
PRESS RELEASE

ESAs provide guidance to prevent terrorist financing and money laundering in electronic fund transfers

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) published today [guidelines to prevent the abuse of funds transfers for terrorist financing and money laundering purposes](#). These guidelines are part of the ESAs' wider work on fostering a consistent approach to Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) and promote a common understanding of payment service providers' obligations in this area.

Transfers of funds can be abused for terrorist financing and money laundering purposes. To prevent such abuse, payment service providers must be able to establish who sends and receives these funds. European legislation, therefore, requires that specific information on payers and payees is passed on along the payment chain, and that payment service providers have in place policies and procedures to ensure that this information is complete. However, there is a risk that competent authorities and payment service providers across the EU do not agree on what payment service providers should do to comply effectively with their legal obligations, which may lead to differing regulatory standards and disrupt the efficient functioning of payment systems.

With this in mind, these joint guidelines set clear, common regulatory expectations of payment service providers' policies and procedures and pave the way for a more harmonised and effective, pan-European approach to AML/CFT in the funds transfer context. They also explain in practical terms what payment service providers should do to detect missing or incomplete information on the payer or the payee and what they should do when managing a transfer of funds that lacks the required information or receive transfers of funds from a payment service provider that repeatedly fails to provide the required information.

Legal Basis

The joint guidelines have been drafted in accordance with Article 25 of Regulation (EU) 2015/847, which requires the ESAs to issue guidelines to Competent Authorities and payment service providers on the measures the latter should take to comply with Regulation (EU) 2015/847 and in particular Articles 7, 8, 11 and 12 of that Regulation.