

PUBLIC HEARING ON 'THE TRAVEL RULE GUIDELINES'

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01

OPENING REMARKS

*by Carolin Gardner (Head of AML/CFT
Unit)*



02

THE EBA'S AML/CFT ROLE AND OBJECTIVES

What are the EBA responsibilities in the EU?

The EBA's AML/CFT Role and Objectives

2010

Established by Regulation (EC) No. 1093/2010 of the European Parliament and of the Council of 24 November **2010**.

The beginning

Come into being as of 1 January **2011**.

Taken over all existing and ongoing tasks and responsibilities from the Committee of European Banking Supervisors (CEBS).

Our mission

Hub and spoke network of EU and national bodies safeguarding public values such as the **stability** of the financial system, the **transparency** of markets and financial products and the **protection** of depositors and investors.

AML/CFT powers

In **2019**, the European legislature consolidated the AML/CFT mandates of all 3 European supervisory authorities within the EBA.

The law implementing these powers and this mandate came into effect on 1 January **2020**.

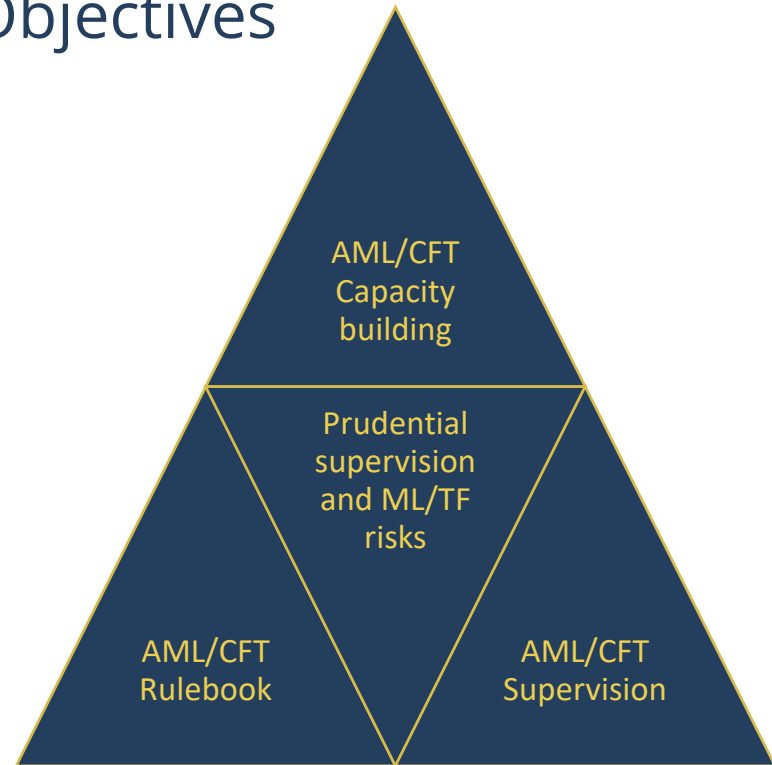
The EBA's AML/CFT Role and Objectives

Article 1(5)(fb) of the EBA Regulation:

'The Authority shall, within its respective competences, contribute to [...] preventing the use of the financial system for the purposes of ML/TF.'

Article 9a(1) of the EBA Regulation:

The Authority shall [...] take a **leading, coordinating** and **monitoring** role in promoting integrity, transparency and security in the financial system by means of adopting measures to prevent and counter ML/TF in that system.

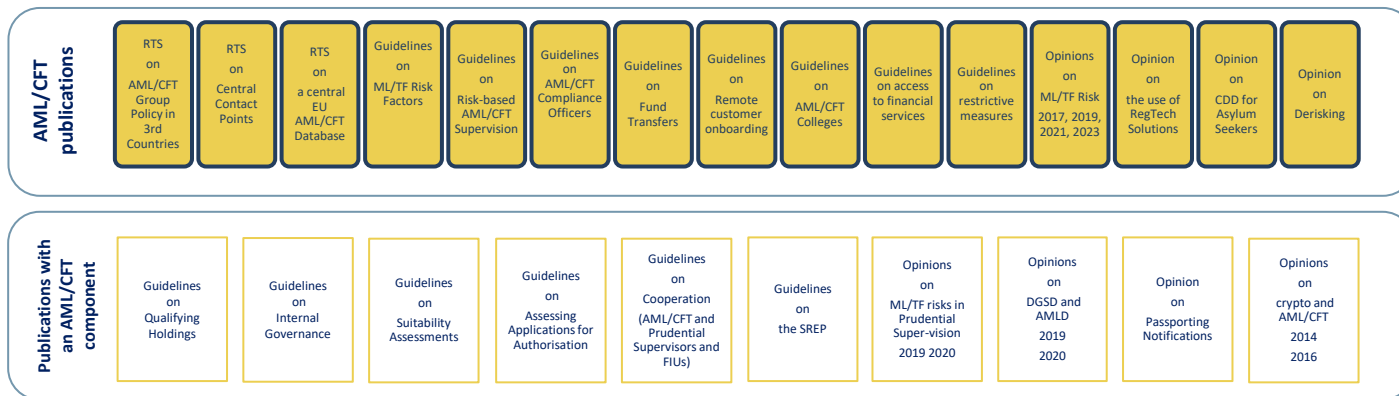


The EBA's AML/CFT Role and Objectives

EBA legal instruments on AML/CFT

Policy Objective:

A proportionate, risk-based approach that is based on cooperation and information-sharing and that is applied effectively and consistently by financial institutions and supervisors across the EU.



* This is not a comprehensive list of publications.



03

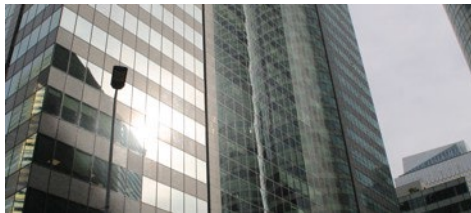
'THE TRAVEL RULE GUIDELINES'

What is this document about?



'THE TRAVEL RULE GUIDELINES'

Background



Why is the EBA working on the Guidelines?

- Mandate in Article 36 first and second subparagraph of Regulation (EU) 2023/1113.
- Mandate in Article 19a(2) of Directive (EU) 2015/849.



What is the main objective?

To promote the development of a common understanding of effective procedures to detect and manage transfers of funds and crypto-assets that lack the information on the payer, originator, payee or beneficiary required by Regulation (EU) 2023/1113.

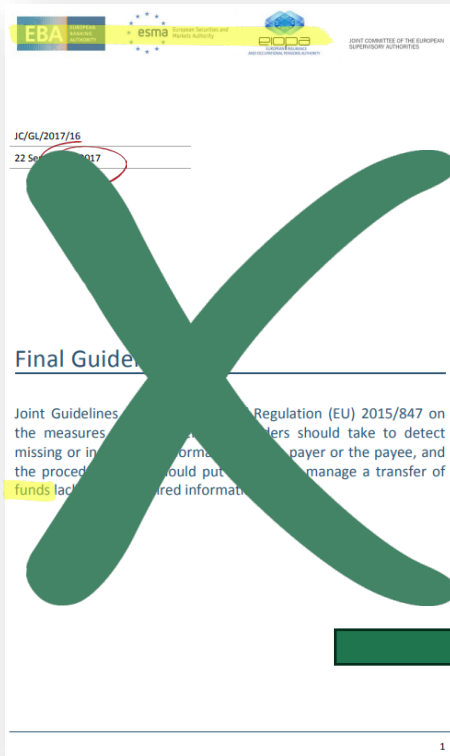


Who are the addressees?

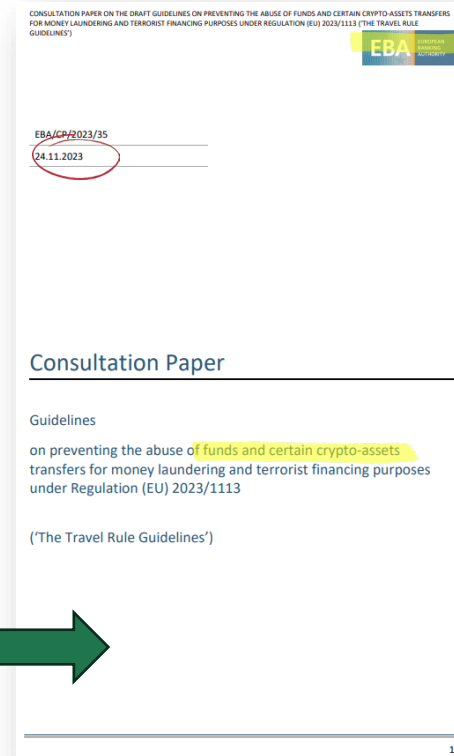
- PSPs and IPSPs.
- CASPs and ICASPs.
- Competent authorities responsible for supervising PSPs, IPSPs, CASPs and ICASPs for compliance with their obligations under Regulation (EU) 2023/1113.

'THE TRAVEL RULE GUIDELINES'

Link with the 2017 Guidelines



* Final report to be published



'THE TRAVEL RULE GUIDELINES'

Link with the 2017 Guidelines

What are the main differences between the 2 Guidelines?

	JC/GL/2017/16	EBA/CP/2023/35
Year of publication	2017	2023
Owner	ESAs	EBA
Subject	Transfer of funds	Transfer of funds and crypto-assets
Addressees	PSPs, IPSPs, National Competent Authorities	PSPs, IPSPs, CASP, ICASP, National Competent Authorities
Mandate	Regulation (EU) 2015/847	Regulation (EU) 2023/1113
Status (when the final report of EBA/CP/2023/35 is published)	Repealed	Active

The EBA will repeal the ESA's 2017 TFR Guidelines and replace them with new Guidelines.

To do so, the EBA is proposing to:

- **Extend** the scope of the existing guidelines on transfer of funds to the transfers of crypto-assets, where applicable;
- **Amend** existing guidelines where this is necessary to reflect the technical particularities of crypto-assets and the developments in transfer of funds;
- **Add** new guidelines specific to crypto-assets transfers.

'THE TRAVEL RULE GUIDELINES'

Scope



Factors that PSPs, IPSPs, CASPs, ICASPs should consider when establishing **effective procedures** to detect and manage transfer lacking the required information on the payer, originator, payee or beneficiary;



Steps PSPs, CASPs, IPSPs and ICASPs should take to **manage the risk of ML/TF** where the required information on the payer, originator, payee or beneficiary is missing or incomplete;



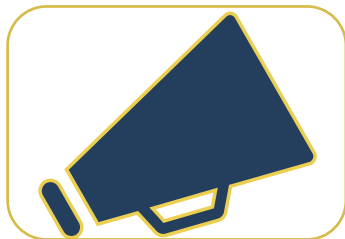
Technical aspects of the application of Regulation (EU) 2023/1113 to **direct debits**.



Measures in relation to the **identification and assessment of the risks of ML/TF** associated with the transfer of crypto-assets directed to or originating from a **self-hosted address**.

'THE TRAVEL RULE GUIDELINES'

Methodology and information sources



Call for input was issued to collect feedback on the 2017 Joint Guidelines to prevent the abuse of **fund** transfers for ML/TF purposes



An **External Expert Group** on AML/CFT and CASPs ("TEG-CASPs/AML") was created to provide practical input and technical advice on relevant issues that refer to **CASPs**.



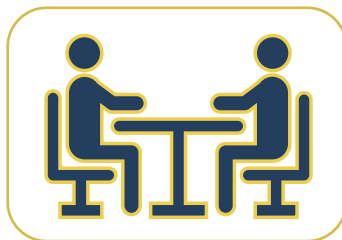
A **Technical Expert Group on AML/CFT CASPs supervision** ("TEG-Sup") was created and composed of staff from competent authorities who have experience in the AML/CFT supervision of **CASPs**.



Analysis of internal information collected in the scope of the 2017 Guidelines on the **repeatedly failing PSPs or IPSPs** and steps taken (Article 8(2) and Article 12 (2) of Regulation (EU) 2015/847).



Exchanges with industry bodies.



Internal process with discussions and reviews of EBA and ESMA colleagues and committees, not only from an AML/CFT perspective but also from other policy areas.



Emerging best practice set out by the **FATF** in its 2021 **Updated Guidance** for a Risk-Based Approach for Virtual Assets and Virtual Asset Service Providers

'THE TRAVEL RULE GUIDELINES'

Structure

1. General provisions	
2. Exclusion from the scope of Regulation (EU) 2023/1113 and derogations	<ul style="list-style-type: none">2.1. Determining whether a card, instrument or device is used exclusively for the payment of goods or services2.2. Linked transfers in relation to the 1000 EUR threshold
3. Transmitting information with the transfer	<ul style="list-style-type: none">3.1. Messaging systems3.2. Multi-intermediation and cross-border transfers3.3. Batch transfers
4. Information to be transmitted with the transfer	<ul style="list-style-type: none">4.1. Providing the payment account number4.2. Providing the name4.3. Providing the address, including the name of the country, official personal document number, and the customer identification number or, alternatively, date and place of birth4.4. Providing an equivalent Identifier to the LEI
5. Detecting missing information	<ul style="list-style-type: none">5.1. Procedures to detect missing information5.2. Admissible characters or inputs checks on transfers of funds5.3. Monitoring of transfers5.4. Missing information checks

'THE TRAVEL RULE GUIDELINES'

Structure

6. Transfers with missing or incomplete information

- 6.1. Risk-based procedures for determining whether to execute, reject or suspend a transfer
- 6.2. Rejecting or returning a transfer
- 6.3. Requesting required information
- 6.4. Executing a transfer
- 6.5. Detecting missing or incomplete information after executing a transfer
- 6.6. Contacting the prior PSP, IPSP, CASP and ICASP in the transfer chain

7. Repeatedly failing PSPs, CAPSs, IPSP or ICASPs

- 7.1. Treatment of repeatedly failing PSPs, CAPSs, IPSP or ICASPs
- 7.2. Reporting repeatedly failing PSPs, CAPSs, IPSP or ICASPs to the competent authority

8. Transfers of crypto-assets made from or to self-hosted addresses

- 8.1. Individually identify transfers from or to self-hosted addresses
- 8.2. Transfers of crypto-assets made from or to self-hosted addresses
 - 8.2.1. Identification of a transfer from or to self-hosted address
 - 8.2.2. Identification of the originator and beneficiary in a transfer from or to a self-hosted address
 - 8.2.3. Transfers above 1 000 EUR and proof of ownership or controllership of a self-hosted address
 - 8.2.4. Mitigating measures to put in place regarding transfers from or to a self-hosted address

9. Obligations on the payer's PSP, payee's PSP and IPSPs where a transfer is a direct debit



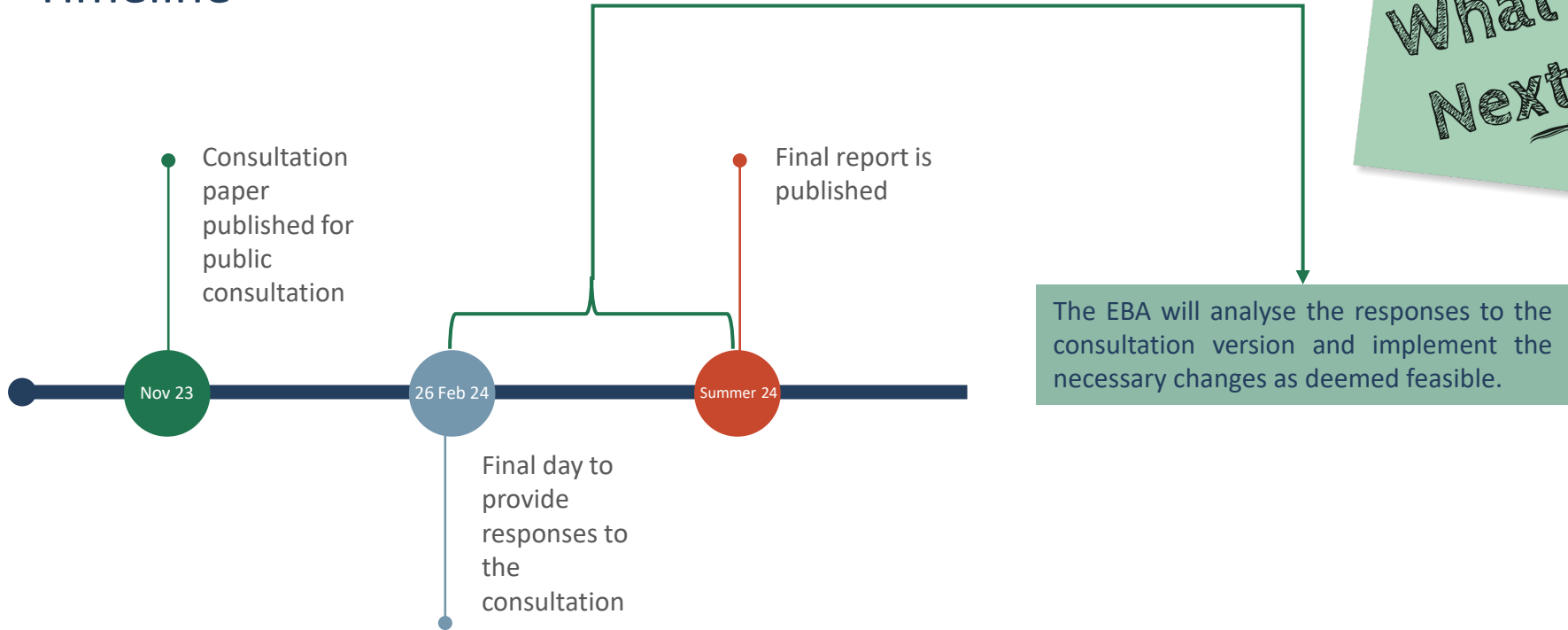
04

NEXT STEPS

What are the next steps before the publication of the final report?



Timeline





05

Questions

QUESTIONS



ABOUT US ACTIVITIES RISK AND DATA ANALYSIS PUBLICATIONS AND MEDIA

Home > Anti-Money Laundering and Countering the Financing of Terrorism

Anti-Money Laundering and Countering the Financing of Terrorism

The EBA is required to ensure the integrity, transparency and orderly functioning of financial markets. As part of this mandate, the EBA works to prevent the use of the financial system for the purposes of money laundering and terrorist financing (ML/TF).

The EBA discharges its functions in this field by:

- leading the development of AML/CFT policy and supporting its effective implementation by competent authorities and financial institutions across the EU to foster an effective risk-based approach to AML/CFT with consistent outcomes;
- coordinating across the EU and beyond by fostering effective cooperation and information exchange between all relevant authorities in a way that supports the development of a common understanding of ML/TF risks, strengthens risk-based AML/CFT supervision, ensures that emerging risks are dealt with promptly across the single market and ensures effective oversight of cross border financial institutions; and
- monitoring the implementation of EU AML/CFT policies and standards to identify vulnerabilities in competent authorities' approaches to AML/CFT supervision and to take steps to mitigate them before ML/TF risks materialise.

The [Executive summary](#) on the EBA's new role in AML/CFT provides an overview of our approach.

The EBA also launched a Newsletter with the latest activities on AML/CFT. You can subscribe to receive the newsletter in the window hereafter and explore the previous issues under the [Other publications](#) tab below.

links

- [The European Commission's AML/CFT pages](#)
- [European](#)
- [The Financial Action Task Force](#)
- [Moneyval](#)
- [EBA O&A Tool](#)
- [2018 Joint Opinion on ML/TF](#)
- [2017 Opinion on ML/TF risks](#)
- [Call for input on identifying...](#)

Documents

Have a look at the EBA AML/CFT landing page ([link here](#))



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The background features a complex, repeating pattern of white geometric shapes, including hexagons, squares, diamonds, and circles, some of which contain smaller symbols like plus signs or dots. The shapes are scattered across the dark blue field, creating a textured, crystalline effect.

Thank you!



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