

Factsheet on the criteria for identifying business relationships, occasional and linked transactions

This factsheet accompanies the RTS on criteria for identifying business relationships, occasional and linked transactions and should be considered when the RTS are endorsed by the European Commission in a delegated Regulation at its date of application. It consists of three parts:

1. Business relationships and occasional transactions – why the distinction matters.
2. Identifying business relationships, occasional transactions and linked transactions.
3. Sector-specific criteria.

1 Business relationships and occasional transactions – why the distinction matters

Before applying customer due diligence (CDD), when carrying out transactions or providing services that fall within the scope of the AML/CFT framework, you must determine whether the customer engagement is:



- a **business relationship**, or
- an **occasional transaction**.

The classification affects the AML/CFT obligations that apply.

Business relationship

- CDD is required.
- Ongoing monitoring applies.

Occasional transaction below the relevant threshold (usually EUR 10 000)

- CDD is not required unless any of the exceptions in AMLR Article 19 applies.

Occasional transaction at or above the relevant threshold (usually EUR 10 000)

- CDD is required.

Attention! For service providers that do not carry out transactions themselves, the value of the underlying asset or transaction, **not** the fee charged for providing the service, is used when determining if the relevant threshold has been met.

2 Identifying business relationships, occasional transactions and linked transactions

Definitions of a business relationship and linked transactions are given in the AMLR¹. These definitions are sufficient for some obliged entities to properly identify these concepts in their business.

¹ 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, defines business relationships as: “a business, professional or commercial relationship connected with the professional activities of an obliged entity, which is set up between an obliged entity and a customer, including in the absence of a written contract and which is expected to have, at the time when the contact is established, or which subsequently acquires, an element of repetition or duration”.



However, in some instances, it is necessary to have criteria to ensure that business relationships and linked transactions are identified in a harmonised way throughout the Union.

Regarding business relationship, the RTS provide criteria to identify whether the engagement with the customer has, or is expected to have, an element of:

- **repetition**, and/or
- **duration**.

Attention! Repetition or duration are not the sole elements to define a business relationship. You should ensure that all the elements of the definition are met before concluding that a business relationship exists.

When assessing whether the elements of repetition or duration are met, consider in particular:

- Whether the customer has ongoing access to your services.
- Whether you expect to provide services or carry out transactions repeatedly.
- Whether the engagement is expected to extend over a period of time.

If neither the element of repetition nor duration is present, and the other elements of the definition are present, the engagement with the customer is an occasional transaction.

Linked transactions²

To avoid circumvention of the thresholds mentioned in Article 19, consider whether two or more occasional transactions are linked.

- **Transactions may be linked where they have:**

² 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, defines linked transactions as: “two or more transactions with either identical or similar origin, destination and purpose, or other relevant characteristics, over a specific period”.



- the same or similar origin, destination and purpose; **or**
 - other common characteristics.
- **Transactions can be linked when conducted:**
 - by the same customer; **or**
 - by multiple customers operating in concert.

If occasional transactions are linked, assess whether the relevant threshold is met based on their combined value.

3 Sector-specific criteria

The RTS set out sector-specific criteria, but obliged entities should not rely on these alone and must always take other relevant criteria into consideration as well.

Providers of services (auditors, tax advisers, lawyers and real estate agents etc.)

- **Duration:** Consider whether the service is expected to extend over a period of time.
- **Repetition:** Consider the expected number of services provided to the customer.

Obliged entities carrying out money remittance, currency exchange or crypto-asset exchange

- Consider **three or more** transactions within a period of **12 months** as an indicator of repetition mentioned in the definition of a **business relationship**.
- Consider **two or more** occasional transactions within a period of **one month** as the specific period to assess whether transactions are **linked transactions**.

Gambling providers

- When operating from a physical premise consider a **voluntary membership** an indication of repetition.



- Different game types offered by the same provider may still have a similar purpose when assessing linked transactions.

Football player transfers

- Consider any conditions attached to the transfer when assessing repetition or duration.

Important: This factsheet reflects the content of the RTS on the criteria for identifying business relationships, occasional and linked transactions at the date of the AMLA final draft. Please note that the RTS remain subject to review and potential amendments by the European Commission and its provisions will only become definitive upon publication in the Official Journal of the European Union.

This factsheet does not replace, amend or supplement the legal texts. In the event of any conflict, inconsistency or divergence between this factsheet and the RTS or the AMLR, the provisions of the RTS and the AMLR shall prevail.