

Money Laundering Enforcement Trends: Summer 2021

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Introduction

Money laundering enforcement in the U.S. continues to be a government priority, as evidenced by the fact that regulators are implementing the Anti-Money Laundering Act 2020 (AMLA) and the Corporate Transparency Act (CTA). These laws, which were enacted in January, require important changes to the regulatory and enforcement landscape supporting U.S. anti-money laundering (AML) efforts, provide for a significant increase in funding for government AML initiatives, and require companies beyond traditional financial institutions to comply with AML requirements.

The Financial Crimes Enforcement Network (FinCEN) has been active. Since the start of the year, FinCEN has (1) identified national priorities for combatting money laundering, (2) commenced the rulemaking process for the establishment of a beneficial ownership registry, (3) issued a report to Congress regarding the need for a no-action letter process, (4) warned arts and antiquities dealers of new regulatory requirements, (5) issued a renewed geographic targeting order for 12 metropolitan areas, and (6) sought additional comments on a proposed rule to regulate digital asset transactions. This is just the beginning of the significant regulatory overhaul that will accompany the AMLA and CTA.

In June, the White House issued a memorandum identifying corruption as a national security interest and directing an interagency review on combatting corruption, including through combatting money laundering and illicit finance.

All of this portends a busy second half of 2021 for regulatory developments in AML enforcement in the United States.

Below we summarize key U.S. regulatory developments and discuss key prosecutions of individuals and corporations on money laundering-related charges, including enforcement actions against National Westminster Bank (NatWest), Dutch bank ABN AMRO, and Capital One National Association (Capital One). We also spotlight Cyprus, long regarded as a destination for shell companies and money laundering activities, which has recently taken some concrete steps to combat money laundering.

U.S. Regulatory Developments

FinCEN Identifies First Set of National Priorities for Combatting Money Laundering

In June, FinCEN, the U.S. Treasury Department's Office of Foreign Asset Control (OFAC), and other regulators identified [national priorities](#) for combatting money laundering and countering the financing of terrorism. The [priorities](#) are intended to guide financial institutions to focus their AML programs on the most relevant threats to the U.S. financial system and national security. The priorities are:

- Corruption
- Cybercrime
- Financing of both domestic and international terrorism
- Fraud
- Transnational criminal organizations
- Drug trafficking organization activity
- Human trafficking and smuggling
- Proliferation (weapons) financing

These priorities build upon the National Strategy for Combating Terrorist and Other Illicit Financing (National Strategy), which was drafted in [2018](#) and updated in [2020](#). The national priorities provide guidance regarding the priorities that companies should have in building an effective compliance program, such as cryptocurrency, ransomware attacks, and domestic terrorism.

By the end of the year, FinCEN is required to issue regulations related to the national priorities. In statements accompanying the national priorities, the U.S. regulators made explicit that the publication of the priorities does not create an immediate change in Bank Secrecy Act (BSA) requirements or supervisory expectations. Financial institutions will not be required to incorporate the priorities into their risk-based AML programs until the regulations, which will be promulgated later this year, become effective.

FinCEN Begins Rulemaking Process for Beneficial Ownership Registry

The CTA, which was enacted into law on January 1, 2021, required FinCEN to establish a registry of beneficial ownership information for certain U.S. companies, as discussed in more detail in our [Winter 2021](#) newsletter.

In April 2021, FinCEN issued a [notice](#) of proposed rulemaking regarding the beneficial ownership registry seeking public comment on 48 specific questions about "procedures and standards for reporting companies to submit ... about their beneficial owners as required by the CTA," as discussed in a recent [Litigation Alert](#).

Interested parties were required to submit comments by [May 5, 2021](#), and FinCEN received hundreds of [comments](#) regarding appropriate definitions for terms within the CTA or practical implications to consider.

FinCEN Report Proposes Establishing a Process for No-Action Letters

In June, FinCEN issue a [report](#) to Congress supporting the use of no-action letters in cases where enforcement action is declined by the government. The FinCEN report recommended that the no-action letter process be developed through a rulemaking process, which could provide opportunities for other agencies and stakeholders to provide input. There is no timeframe for that rulemaking.

FinCEN Warns Art and Antiquities Traders of New AML Measures

In March, FinCEN issued a [notice](#) providing that the term "financial institution" will include persons engaged in the trade of antiquities, thereby requiring the art and antiquity market to submit suspicious activity reports (SARs) for certain transactions. The notice provided a summary of information that would be expected regarding SARs related to antiquities dealers. More regulations may emerge after the Treasury performs "a study of the facilitation of money laundering and the financing of terrorism through the trade in works of art."

FinCEN Reissues Real Estate Geographic Targeting Orders for 12 Metropolitan Areas

On April 29, 2021, FinCEN [announced](#) that it was renewing its geographic orders that required "U.S. title insurance companies to identify the natural person behind shell companies in all-cash purchases of residential real estate." The orders are referred to as Geographic Targeting Orders (GTOs). The orders became effective May 5, 2021 and will remain in effect until October 31, 2021. The GTOs will cover Boston, Chicago, Dallas-Fort Worth, Honolulu, Las Vegas, Los Angeles, Miami, New York City, San Antonio, San Diego, San Francisco, and Seattle. The current GTO is identical to the GTO issued in November 2020.

White House Announces Increased Focus on Corruption

In June, the White House [issued](#) the "Memorandum on Establishing the Fight Against Corruption as a Core United States National Security Interest" (the Memorandum). The Memorandum directs the administration to conduct an interagency review process to develop a presidential strategy to combat corruption, illicit finance, offshore financial secrecy, and more. It discusses the need to hold accountable not only corrupt individuals and criminal organizations, but also those who facilitate the misconduct of such persons and entities and may signal a greater coordination between money laundering and Foreign Corrupt Practices Act (FCPA) enforcement actions. The Memorandum emphasizes the importance of identifying, freezing, and recovering stolen assets. The interagency review, which includes a dozen agencies and offices in the executive branch, must be completed within 200 days, at which time the National Security Advisor (NSA) will submit a report and recommendations to the president. The recommendations could include bolstering partnerships between public and private stakeholders, new regulations, and/or legislation.

Archegos-Related Losses Trigger Calls for Greater Oversight Over Family Offices

Recent defaults by Archegos Capital Management (Archegos), which resulted in more than USD 10 billion in losses to investors and other stakeholders has led U.S. regulators to call for greater oversight over family offices.

Under current U.S. regulations, family offices, which are privately-owned companies that do not take outside investor money, are exempted from several key financial regulations. Archegos's downfall has caused some regulators to raise questions about the lack of oversight of family offices.

In March, the SEC [identified](#) "Amendments to the Family Office Rule" as one of its regulatory priorities for 2021, and in April, the Commodity Futures Trading Commission (CFTC) Commissioner, Dan Berkowitz, issued a [statement](#) that "[t]he Archegos failure highlights the importance of strengthening the CFTC's oversight of [family offices]."

It is possible that Congress will take steps to amend laws around family offices, but a more likely regulatory update may arise through efforts by the SEC or CFTC to redefine the family office exemption, which, in turn, may lead to increased transparency requirements for family offices.

Cryptocurrency Enforcement

In the first half of 2021, United States enforcement agencies increased their scrutiny of cryptocurrencies and prosecutors pursued charges against individuals related to cryptocurrency transactions, including the second public charges against a cryptocurrency mixer which was highlighted in the DOJ's recent Cryptocurrency Enforcement Framework as a high-risk business with the

potential to be used for criminal activity (see [Winter 2021](#)).

FinCEN Seeks Comments on AML Rule Regarding Digital Asset Transactions

In January, FinCEN [extended](#) the comment period for its new proposed rulemaking concerning convertible virtual currency (CVC) and digital assets with legal tender status (LTDA) transactions. Under the proposed FinCEN regulations, both banks and money services businesses would be required to submit reports, keep records, and verify the identities of customers involved in transactions over certain value thresholds. These regulations would apply only to CVC or LTDA wallets not hosted or associated by financial institutions.

The [proposed rule](#) requires that banks and cryptocurrency exchanges institute enhanced know-your-customer (KYC) and recordkeeping processes for any transactions involving un-hosted wallets over \$3,000. Banks and exchanges would also be required to report any transaction exceeding \$10,000 within 15 days to FinCEN.

The FinCEN rulemaking is another step taken by U.S. authorities to regulate cryptocurrency since designating cryptocurrency exchanges as money services businesses in 2019. In July, FinCEN also [announced](#) that Michele Korver would become the agency's first-ever Chief Digital Currency Advisor, a position that will "advance FinCEN's leadership role in the digital currency space by working across internal and external partners toward strategic and innovative solutions to prevent and mitigate illicit financial practices and exploitation."

Cryptocurrency Mixer Charged for Running Darknet Scheme

In April, Roman Sterlingov, a dual Russian-Swedish national, was arrested on [criminal charges](#) related to a bitcoin money laundering service on the darknet. Sterlingov was charged with money laundering, operating an unlicensed money transmitting business, and money transmission without a license in the District of Columbia.

According to court documents, Sterlingov operated Bitcoin Fog since 2011. Bitcoin Fog was a cryptocurrency mixer, a service that combines or 'mixes' crypto funds together to obscure the public blockchain ledger of transactions and increase a user's anonymity. Bitcoin Fog facilitated the transfer of over 1.2 million bitcoin over a decade of operation with a total cash value of \$335 million dollars at the time of the transactions, or around six percent of all bitcoin in circulation today. Much of Bitcoin Fog's volume derived from the darknet and was linked to narcotics, hacking and malware activities, and identity theft. Prosecutors alleged that Sterlingov took a portion of each transaction routed through Bitcoin Fog and netted around \$8 million bitcoin.

Sterlingov's arrest marks the second public criminal case involving cryptocurrency mixers. Then Deputy Assistant Attorney General Brian Benczkowski was [quoted](#) in February while discussing the arrest of Larry Harmon, the former operator of another cryptocurrency mixer, saying "seeking to obscure virtual currency transactions [through a mixer] is a crime." Sterlingov's arrest and Benczkowski's statement suggest that the enforcement authorities will continue to scrutinize cryptocurrency mixers.

Software Pioneer Indicted in Cryptocurrency Securities Fraud Scheme

In March, John McAfee, the antivirus software pioneer, was indicted in federal district court along with his bodyguard on securities fraud and money laundering charges related to cryptocurrency sales.

The [indictment](#) alleged that McAfee bought large sums of inexpensive cryptocurrencies such as verge, tron, and dogecoin before promoting them on his Twitter feed to his 780,000 followers. McAfee then dumped the stock after boosting its price, netting nearly \$2 million dollars. The indictment also alleged that McAfee used his Twitter feed to promote Initial Coin Offerings (ICOs) while concealing the fact that the ICO issuers were paying him millions.

The SEC also [announced](#) an enforcement action against McAfee for receiving \$23.1 million in undisclosed compensation for promoting ICOs. The CFTC is also pursuing civil charges against McAfee and his partner.

In June, McAfee was found dead by apparent suicide in his Spanish prison cell shortly after a court ordered him to be extradited to Tennessee to face tax evasion charges.

Bitcoin Trader Pleads Guilty for Failing to Register as a Money Transmitting Business

In February, William Green pled guilty to one count of operating an unlicensed money transmitting business (a violation of the BSA) in connection with his bitcoin brokerage business Destination Bitcoin. According to the complaint, Green ran a website from which he made bitcoin trades for a fee of up to 10 percent. Green allegedly made trades without verifying customer information and did not register himself or his business as a money transmitting business. According to a complaint, between September 2017 and March 2018, Green received approximately \$2.5 million that was used to purchase bitcoin for his customers. As part of the plea agreement, Green agreed to a sentencing guideline offense level of 17, which would result in a sentence of 24-30 months if Green has no criminal history.

Enforcement Actions Against Companies

Three significant enforcement actions involving financial institutions by international enforcement agencies were taken so far in 2021. FinCEN announced a \$390 million penalty against Capital One for BSA violations; the Netherlands Public Prosecution Service (NPPS) announced a \$575 million settlement with ABN AMRO; and the U.K.'s Financial Conduct Authority (FCA) launched criminal proceedings against NatWest.

Capital One Hit with \$390 Million Enforcement Action for AML Compliance Weaknesses Related to Cash-Checking Businesses

On January 15, 2021, FinCEN [announced](#) a \$390 million enforcement action against Capital One for violations of the BSA between 2008 and 2014. Capital One's now-defunct Cash Checking Group, which provided banking services to around 90 to 150 check cashers in the New York and New Jersey area, was the focus of the action. Specifically, FinCEN found that Capital One: (1) failed to guard against money laundering despite warnings from regulators and internal assessments ranking customers as high risk for money laundering; (2) failed to file SARs despite knowing of criminal charges against specific customers, including Domenick Pucillo of the Genovese organized crime family; and (3) failed to file currency transaction reports (CTRs) on approximately 50,000 reportable cash transactions, representing over \$16 billion in cash.

Capital One's strengthening of its AML program over the past several years and its cooperation with the investigation mitigated the amount of the monetary penalty. Previously, Capital One entered into a Consent Order in 2015 to improve its AML policies and was fined \$100 million in 2018 by the Office of the Comptroller of the Currency (OCC) for failing to comply with the consent order.

ABN AMRO Settles with Dutch Regulator for \$575 Million Following Money Laundering Charges

On April 19, 2021, the NPPS [settled](#) with Dutch bank ABN AMRO for 480 million euros (USD \$575 million). The NPPS [criminal investigation](#) found that between 2014 and 2020, ABN AMRO failed to comply with the Dutch Anti-Money Laundering and Counter Terrorism Financing Act (AML/CTF Act) and was "culpable of money laundering." The NPPS found that ABN AMRO failed to conduct adequate client due diligence and incorrectly assigned money-laundering risk to a "considerable" number of client accounts. Further, NPPS said ABN AMRO failed to monitor risky client transactions and failed to terminate clients that posed "unacceptable" risk. ABN AMRO was found to have facilitated the criminal activities of various account holders that abused the bank's services. In a statement, ABN AMRO CEO Robert Swaak admitted the bank failed to fulfill its role as a "gatekeeper" in the financial industry. The settlement includes a €300 million fine (USD \$359 million) and €180 million (USD \$216 million) in

disgorgement.

U.K. Financial Regulator Initiates Money Laundering Proceedings Against NatWest Bank

In March 2021, the FCA [commenced](#) criminal proceedings against NatWest for alleged violations of the U.K.'s Money Laundering Regulations (MLR). Specifically, the FCA alleges that between November 2011 and October 2016, NatWest failed to adequately scrutinize £365 million deposited into the account of a U.K. incorporated business for money laundering risk, of which around £264 million was deposited in cash. The action against NatWest marks the first criminal prosecution of a British bank under the MLR. While the FCA has not charged individuals as part of the NatWest proceeding, [sources](#) suggest they still could.

Actions Against Individuals

Prosecutions against individuals for money laundering-related offenses continued with a number of high-profile prosecutions, in particular in connection with bribery investigations:

- **Former Employee of Swiss Commodities Trader Pleads Guilty to Money Laundering Charge** . In April, Raymond Kohut, a former employee of Gunvor Group, Ltd. pled guilty to one count of conspiracy to commit money laundering for his role in a bribery scheme involving Petroecuador, Ecuador's state-controlled oil company. According to court documents, Kohut facilitated more than \$22 million in bribe payments to Ecuadorian officials on behalf of Gunvor Group through multiple consultants. These consultants made payments to "domestic and offshore bank accounts in the names of shell companies" for the benefit of Ecuadorian officials. Moreover, Kohut met with consultants in Florida in furtherance of the scheme. For example, in May 2016, Kohut met with an Ecuadorian official and multiple consultants in Miami to "discuss one of the Petroecuador contracts for which bribes would be paid."
- **Odebrecht Bankers Charged with Laundering \$170 Million** . In May, Austrian national Peter Weinzierl, the chief executive officer (CEO) of an unidentified Austrian bank, was arrested in the U.K. for allegedly conspiring to launder hundreds of millions of dollars in connection with the bribery scandal that has engulfed Brazilian global construction conglomerate Odebrecht. The indictment alleges that Weinzierl and Alexander Waldstein, also an officer of the Austrian bank and an Austrian national, used fraudulent transactions to move \$170 million from Odebrecht correspondent accounts in New York through the Austrian bank to offshore shell company accounts that were secretly controlled by Odebrecht. Weinzierl and Waldstein allegedly agreed to open accounts for the shell companies to move funds out of Odebrecht's official accounts and off Odebrecht's official books and records, according to the indictment. The payments to shell companies were then allegedly recorded by Odebrecht as legitimate business expenses, but in fact were secretly used to pay bribes to foreign officials to advance Odebrecht's business interests. Waldstein remains a fugitive.
- **Government Official and Investment Advisor Charged in Scheme Involving Ecuadorian Public Police Pension Fund** . In March, complaints were unsealed against two Ecuadorian citizens for their alleged participation in a bribery and money laundering scheme involving the Instituto de Seguridad Social de la Policia Nacional (ISSPOL), the Ecuadorian public police pension fund. According to the complaints, between 2014 and 2019, investment advisor Jorge Cherez Miño paid approximately \$2.6 million in bribes, including \$1,397,066 to John Luzuriaga Aguinaga, an official at ISSPOL and a member of ISSPOL's Investment Committee. The bribes were allegedly paid in exchange for gaining and maintaining investment business from ISSPOL. The scheme allegedly involved the use of Florida-based companies and bank accounts in order to launder the bribery payments and to make the illegal payments to Luzuriaga and other government officials. The complaints, which allege a single count of money laundering conspiracy, allege that Luzuriaga even thanked Cherez for the bribes and texted in December of 2015: "Thank you for fixing my financial life and that of my family."
- **PDVSA Official Pleads Guilty to Money Laundering in Connection with Bribery Scheme** . In January, Daniel Comoretto Gomez, a former manager at Petróleos de Venezuela SA (PDVSA), pleaded guilty to a single count of conspiracy to commit money laundering for his role in a bribery scheme involving an unnamed U.S. asphalt company seeking to buy asphalt from the

Venezuelan state-owned oil company. According to the [criminal information](#), from 2011 through 2015, the asphalt company paid a commission of 45 cents for every barrel of asphalt that the company purchased from PDVSA to a third-party agent. The agent then used a portion of his commissions to pay bribes to Comoretto and his subordinate at PDVSA. The agent wired money from U.S. and Panamanian bank accounts to offshore accounts held by a shell company, which in turn wired a portion of the payments to Comoretto's U.S. bank account. The payments were purportedly made to assist the asphalt companies in obtaining purchasing contracts with PDVSA. Comoretto's is the latest guilty plea stemming from the broader investigation of Florida-based asphalt company Sargeant Marine Inc (SMI), as reported in our [FCPA Autumn Review 2020](#).

In addition, in March, two individuals were [indicted](#) for BSA violations for fraudulently claiming they were AML experts who could help financial institutions such as the New York State Employees Federal Credit Union meet its AML obligations. According to the indictment, Gyanendra Asre and Hanan Ofer represented to the financial institutions that they were AML experts and would provide AML compliance services. Asre and Ofer then allegedly willfully failed to develop, implement, and maintain an effective AML program for the financial institutions. Based on their representations to the financial institutions, Asre and Ofer allegedly helped the financial institution clear nearly a billion dollars in high-risk transactions, including hundreds of millions of dollars of bulk cash deposits and transactions hundreds of millions of dollars in foreign transactions. Both individuals have pled not guilty on all charges and are awaiting trial.

International Regulatory Developments

Jurisdictions outside the United States are also taking concrete steps in money laundering enforcement. Here are a few:

- **European Commission Announces Package of AML Reforms to Harmonize EU Enforcement** . In July, the European Commission [announced](#) legislation designed to strengthen the EU's AML rules and harmonize enforcement across EU member states. The legislation includes: (1) the establishment of a new EU money laundering authority; (2) a new EU rulebook for AML regulations to make consistent EU regulations, including in particular customer due diligence and beneficial ownership; (3) a sixth directive on AML, which replaces the fourth AML directive; and (4) a revision of the 2015 regulation on transfers of funds to trace cryptocurrency transfers. The new EU Anti-Money Laundering Authority will be a central EU authority that will coordinate with national authorities to ensure that the private sector consistently applies EU rules. The new authority will also directly supervise certain high-risk financial institutions that operate in multiple EU states. The legislative package will next be discussed by the European Parliament and Council.
- **Peru Addresses Tax Evasion by Requiring Companies to Submit Financial Documentation** . In January, Peru required companies to file financial statements in order to register under rules addressing AML and counterterrorism. Specifically, Peru now requires banks to: report balances exceeding approximately \$2,857; to identify the type of account; to provide information about the account holder such as name, ID number, tax ID, address, and, for companies, place of incorporation; and to identify the type of currency in the account.
- **Irish Crypto Companies Now Subject to AML/KYC Rules** . Ireland's Central Bank [announced](#) that as of April 23, Virtual Asset Service Providers (VASPs) would be required to register with the Central Bank and comply with AML and Countering the Financing of Terrorism (CFT) obligations. VASPs have three months to comply with the requirements or face criminal prosecution if they continue to operate in Ireland. The new requirements will eliminate the ability of Irish users to buy, sell, or trade cryptocurrency anonymously.
- **Bahrain Prosecutes 13 Iranian Banks in a \$1.3 billion Money-Laundering Scheme** . In March, in what may become the largest case in Bahrain's history, Bahrain's public prosecutor referred for prosecution 13 banks, including Iran's Central Bank, on allegations related to a \$1.3 billion money laundering scheme between 2008 and 2012 involving the funding of terrorist groups.

The prosecution alleges that the banks engaged in transfers to evade international sanctions against Iranian entities and to fund terrorist organizations, including the Iranian Revolutionary Guard and Hezbollah. Future Bank was established in 2004 by

Bahraini-based Ahli United Bank and two Iranian state-owned banks, Bank Melli and Bank Saderat. Bank Melli, also known as National Bank of Iran, was involved in commercial and retail financing, while Bank Saderat, also known as Export Bank of Iran, dealt with international trade financing.

Specifically, Bahrain's public prosecutor alleged that its investigation revealed that Future Bank and its controlling shareholders violated Bahrain's laws by laundering money for the National Bank of Iran and Bank Saderat Iran in order to avoid detection by Bahrain. The court in Bahrain already issued prison sentences to unidentified Bahraini and Iranian officials, and issued fines of more than \$345 million.

Spotlight on Cyprus

Cyprus, which joined the EU in 2004 and adopted the Euro in 2008, was seen as a low-tax EU jurisdiction safe for foreign money, particularly from Russia. In 2013, more than one-third of Cyprus's €68 billion in deposits came from abroad. Cypriot banks were hit hard in 2013 by the financial crisis, culminating with EU intervention. On March 16, 2013, EU organizations agreed on a €10 billion deal with Cyprus that resulted in a substantial levy on uninsured bank deposits, which were largely foreign accounts, angering investors.

After the bailout, Cyprus relaxed citizenship rules for foreign investors who lost significant assets in the bail out. That program, which ultimately drew more than \$8 billion of investment back into the country, continued until November 2020 when it was shut down after drawing criticism as a scheme in which Cyprus enabled wealthy persons with criminal backgrounds to essentially purchase EU citizenship. Investigations by Al Jazeera and other new organizations documented the shortcomings of the Cyprus Investment Program in which politicians, lawyers, and real estate developers sought to attract investment from businessmen with criminal backgrounds despite applicants with criminal history being ineligible for the program.

In recent years, following this long, troubled history, Cyprus has undertaken significant steps to bolster its AML programs, winning praise during a visit by Congresswoman Maxine Waters in 2019 on the "considerable progress achieved." In February 2021, in a bid to avert both continued public unrest and EU investigation, the Cypriot government launched an anti-corruption campaign to combat its reputation as a European money clearinghouse.

The campaign focused on three main pillars: (1) Education, Awareness, and Prevention; (2) Legislative, Structured Modernization and Enforcement Measures; and (3) Supervision, Evaluation, and Risk of Civil Society Update.

Most relevant to Cyprus' AML efforts was the proposed establishment of an independent anti-corruption authority, the creation of a public registry of lobbyists, and the establishment of a specialized Financial Crime Prosecution Unit. Other proposals include increased whistleblower protections, reductions in parliamentary immunity, and a national integrity office, which would serve as an independent monitor for governmental conflicts of interest.

Cyprus took its most concrete step-to-date to combat the flow of illicit funds when it implemented the 5th Anti-Money Laundering Directive (AMLD5) ([covered here](#)) via the passage of an amendment to Law 188(I)/2007. AMLD5 obligates regulated entities to perform customer due diligence to inhibit money laundering and other illicit uses of currency.

Primarily, AMLD5 calls for the establishment of a new registry that will require companies to identify their true beneficiaries. The Ultimate Beneficiary Ownership registry will bring Cyprus more in line with EU regulations. Commerce and Energy Minister Natasa Peleidou introduced the registry stating that knowledge of corporate structures was key in locating criminals hiding unlawful wealth. The registry will require that anyone having the final ownership, voting rights, or a sufficient percentage of shares, either directly or indirectly, will qualify as a company's true owner and must be identified. The registry, which will be public, will also be connected to an EU centralized platform, furthering the Financial Action Task Force and EU goal of integrated databases.

AMLD5 will also require that obligated entities carry out enhanced due diligence when transacting with high risk third countries as adopted by the European Commission. Cyprus will establish an electronic registry of bank accounts, payment accounts and safe boxes that will be maintained by the Cyprus Central Bank. Owners and users of the accounts may be made available to Financial Intelligence Units.

Implementation of AMLD5 also brings cryptocurrency under the purview of Cypriot law. The Cyprus Securities and Exchange Commission is directed to operate a registry of all crypto asset service providers, defined as those exchanges that facilitate transfer between crypto assets or exchanges between crypto assets and fiat currencies or offering wallet custodian and other financial services. Any service provider that operates in Cyprus, regardless of national registration, must register.

While much will depend on whether the government's AML campaign is ultimately enacted and effectively implemented, the creation of the ultimate beneficiary registry is a significant step towards Cyprus shedding its reputation as a significant money laundering haven within the EU.

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