

New EU Anti-Money Laundering Rules Adopted in 2024

This briefier is a summary of a report drafted by the European Center for Not-for-Profit Law and Philanthropy Europe Association, with input from experts and practitioners who kindly shared their insights with us, particularly Civil Society Europe. Please access the full report, including a list of contributors on the [ECNL website](#) or scan the QR code on the right.



In this briefier, we analyse the new set of rules aimed at fighting money laundering and terrorist financing that was adopted by the European Parliament and the Council of the European Union in May 2024. This package of legal acts, most of which are applicable from July 2027, includes the following:

- 1 **AML Regulation (Regulation (EU) 2024/1624)** – Provides a new EU-wide set of rules that aims to prevent the financial system from being used for money laundering or terrorist financing.
- 2 **AMLA Regulation (Regulation (EU) 2024/1620)** – Establishes a new EU authority for Anti-Money Laundering and Countering the Financing of Terrorism (“AMLA”).
- 3 **6th AML Directive (Directive (EU) 2024/1640)** – Sets out which mechanisms EU Member States must put into place to prevent money laundering and terrorism financing.
- 4 **Regulation on fund transfers (Regulation (EU) 2023/1113)** – Sets rules for information linked to transfers of funds and certain crypto-assets.

What’s new in this package?

Instead of relying mainly on EU directives (which each Member State has to turn into national laws), the EU now introduces an “EU single rulebook”, which means that regulations apply directly in all Member States. This will make the regulation stricter across the board, and it will likely have some unintended consequences for nonprofit organisations.

Key changes include:

- **More organisations must follow AML rules:** More organisations will be considered “obliged entities” (organisations or persons that are required to comply with certain measures because their services may be misused for money laundering or terrorism financing) and must comply with several obligations. New obliged entities include crowdfunding platforms and all crypto-asset service providers.
- **Stronger checks on customers:** The package requires obliged entities to conduct more detailed identity checks and due diligence.
- **Extra measures for high-risk countries:** Enhanced due diligence measures are introduced for transactions or partnerships involving entities or persons in countries identified as high-risk countries.
- **Cash payment limit:** The package introduces an EU-wide maximum cash payment of €10,000, though countries can set lower limits.
- **New EU authority: AMLA:** A central agency will supervise how AML rules are applied across the EU. AMLA will work with national authorities, directly supervise certain cross-border financial institutions, and develop guidelines and risk assessments.

Our Concerns

Based on our analysis, we have identified the following issues:

NON-PROFIT ORGANISATIONS (NPOS) MAY FACE MORE BARRIERS TO ACCESS FINANCIAL SERVICES

The expanded rules will likely result in more scrutiny of NPOs by banks and other financial service providers. This could especially affect small organisations, those displaced by conflict or repression, and those working in high-risk countries. While the recitals in the AMLR recognise the importance of charitable and humanitarian work, the AMLR does not offer clear safeguards to ensure NPOs can continue their activities without unnecessary barriers.

THE SIGNIFICANT COMPLIANCE INTRODUCED FOR CROWDFUNDING PLATFORMS MAY THREATEN THEIR EXISTENCE

Including crowdfunding platforms in the list of obliged entities will significantly increase their compliance burden. Donation-based platforms, who often are non-profit entities themselves, may be forced to raise their commission fees or shut down, despite the evidence for misuse of crowdfunding platforms for terrorism financing being very thin. This will limit the fundraising options available to civil society organisations. The full scope of crowdfunding platforms' obligations is still unclear, as AMLA has yet to issue technical guidance.

UNCLEAR DEFINITION OF 'BENEFICIAL OWNER' OF AN NPO

Although the new regulation clarifies that beneficial ownership is based on both ownership and control, it remains unclear who should be listed as the beneficial owner of an NPO. Some NPOs (those similar to express trusts and constituted as express trusts and similar legal arrangements) may have to list individuals who do not own or control the organisation, including grant recipients. This could create a heavy administrative burden and raise privacy concerns, especially when thousands of individual beneficiaries must be named.

USING VIRTUAL CURRENCIES MAY BECOME MORE DIFFICULT

Due to stricter rules for crypto-asset providers, it will become even more difficult -if not impossible- for civil society organisations and activists in repressive environments to use cryptocurrencies as alternatives to regular transfers and traditional banking.

POSSIBLE UNINTENDED CONSEQUENCES OUTSIDE THE EU

We are not only concerned about implications within the EU, but also about potential spill-over effects in other jurisdictions. Elements from the package that go beyond international standards (e.g. the FATF Recommendations) might be incorporated into these standards and caution needs to be taken that this does not include elements that are not risk-based, overly restrictive or insufficiently nuanced. Moreover, elements might be copied in other contexts where there might not be an adequate level of safeguards against over-regulation and incorrect implementation.

This brief is co-funded by the European Union. Views and opinions expressed are however those of ECNL and Philea only and do not necessarily reflect those of the European Union or the European Education and Culture Executive Agency. Neither the European Union nor the granting authority can be held responsible for them.



European Center for
Not-for-Profit Law

Philea

Philanthropy
Europe
Association



Co-funded by
the European Union