Association's recommendations for the Trilogue negotiations on AMLR

Recommendations

- ➔ **Support the e-money exemption in Article 15 (3) per the EP's proposed text**
- ➔ **Remove the restriction to „a single Member State"**
- ➔ **Remove the reference to a "direct commercial agreement with a professional issuer"**
- ➔ **Support Article 22 (1) (c) in the EP's proposed text**

As the trilogue negotiations on the Anti-Money Laundering Regulation (AMLR) continue, we, a coalition of associations from the retail, the payments and gift card industries, want to stress the importance of the **Customer Due Diligence (CDD) exemption for low-risk and low-value e-money products**. We ask for your support to retain an exemption that **is essential in order to be able to distribute popular e-money products** and therefore allow millions of customers to continue to use these low-risk, low-value products such as e-money gift cards and vouchers.

We would like to draw your attention to the fact that the European Parliament has proposed a provision to **exclude certain types of e-money products** from Customer Due Diligence requirements in Article 15 (3). We believe this is a significant sign of support for our sectors.

However, we remain extremely concerned that the exemption as proposed is **too narrow**. The current wording is strictly limited to the purchase of goods and services in a **single Member State only**. This requirement goes against the goal to strengthen the internal market, **contradicts the idea of the European Union** and jeopardises the concept of the **European passport for e-money issuers**. In practice, it also leads to a **high degree of legal uncertainty** as it remains **unclear** how this provision would apply in cases of the **online use of e-money**, which is a significant use case and growing in importance.

The restriction to a single Member State should therefore be removed. This would also mirror the current provisions of Article 12 of AMLD5 that allows for the cross-border use of non-reloadable, low-risk e-money products.

The current wording of Article 15 (3) also establishes a requirement to have a **direct commercial agreement** with a professional issuer. In practice this is not always the case for e.g. e-money gift card models. At the same time such an agreement is **not needed to ensure effective ML/TF prevention**. It should therefore be removed as well.

This industry coalition of electronic money issuers, distributors, and retailers accepting low-value, low risk products, therefore **encourages the co-legislators to incorporate Parliament's proposal** while also taking onboard the above mentioned concerns **and remove** the limitation to **„a single Member State" as well as** the reference to a **"direct commercial agreement with a professional issuer"**. In addition, the proposed Article 22 (1) (c) should be included in the final text as proposed by the European Parliament.

Both consumers and retailers greatly benefit from the e-money exemption. We estimate that **50 to 70 million consumers in Europe** made use of an e-money product that is offered under the e-money exemption in 2022. Maintaining the e-money exemption allows for continued easy access to low-risk e-money products, **supports financial inclusion and data protection as well as the** digital economy, digitisation and innovative business models.

We appreciate your support!