



Factsheet on group-wide minimum requirements

This factsheet accompanies the RTS on group-wide minimum requirements and should be considered when the RTS are endorsed by the European Commission in a delegated Regulation at its date of application.

The factsheet consists of 5 parts:

1. Scope: Do the requirements apply to you?
2. Identification of the parent undertaking in the Union in cases where two or more obliged entities in the Union belong to a head office in a third country and they are not in a parent/subsidiary relationship: Who is accountable for meeting group-wide requirements?
3. Policies, procedures and controls: What group-wide arrangements must be in place?
4. Information sharing: What information shall be shared within the group?
5. Structures other than groups: When and to what extent do group requirement apply to structures?



1 Scope

The RTS apply to:

- Groups as defined in the AMLR¹.
- Certain structures such as networks, partnerships and franchises with common ownership, management or compliance control.

The RTS generally do not apply to:

- Stand-alone obliged entities not belonging to groups or structures
- Arrangements without common **ownership, management or compliance control**, including:
 - customer referral arrangements;
 - shared branding arrangements;
 - shared technical platforms; and
 - other cooperation arrangements.

2 Policies, procedures and controls

The parent undertaking in the Union must establish and maintain a group-wide AML/CFT framework that is proportionate to the group's size, complexity and risk profile.

These are in particular the following:

- **effective governance and compliance oversight;**
 - including clear responsibilities and oversight arrangements across the group,
- **a group-wide ML/TF risk assessment;**
 - covering risks arising from all entities, activities and jurisdictions,
- **AML/CFT policies and procedures;**
 - applied consistently throughout the group,

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 groups as: "a group of undertakings which consists of a parent undertaking, its subsidiaries, as well as undertakings linked to each other by a relationship within the meaning of Article 22 of Directive 2013/34/EU;"



- **information-sharing arrangements;**
 - enabling the exchange of information necessary to identify, manage and mitigate risks,
- **staff training and reporting mechanisms;**
 - applicable in all obliged entities of the group,
- **processes to address compliance deficiencies.**
 - ensuring weaknesses are identified and remediated in a timely manner.

3 Information sharing

Entities within a group shall exchange information necessary to identify, assess and manage ML/TF and sanctions-related risks.

Examples of information that can be shared include:

- customer and beneficial ownership information;
- customer due diligence (CDD) information;
- transaction information;
- risk assessment findings.

Attention! Information sharing must always:

- follow a need-to-know principle;
- comply with data protection requirements;
- take place through secure channels; **and**
- be appropriately documented.

Where legal restrictions prevent information sharing from and to third countries:

- assess the impediment;
- consider available solutions; **and**
- notify the supervisor.



4 Identification of the parent undertaking in the Union in cases where two or more obliged entities in the Union belong to a head office in a third country and they are not in a parent/subsidiary relationship

A parent undertaking in the Union must be identified where:

- the group has at least two obliged entities established in the EU; **and**
- those entities are not in a parent/subsidiary relationship.

How is the parent undertaking in the Union identified?

The identification should take into account which entity is best placed to oversee the group's EU operations, considering factors such as:

- presence across the EU;
- customer base and transactions;
- governance and decision-making powers;
- oversight of other group entities;
- AML/CFT expertise and resources.

What happens next?

1. The identified obliged entity must notify its supervisor.
2. The supervisor will assess whether the entity can effectively perform the role and may require a different entity to be designated.

5 Structures other than groups

Certain structures such as networks, partnerships, franchises and similar arrangements may be subject to group-wide requirements. In scope structures are those that have:

- common ownership;



- common management; **or**
- common compliance control.

If your structure is in scope, you shall:

- identify a **head of the structure in the Union**; the head of the structure is the obliged entity in the structure that is best placed to direct, coordinate or oversee most obliged entities within the structure;
- apply group-wide AML/CFT requirements proportionately to their size, complexity and risks;
- maintain common risk management arrangements, policies, procedures and controls; **and**
- implement appropriate information-sharing arrangements.

Conditions for not identifying the head of the structure

A supervisor may permit a structure not to identify an obliged entity as head of the structure and not to apply the full group-wide framework where specific conditions are met.

To obtain such a permission the following 5 conditions must be met:

1. the head of the structure is not an obliged entity, *or* there are impediments in laws to its identification;
2. the structure and its obliged entities maintain common systems for monitoring and classifying ML/TF and sanctions risks;
3. obliged entities apply minimum common AML/CFT policies, procedures and controls;
4. information-sharing requirements are met; **and**
5. the arrangement remains subject to supervisory monitoring and measures.

Obliged entities in the structure shall designate a coordinating obliged entity to request the relevant supervisor for permission not to identify a head of the structure.



Important: This factsheet reflects the content of the RTS on group-wide requirements at the date of the AMLA final draft . Please note that the RTS remains 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.