greater flexibility beyond the options available under the financial sector methodology.

Nevertheless, where practical and beneficial it retains the core methodological principles of the financial-sector risk assessment methodology.

On balance, this option represents the most effective means to reconcile the structural diversity of the non-financial sector and the operational constraints as reported in the 2025 supervisory survey, with the overarching goal of harmonisation. It is therefore expected to generate the greatest net benefit for both supervisors and obliged entities.

5.1.5.4 Policy issue 2: Definition of the data points underpinning the assessment and classification of inherent risk

A further policy issue concerned the definition of the data points to be used for the assessment and classification of the inherent risk profiles of non-financial-sector obliged entities.

Under Article 40(2) AMLD, the methodology is expected to support a common and sufficiently harmonised approach to the assessment of entity-level ML/TF risks across the Union. At the same time, the non-financial sector is characterised by a high degree of heterogeneity in terms of business models, sectoral exposure, customer base, products and services offered, distribution channels and geographic footprint. This raised the question of whether the same set of data points should apply across all non-financial sub-sectors, or whether different sets of data points should be defined for different sub-sectors.

This policy choice is closely linked to proportionality. A data point that is highly informative for one sub-sector may be of limited relevance, or even not operationally meaningful, in another. Requiring all entities to report against a single harmonised set of data points could therefore reduce the representativeness of the methodology and impose unnecessary burden on sectors for which certain data points have limited supervisory value. Conversely, a more tailored approach may better reflect the actual risk drivers of different sub-sectors but may also reduce uniformity and increase the complexity of the framework.

In that context, AMLA considered the following options:

Option A: A harmonised set of inherent risk data points applicable across non-financial sub-sectors

Under Option A, AMLA would define one common set of inherent risk data points applicable across non-financial sub-sectors. The data points would cover the main categories of ML/TF risk drivers, including customers, products and services, geographies and distribution channels, and would be used across the full non-financial-sector population.

Benefits

- A common harmonised set of data points would maximise formal consistency across non-financial sub-sectors and support a high degree of standardisation in the application of the methodology. It would simplify the regulatory framework by requiring supervisors and obliged entities to work with one common structure, thereby supporting legal clarity, communication and implementation. It could also facilitate the development of common guidance, and may strengthen comparability of outcomes across sub-sectors.
- From an operational perspective, this option would also reduce the complexity associated with developing and maintaining multiple data point lists. It may therefore be seen as advantageous from the perspective of administrative simplicity and long-term maintenance of the framework.

Costs

- At the same time, a fully harmonised set of data points would insufficiently reflect the diversity of the non-financial sector. Given the differences in business models and sector-specific risk drivers, some data points would likely be less meaningful or less informative in certain sub-sectors, while other relevant risk indicators might not be adequately captured. As a result, the methodology could become less risk-sensitive and less representative of the actual ML/TF exposure of entities in different sub-sectors.
- This option could also raise proportionality concerns. Requiring all non-financial-sector entities to report against the same data point set may impose unnecessary reporting obligations in sectors where certain data points have limited relevance or supervisory value. This could negatively affect the quality and reliability of the data collected and may reduce the effectiveness of the framework by prioritising uniformity over meaningful sectoral tailoring.
- In addition, this approach could create a risk of formal rather than substantive comparability. While the same data points would be collected across sub-sectors, the information may not be equally meaningful in all cases, potentially weakening the supervisory value of the resulting risk classifications.

Assessment: Option A would maximise standardisation and ease of implementation, but at the cost of reduced risk sensitivity and proportionality. In light of the significant diversity of the non-financial sector, a single harmonised set of data points was considered unlikely to provide a sufficiently meaningful basis for risk assessment across all sub-sectors.

Option B: Sub-sector-specific sets of inherent risk data points

Under Option B, AMLA would define sub-sector-specific sets of inherent risk data points, while preserving a common methodological architecture across the non-financial sector. This approach would start from a limited common set of data points and tailor the data points used to populate the main inherent risk categories — including entity structure, customers, products and services, geographies and distribution channels — to the characteristics and risk drivers of each relevant sub-sector.

Benefits

- This option would allow the methodology to better reflect the actual structure, business models and risk drivers of different non-financial sub-sectors. By selecting data points that are more meaningful and informative in each case, it would improve the risk sensitivity and overall effectiveness of the framework. It would also strengthen the quality of the data collected by avoiding the inclusion of data points that are not operationally relevant or not readily available in certain sectors. This is particularly important in a sector characterised by significant differences in size, maturity and reporting capacity.
- Importantly, this option also better reflects proportionality. The sector-specific approach does not merely tailor the methodology for the sake of differentiation; rather, it ensures that the reporting obligations imposed on entities are proportionate to the characteristics of the sector concerned. In that sense, each data point list is calibrated to what is meaningful and justified for the sub-sector concerned, thereby reducing unnecessary burden and improving operational feasibility for both obliged entities and supervisors.
- At the same time, the preservation of a common methodological architecture would maintain an appropriate degree of harmonisation across the non-financial sector, ensuring that sectoral tailoring does not result in a fragmented framework.

Costs

- A sector-specific approach would increase the complexity of the regulatory framework compared with a single harmonised set of data points. It would require the development, calibration and maintenance of multiple datapoint sets and and may require additional guidance to support consistent implementation. This complexity may be particularly relevant for obliged entities operating across more than one non-financial sub-sector, as they may need to report against more than one set of sector-specific data points.
- In addition, a more tailored framework may require greater initial effort from AMLA in terms of evidence gathering, stakeholder consultation and methodological calibration. However, this added complexity was considered inherent in the objective of ensuring that the methodology remains meaningful and proportionate across a highly heterogeneous sector.

Assessment: Option B was considered to provide the best balance between harmonisation, effectiveness and proportionality. While it reduces full uniformity in the data points used across sub-sectors, it preserves a common methodological logic while ensuring that the datapoints themselves are sufficiently relevant, proportionate and operationally meaningful in each case. This was considered particularly important in light of the diversity of the non-financial sector and the need to avoid unnecessary reporting burdens.

Preferred option

Option B was selected as the preferred option.

This option was considered to provide the most appropriate balance between methodological consistency, effectiveness and proportionality. While a fully harmonised set of data points for inherent risk would offer greater uniformity, it would not sufficiently address the diversity of business models and sector-specific ML/TF risk drivers characterising the non-financial sector.

By contrast, the sector-specific approach allows AMLA to tailor the data points to the characteristics, risk drivers and operational realities of the relevant sub-sector, thereby improving both the relevance of the information collected and the overall risk sensitivity of the framework. The preferred option was also considered more proportionate from a reporting perspective, as it limits the collection of data points that may have limited relevance, availability or operational value in certain sectors.

Although Option B introduces greater methodological and operational complexity compared with a single harmonised data point list, this complexity was considered justified in light of the gains in relevance, data quality, proportionality and effectiveness.

5.1.5.5 Policy issue 3 Criteria for determining eligibility for a separate reporting regime for small entities

A further policy issue concerned how the non-financial-sector methodology should reflect differences in the reporting capacity of obliged entities while preserving legal clarity and sufficient risk sensitivity.

As already mentioned, survey evidence and stakeholder feedback collected in 2025 indicated that the non-financial sector is characterised by a particularly high prevalence of small and micro entities, including sole practitioners and one-person businesses. In many cases, these entities have limited administrative and compliance capacity. Applying the full sector-specific lists of data points to all entities, irrespective of size and capacity, would therefore risk creating disproportionate reporting burdens and could undermine the operational feasibility of the methodology.

Against that background, AMLA considered introducing a separate reporting regime for small entities. Under such a regime, entities identified as “small” would be assessed on the basis of a reduced list of data points, while all other entities would remain subject to the regular, more extensive sector-specific reporting framework. Depending on the sector concerned, the reduced list would generally contain between 10 and 25 data points and would include only those data points considered most critical for a meaningful assessment of ML/TF risk. This would reduce reporting obligations where the burden of a full data collection would be disproportionate.

At the same time, AMLA considered it important that the reduced reporting framework should continue to provide supervisors with sufficient information to support a meaningful differentiation of ML/TF risk within the population of entities classified as small, thereby preserving the risk-based nature of the methodology and effectively informing the prioritisation of supervisory attention where appropriate.

AMLA also considered that supervisors should retain the possibility, on the basis of aggregate sector-specific risk assessments, to require the application of the regular, more extensive reporting framework to all entities within a given sector where justified by the ML/TF risk exposure associated with that sector. This safeguard was considered necessary to ensure that the methodology remains risk-based and sufficiently adaptable to sectoral circumstances.

The key policy question therefore concerned the criteria to be used for identifying those entities for which a separate reporting regime would be justified. In particular, AMLA assessed which metric or combination of metrics, would best capture an entity's actual reporting capacity while remaining objective, readily available, operationally feasible and sufficiently resistant to manipulation.

In that context, AMLA considered the following options:

Option A: Number of full-time equivalent employees (FTEs)

Under Option A, the application of the separate reporting regime would be determined solely by reference to the number of full-time equivalent employees. Entities below the relevant FTE threshold would be assessed using the reduced list of data points, while all other entities would be subject to the regular, more extensive sector-specific lists.

Benefits

- This option would provide a simple and easily understandable separate reporting regime based on a single objective indicator.
- FTE constitutes a direct indicator of the human resources available to an entity and therefore of its likely reporting capacity. In practice, FTE data are generally readily available, relatively stable over time and comparatively easy to verify, thereby supporting legal clarity, administrative efficiency and ease of implementation.

Costs

- Reliance on FTE alone would not sufficiently capture cases where entities have limited staffing levels but nonetheless generate significant business volumes or present elevated ML/TF exposure. As a result, some entities could benefit from simplified treatment despite the existence of supervisory reasons justifying a more granular assessment from a risk-based perspective.
- Staffing structures may also differ significantly across sectors and business models, including through outsourcing arrangements or the extensive use of external service providers. This may reduce the consistency and representativeness of FTE as a standalone criterion across the non-financial sector.

- A single-factor threshold may also create incentives to artificially reduce reported staffing levels or reorganise operational arrangements in order to remain below the threshold without necessarily reflecting a genuinely lower reporting burden.

Assessment: Option A performs well in terms of simplicity, ready availability of information and ease of implementation. However, it was considered insufficiently robust as a sole criterion, as staffing levels alone do not necessarily provide a sufficiently reliable indication of the overall scale, complexity or ML/TF exposure of an entity's activities.

Option B: Annual turnover

Under Option B, the eligibility for the separate reporting regime would be determined solely by reference to the total annual turnover of the entity. Entities below the relevant turnover threshold would be assessed using the reduced list of data points, while all other entities would remain subject to the regular, more extensive reporting framework.

Benefits

- This option may provide a useful indication of the scale of an entity's business activity and could therefore help identify entities whose operational significance or potential ML/TF exposure is greater than their internal staffing levels alone would suggest.
- Compared with an approach based exclusively on FTE, a turnover-based criterion would preserve a stronger connection with the economic scale of the business and reduce the likelihood that entities with low staffing but unusually large business volumes benefit automatically from the separate reporting regime.

Costs

- Turnover is not, in itself, a direct proxy for reporting capacity and may therefore be less representative of the administrative resources actually available to the entity for compliance purposes.
- In addition, in the non-financial sector, turnover may vary considerably across sub-sectors and business models, with the same amount implying very different operational realities depending on the activity concerned.
- It may also fluctuate significantly over time, thereby reducing stability and predictability in the application of the regime.
- In addition, a turnover-only approach could create incentives for entities to structure or report activities in manner aimed at remaining below the applicable threshold.

Assessment: Option B performs better than Option A in capturing business scale and possible ML/TF exposure, but it was considered less representative of actual reporting capacity. On balance, turnover alone was not regarded as an appropriate standalone basis for determining eligibility for the separate reporting regime.

Option C: Number of customers

Under Option C, the eligibility for the separate reporting regime would be determined solely by reference to the number of customers or clients served by the entity.

Benefits

- This option could, at first sight, appear relevant as the number of customers may provide an indication of the scale of an entity's business activity and, in some cases, of its potential exposure to ML/TF risk exposure.
- A high number of customers may suggest a broader business footprint, a larger operational set-up and a greater volume of AML/CFT-relevant interactions, thereby indicating a greater likelihood that the entity possesses sufficient administrative capacity to comply with a more extensive reporting framework.

Costs

- In practice, however, the concept of "customer" is not equally meaningful or comparable across all non-financial sectors. In some sectors, customer relationships are continuous and well-defined, whereas in others they are more occasional or transaction-based, making harmonised application difficult.
- Moreover, the number of customers does not necessarily reflect the complexity, value or risk profile of the underlying activities. An entity with a relatively small customer base may still engage in high-value or high-risk business, while another with a larger customer base may operate through lower-value or highly standardised activities. As a result, using customer numbers as the sole criterion would weaken legal predictability and could require sector-specific interpretations, thereby increasing the complexity of the regulatory framework and reducing comparability across sectors.
- It could also create incentives for to reinterpret or structure customer relationships in a manner facilitating eligibility for the separate reporting regime.

Assessment: Although the number of customers may in some cases provide a useful indication of business scale and operational capacity, the criterion was considered sector-dependent and insufficiently harmonised to serve as a reliable basis for the separate reporting regime across the non-financial sector.

Preferred option

AMLA selected a dual-threshold approach combining the number of full-time equivalent employees and annual turnover as the preferred basis for identifying small entities.

This approach was considered to provide the best balance between proportionality, legal clarity, operational feasibility and risk sensitivity. FTE was retained as the primary indicator of reporting capacity, as it constitutes the most direct and widely available measure of an entity's administrative resources. However, AMLA considered that relying on FTE alone would not sufficiently capture cases where entities have very limited staffing but nonetheless generate unusually high business volumes. The addition of a turnover threshold was therefore considered necessary to strengthen the robustness of the framework and reduce the risk that entities with more significant business scale or ML/TF exposure automatically benefit from a simplified treatment.

In addition, AMLA ensured that the reduced set of data points applicable to entities qualifying as small remains sufficiently informative to allow supervisors to identify comparatively higher-risk entities within that population and support the prioritisation of supervisory attention where appropriate.

Under the preferred approach, an obliged entity is considered small only where both of the following conditions are met:

- the total number of FTEs employees employed by the entity is less than five; and
- the total annual turnover generated by the entity is less than EUR 600,000 or the equivalent in national currency.

The cumulative application of both criteria was considered particularly important in order to reduce the risk of misclassification that could arise where entities display low staffing levels but comparatively significant economic activity, or vice versa.

The FTE threshold was selected on the basis that entities employing fewer than five persons are most likely to face genuine capacity constraints in responding to an extensive reporting framework. The turnover threshold was introduced as a complementary safeguard and was informed by data-driven considerations based on Eurostat Structural Business Statistics, with particular regard to sectors characterised by a high prevalence of sole practitioners and micro-businesses.

More specifically, the EUR 600,000 threshold broadly reflects a level above the average turnover associated with entities of that size in the most relevant benchmark sector, thereby ensuring that entities with low staffing but comparatively significant economic activity are not automatically treated as small. During discussions[3] with members from European Associations representing various non-financial sectors, requests to increase the turnover threshold beyond EUR 600,000 were raised. However, preliminary statistical analysis, as elaborated below, did not support the introduction of a higher threshold.

Although the use of two cumulative thresholds introduces some additional complexity compared with a single-factor approach, this was considered marginal and justified in light of the resulting gains in methodological robustness and supervisory effectiveness. On balance, the preferred option is expected to generate the highest net benefit by reducing unnecessary reporting burden for the smallest entities while preserving sufficient legal clarity, comparability and risk sensitivity across the non-financial sector.

Expected impact of the separate reporting regime for selected sectors

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3 Roundtable discussion with representatives from European Associations of non-financial sectors, 04 May, 2026, online

When designing the separate reporting regime, AMLA conducted an ex-ante impact assessment of the effectiveness for reducing the reporting burden for selected entities.

The primary measure for the extent of burden reduction is given by the number of entities that fall under the separate reporting regime. Due to a common set of thresholds for all sectors across all Member States, the relative share of entities eligible for the simplified regime will vary greatly across sectors and jurisdictions, reflecting inherent differences in the business activities and underlying economies.

To assess the impact ex-ante, AMLA has conducted a preliminary statistical analysis of the expected extent the separate reporting regime will have on selected sectors using readily available data from Eurostat. To note, this statistical exercise is subject to considerable limitations, particular given the strong incongruence between the non-financial sector categories as defined by Article 3(3) of Regulation (EU) 2024/1624 (AMLR) and the available classifiers of Eurostat data. Therefore, this analysis includes findings only for selected sectors affected by the draft RTS.

AMLA assessed the following elements:

Assessing the consistency between the AMLR non-financial sector categories and Eurostat's industry classifications based on NACE codes[4]: For some of AMLR non-financial sectors, Eurostat provides a data set comparable (to varying degrees of overlap) to the given non-financial sectors. The overlap is assessed as acceptable for further analysis for the following non-financial sectors: Auditors, accountants, tax advisors; real estate agents; and gambling; as well as for other sectors, where Eurostat data provides a partial overlap, namely notaries, football agents, and crowdfunding. Other sectors have no or only extremely limited overlap between AMLR non-financial sector categories and Eurostat industry classifications.

Estimating the expected number of entities with less than 5 FTE in those sectors with available NACE data equivalent: The analysis draws on Eurostat's Structural Business Statistics (SBS), in particular the "Enterprise statistics by size class and NACE activity". For the sectors with a high degree of overlap between industry classifiers, AMLA estimates the share of entities with less than 5 FTE, to be at least 64% for the gambling sector, 81% for auditors, accountants, and tax advisors, and 83% for real estate agents.

These estimates are considered to be conservative. The true share with less than 5 FTE will likely be higher, due to the underlying assumptions. In particular, AMLA assumes that the number of entities within the scope of 2-9 persons employed is uniformly distributed, although the distribution may be skewed towards the lower end. Moreover, due to a lack of data, AMLA assumes that one 'person employed' corresponds to one FTE, although this is most likely not the case, since a certain share of the workforce will only work part-time.

4 Statistical Classification of Economic Activities in the European Community

Table: Application of 5FTE and Turnover criteria

AMLR sector category	Closest NACE category	Share with less than 5 FTE	Expected share eligible for separate reporting regime considering turnover
Satisfactory overlap of AMLR non-financial sector category - Eurostat			
Auditors, Accountants, Tax advisors	M692 "Accounting, bookkeeping and auditing activities; tax consultancy"	81%	73%
Real estate agents	L683 "Real estate activities on a fee or contract basis"	83%	n/a
Gambling	R92 "Gambling and betting activities"	64%	29%
Partial overlap of AMLR non-financial sector category - Eurostat			
Notaries	M691 "Legal activities"	88%	66%
Football Agents	R931 "Sports activities"	83%	n/a
Crowdfunding	K66 "Activities auxiliary to financial services and insurance activities"	54%	40%

Sources: AMLA estimates based on Eurostat's Structural Business Statistics (SBS). The first three sectors exhibit an acceptable degree of overlap between non-financial sector sectors and NACE category, for the last three sectors this overlap is only partly given. In case of missing data, "n/a" is specified.

In a further step, AMLA examines the turnover threshold and estimates how many entities falling under 5 FTE simultaneously have a turnover of more than EUR 600,000 and will therefore be excluded from the separate reporting regime. According to estimates, the number of entities under the separate reporting regime will be reduced to 30% in the gambling sector and to 73% in the auditors, accountants and tax advisors sector. Further available estimates on the resulting share of entities falling under the separate reporting regime include 65% of estimates for notaries and 40% of entities for crowdfunding. However, these estimates concerning the added effects of turnover are based on extremely limited data and relatively strong assumptions.

The primary source for these extrapolations concerning turnover draws on the "turnover per person employed" statistic within the previously mentioned SBS dataset from Eurostat and approximates the turnover per FTE. AMLA approximated the share of entities below the turnover threshold based on numerous assumptions. These include assuming the turnover of entities is uniformly distributed in certain segments and introducing an adjustment coefficient based on the assessed degree of overlap between non-financial sectors and Eurostat codes. In general, the data availability concerning turnover was scarcer than that for FTE thresholds, leading to stronger and more restrictive assumptions. However, these assumptions have again been designed to be as conservative as possible, hence, the above estimates can be viewed as lower bounds of the expected share of entities falling under the simplified regime.

Concluding, AMLA expects a large share of entities to fall under the separate reporting regime, with estimates ranging from 30% to 73% of obliged entities for selected sectors. The separate reporting regime therefore represents a significant reduction of reporting burden for a large share of entities. To note, the share of entities falling under the separate reporting regime will vary greatly by industry, reflecting industry-level differences in the structure of firms. Industries such as tax advisors and notaries that are dominated by small firms and solo entrepreneurs will have a much higher number eligible for the separate reporting regime than sectors with a larger firm structure. Industries with higher levels of turnover such as traders, crowdfunding or betting services exhibit a high likelihood of surpassing the turnover threshold and thus not qualifying for the separate reporting regime.

To stress, when assessing these estimates, several general caveats apply. First, the data is based on EU-wide averages, masking high levels of heterogeneity between countries. Economies with lower cost structures will have fewer entities that surpass the turnover threshold, whereas entities in economies with higher cost structures and higher average volumes of economic activity will be significantly more likely to surpass the turnover threshold. Therefore, AMLA expects less entities to fall under the separate reporting regime in countries with higher levels of per capita income.

A second caveat pertains to the interpretation of the impact of the separate reporting regime. Even though a large share of entities may fall under the separate reporting regime, this does not necessarily imply that a large share of the 'economic activity' of that sector falls under the separate reporting regime. The reason is the degree of asymmetrical distribution regarding the size distribution of entities. As an example, even though about 67% of all entities in the auditors, accountants, and tax advisors have between 0 and 1 persons employed, those entities only account for about 18% of the overall workforce of that industry. This demonstrates how this industry is dominated by large firms. Therefore, even though the separate reporting regime affects a large share of entities, the portion of the relevant industry falling under this regime may be significantly smaller. This is well in line with the overall aim of the risk assessment methodology to provide an effective assessment of risk, while limiting the reporting burden for small entities.

5.1.5.6 Policy issue 4: Treatment of AML/CFT controls in the methodological framework

A further key policy choice for AMLA concerned how the information on the quality of AML/CFT controls should be integrated into the non-financial-sector risk assessment methodology.

Under Article 40(2) AMLD, the methodology is expected to support the assessment and classification of both inherent and residual ML/TF risk profiles of obliged entities. In principle, the consideration of controls allows the methodology to move beyond a purely structural assessment of exposure to ML/TF risks and to reflect, at least partially, the extent to which the risks identified are mitigated in practice.

At the same time, the integration of controls also raises material issues of proportionality, data availability and quality, and operational feasibility in the non-financial sector. Survey evidence and stakeholder feedback suggest that the non-financial sector reflects specific challenges in this regard. These include the prevalence of small and micro-entities, uneven AML/CFT maturity, more limited availability of structured information on controls, and capacity constraints on the supervisory side in certain sectors and jurisdictions.

The key policy challenge therefore consisted in determining how AML/CFT controls could be integrated into the methodology in a manner that preserves sufficient methodological robustness and comparability, without creating disproportionate reporting burdens or excessive reliance on potentially uneven self-reported information.

AMLA therefore considered the following options:

Option A: AML/CFT controls data points for all entities, with a reduced weight assigned to the controls quality score in the residual risk assessment

Under Option A, a set of relevant control data points would be collected for all obliged entities in the non-financial sector. These data points would be used to derive a controls quality score, which would then feed into the calculation of the residual risk score. In order to reflect concerns regarding the quality and reliability of controls information, the controls quality score would be given a lower weight than the inherent risk score in the residual risk calculation.

Specifically, the residual risk score would be computed as follows:

- where the controls quality score is greater than or equal to the inherent risk score, the residual risk score would be equal to the inherent risk score;
- where the controls quality score is lower than the inherent risk score, the residual risk score would be equal to the weighted average of the inherent risk score of the inherent risk score and the controls quality score.

Benefits

- This option would preserve a structured and harmonised role for AML/CFT controls within the methodology, thereby supporting the assessment of residual risk as required by Article 40(2) AMLD. It would also reinforce the conceptual distinction between inherent and residual risk within the methodological framework.
- By assigning a lower weight to the controls quality score, it would mitigate the impact of potentially low-quality or unreliable controls-related information on the final residual risk outcome, while still allowing controls to be reflected in the methodology.
- It would support greater legal clarity and by establishing a common methodological framework for the treatment of AML/CFT controls across the non-financial sector.

Costs

- This option would require the identification and collection of a relevant set of control data points across the full non-financial sector population, which may prove difficult to calibrate appropriately given the diversity of sub-sectors and entities concerned.
- It could imply relevant compliance and implementation costs, especially for small entities for which such information may be difficult to produce in a sufficiently structured and reliable manner.
- Although the lower weight of the controls quality score would reduce the impact of data-quality concerns, the methodology would still rely on self-reported controls information across the entire population.
- The collection and validation of controls-related information across a very large and heterogeneous population may also create operational challenges for supervisors.

Assessment: Option A would ensure that AML/CFT controls play a structured and harmonised role in the assessment of residual risk and would support methodological consistency across the non-financial sector. However, requiring controls-related information from the entire non-financial-sector population is difficult to reconcile with proportionality and operational feasibility, particularly in relation to small entities with limited compliance capacity.

Option B: A limited set of harmonised AML/CFT controls data points for all entities except those qualifying for the separate reporting regime

Under Option B, a limited set of relevant AML/CFT controls-related data points would be collected from all non-financial-sector obliged entities, except for entities qualifying as "small" and therefore subject to the separate reporting regime. Entities qualifying as small would not be subject to the controls module and would instead be assessed primarily on the basis of inherent risk, subject to the possibility of supervisory adjustments where appropriate.

The controls data points collected would be limited to those considered most informative for the assessment of the quality and effectiveness of AML/CFT controls and, at the same time, most likely to be available in a sufficiently robust and structured form.

This option reflects the view that the collection of controls-related information is generally more proportionate and operationally meaningful for entities subject to the regular reporting regime, while the collection of such information from entities qualifying as small would likely create disproportionate burden relative to the expected supervisory value.

Benefits

- This option would provide a more proportionate approach by limiting the controls module to entities subject to the regular reporting regime, namely those for which controls information is most likely to be relevant, available and supervisory meaningful.
- It would reduce compliance costs and reporting burdens for smaller entities, while preserving a structured role for controls in the part of the population where the collection of such data points is more likely to add supervisory value.
- By focusing on a limited and harmonised set of relevant controls-related data points, the methodology would allow supervisors to concentrate on those indicators considered most informative for assessing the quality and effectiveness of AML/CFT controls.
- Concentrating the controls module on a smaller set of more readily available data points would improve the likelihood that the information collected will be of sufficiently robust quality and therefore more usable for supervisory purposes.
- It would also improve operational feasibility for both obliged entities and supervisors by focusing controls-related data collection on the part of the population where structured controls information is more likely to be available.

Costs

- This option may reduce comparability across the non-financial sector, as some entities would be assessed on the basis of both inherent risk and AML/CFT controls quality, while others would be assessed primarily on the basis of the inherent risk, with selective supervisory adjustments.
- It may also raise questions relating to equal treatment, since similar entities operating within the same sector but falling into different size categories would not be subject to exactly the same methodological treatment.

- The identification of relevant controls-related data points that are genuinely meaningful across all non-financial sector entities is not straightforward, given the diversity of business models and operational structures.
- Additional guidance may be needed to ensure sufficiently consistent interpretation and application of the controls module across sectors and jurisdictions.
- Finally, the methodology would still rely to a certain extent on self-reported controls information, with the associated risks relating to uneven data quality and comparability.

Assessment: Option B improves proportionality and operational feasibility by exempting entities classified as small from the controls-related reporting obligations, thereby reducing burden for the smallest entities and focusing controls-related data collection where such information is more likely to be available and meaningful. At the same time, it preserves a structured role for AML/CFT controls within the methodology and allows supervisors to concentrate on a harmonised set of relevant data points that are expected to be more informative and reliable for supervisory purposes.

However, this option does not eliminate the risk that self-reported controls data may still be incomplete, uneven or of variable quality. In addition, the differentiated approach based on size may reduce methodological comparability across the non-financial sector.

Preferred option

Option B, complemented by the weighting safeguard described under Option A, was selected as the preferred option.

Under the preferred approach, a harmonised and limited set of AML/CFT controls data points will be collected only from entities subject to the regular reporting regime, while no controls data points will be collected for entities classified as small. In addition, when calculating the residual risk score for entities subject to the controls module, the controls quality score will be assigned a lower weight than the inherent risk score.

This combined approach was considered to provide the best balance between methodological robustness, proportionality and operational feasibility. By drawing on Option B, the preferred option limits the controls module to the part of the non-financial-sector population for which controls information is more likely to be available, meaningful and of sufficient quality, while avoiding disproportionate reporting and implementation burdens for small entities. By drawing on Option A, it ensures that, where controls are assessed, they continue to play a structured role in the determination of residual risk, while the reduced weight of the controls quality score mitigates the effect of potentially uneven or less reliable self-reported data.

Although the differentiated treatment of entities qualifying as small may reduce full comparability within the non-financial sector, this was considered justified in light of proportionality considerations and the need to ensure that the methodology remains operationally workable in practice.

The rationale underpinning the preferred approach is also broadly consistent with the FATF Risk-Based Supervision Guidelines, which recognise that supervisors in the non-financial sector often oversee very large and heterogeneous populations of obliged entities with limited or no granular data on individual activities and may initially need to rely on relatively simple risk-based supervisory approaches, e.g., informed by broad inherent risk indicators only. The Guidelines further acknowledge that supervisory approaches may progressively evolve over time as data quality improves and supervisory engagement deepens

5.1.6 OVERVIEW OF QUESTIONS FOR CONSULTATION

Respondent profile (mandatory)

1. Select to which member state(s) your response refer(s)
2. Which of the following best describes your organisation?
3. In which sector(s) do you primarily operate or engage with?
4. How long has your entity been active in this sector?
5. Please indicate the number of full-time equivalents (FTE) employed in your entity
6. Please indicate the approximate annual total turnover of the entity in 2025

Section A – Overall impact of the Draft RTS (mandatory)

7. How would you rate the proposals set out in the draft RTS overall?
8. Would the implementation of the draft RTS generate any of the following additional costs beyond the adjustments required based on the legal text provided in chapter III of AMLR 2024/1624 (Regulation - EU - 2024/1624 - EN - EUR-Lex)? (Drop down menu with one-off implementation costs; recurrent costs)
9. Please describe and substantiate the specific one-off implementation costs you foresee when implementing the provisions of these draft RTS. Examples of one-off implementation costs include amending policies and procedures, system upgrades, staff training or consultancy fees.
10. Please describe and substantiate the specific recurrent costs you foresee when implementing the provisions of these draft RTS. Examples of recurring costs may include additional reporting, monitoring, software subscriptions, or allocation of additional full-time equivalent resources, etc.
11. With reference to the list of data points included in Annex 1 applicable to your entity, kindly indicate the time needed to comply with the reporting obligations if your entity had to supply all data points.

12. Can you provide specific examples of the operational challenges faced by NCAs in implementing the risk assessment methodology for small entities?

13. What alternative methods could supervisors use to assess the risk profile of small obliged entities at individual entity level to reduce the reporting and supervisory burden while still allowing supervisors to identify higher-risk entities? Please describe any such alternatives that would support a harmonised approach to risk assessment and ensure consistent supervisory outcomes across Member States.

Section B – Comments on the Draft RTS

Recitals

14. Does the approach adequately consider the characteristics of the non-financial sector in terms of size and heterogeneity of population of obliged entities, as well as AML/CFT maturity.

Article 1 - Definitions

15. Do you agree with the proposed criteria for the identification of small entities ? If you do not agree, which criteria should AMLA use instead?

Article 2 – Assessment and classification of the inherent risk profile of obliged entities operating in the non-financial sector

16. Do you agree with the proposed approach to assess and classify the inherent risk of obliged entities?

Article 3 - Assessment and classification of the quality of AML/CFT controls put in place by obliged entities operating in the non-financial sector

17. Do you agree that small entities benefitting from the small firms regime should not be required to provide data points on the quality of AML/CFT controls?

Article 4 - Assessment and classification of the residual risk profile of obliged entities operating in the non-financial sector

18. Do you agree with the proposed approach to assess and classify the residual risk of obliged entities?

Article 5 and 6 - Frequency of the assessment and classification of inherent and residual risk profiles of obliged entities operating in the non-financial sector and Entry into force and application

19. Do you agree with the proposed approach to frequency and timeline of application?

Section C – Comments on further proportionality arrangements

20. The draft RTS could possibly include a time limited transitional arrangement whereby supervisors may delay applying the risk assessment methodology to small entities. In your view, would this transitional arrangement be effective in overcoming the operational challenges associated with implementing the risk assessment methodology for small entities in time for the first data collection?
21. Are there any small entities or categories of small entities that should be excluded from any transitional arrangement where their business model, customer base or geographic exposure presents increased ML/TF risk? Please explain your rationale.
22. What impact, if any, would a delay in data collection have on the ability of NCAs to identify emerging risks, ensure effective AML/CFT controls and allocate supervisory resources effectively? What steps could NCAs take to mitigate any such impacts?
23. What measures should be implemented by NCAs during the transitional period to ensure that eligible entities are capable of complying with the full data collection requirements at the end of the transition period?

Auxiliary Questionnaires on Data Points.

The auxiliary questionnaires will retrieve additional information on the list of specific data points to assess the inherent risk defined for each non-financial sector and to assess the quality of AML/CFT controls for all categories of obliged entities. The primary audience for these questions will be obliged entities.

The following questions will be asked for each data point:

1. Is this data point clearly formulated and understandable? If no, please explain which aspects are unclear and suggest possible improvements.
2. Is the requested information available to you? If no, please explain the main challenges and provide an alternative.
3. If available, how easy is it to report this information?