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Overview of the relevant regulations 2025.

EU & DACH region

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Introduction

The year 2025 will bring numerous innovations in the area of compliance for regulated companies in the EU as well as in the DACH region (Germany, Austria, Switzerland). These changes particularly affect the areas of anti-money laundering (AML) and identity verification in the context of Know Your Customer (KYC). Companies are required to take appropriate measures at an early stage in order to meet legal requirements and minimise risks.

This overview acts as a guide to identify regulatory requirements in the area of AML and KYC at an early stage and to develop appropriate strategies for compliance.

2. Wesentliche Neuerungen im Jahr 2025

AMLA: The European Union's Anti-Money Laundering Authority was proposed in 2021 as part of the EU's anti-money laundering package. The authority will start its work in mid-2025. Its main objective is to ensure central supervision of anti-money laundering measures across the EU and to directly supervise high-risk financial institutions.

- Based in Frankfurt, Germany.
- EU authority with a leading role in anti-money laundering monitoring.

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The Anti-Money Laundering Authority (AMLA) is expected to impose strict penalties for violations of anti-money laundering (AML) and countering the financing of terrorism (CTF) regulations. The main sanctions include:

1. **Fines:** AMLA will have the power to impose fines of up to 10% of a company's annual global turnover or €10 million, whichever is greater.
2. **2. Damage to reputation:** Public announcements of violations that damage the company's reputation and undermine customer trust.
3. **3. Operational restrictions:** Possible suspension of operations or imposition of stricter compliance obligations on non-compliant companies.
4. **4. Personal liability:** Senior executives and compliance officers could be personally punished, including fines or prohibitions on holding managerial positions in supervised entities.
5. **5. Criminal prosecution (in coordination with national authorities):** Serious breaches, in particular related to money laundering or terrorist financing, could lead to criminal investigations and prosecutions.

These measures underscore AMLA's focus on ensuring accountability and deterrence of financial crime.

EU Single Rulebook: The EU Single Rulebook is part of the broader EU legal framework, including updates to the Anti-Money Laundering Package proposed in 2021. Key elements of the single rulebook will gradually enter into force from 2025 onwards and will be in line with the introduction of the AMLA and other regulatory updates.

- Implementation of the new KYC procedures and full implementation of the EU Single Rulebook.
- Harmonizes European banking supervision law through guidelines and recommendations of the EBA (European Banking Authority).
- Consists of a set of legal provisions.
- Binding for all financial institutions

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The EU Single Rulebook introduces stricter and harmonised penalties for breaches of anti-money laundering (AML) and countering the financing of terrorism (CTF) rules in all EU member states. The main sanctions include:

1. **Fines:** Member States must impose penalties of up to 10% of a company's total annual turnover or €10 million for serious infringements, whichever is higher.
2. **2. Administrative measures:** Companies that do not comply with the regulations must expect restrictions on their business activities, including restrictions on market access or the suspension of certain business activities.
3. **3. Reputational penalties:** Public disclosure of violations that can severely damage a company's reputation and customer trust.
4. **4. Personal sanctions:** Executives or compliance officers may be subject to personal fines or a ban on taking on managerial responsibilities in supervised entities.
5. **5. Increased oversight:** Continued non-compliance could lead to increased regulatory scrutiny, including more frequent audits and reporting requirements.

The single rulebook aims to harmonise enforcement across the EU and ensure that non-compliances are punished with uniform and severe consequences, regardless of the Member State.

MiCA: The Markets in Crypto-Assets Regulation (MiCA) was formally adopted in 2023 and came into force at the end of 2024.
In January 2025, MiCA will apply a uniform legal framework for crypto assets in the EU, ensuring greater transparency, investor protection and market integrity.

- Supervision by the FMA in Austria
- Goal: Regulation for cryptocurrencies and services that have so far been ignored.

The Markets in Crypto-Assets Regulation (MiCA) establishes a uniform framework for sanctions in the EU to ensure compliance with the rules for crypto-assets. The main sanctions include:

1. **Fines**: For serious violations, the authorities can impose fines of up to €15 million or 15% of the company's annual global turnover, whichever is higher.
2. **Damage to reputation**: Public disclosure of breaches, leading to a potential loss of trust among investors and stakeholders.
3. **License revocation**: Companies that do not comply with the regulations must expect the suspension or withdrawal of their licence to operate in the EU.
4. **Personal liability**: Executives and compliance officers can be fined or barred from management positions in the financial sector.
5. **Market restrictions**: Companies can be prevented from offering certain crypto assets or services until compliance is restored.

MiCA aims to ensure a high level of consumer protection, market integrity and financial stability, and has significant consequences for companies that fail to meet its requirements].

4. Risks and consequences from a compliance perspective

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4. Risks and consequences from a compliance perspective

4.1 Risks for regulated companies

- **Erhöhtes Haftungsrisiko:**With the 6th Anti-Money Laundering Directive (6AMLD) and the AMLA, responsibility is extended to the company's management and compliance officers. This leads to an increased risk of personal liability.
- **Stricter sanctions:** Violations of anti-money laundering (AML) and identity verification (KYC) requirements can lead to increased fines and a loss of reputation.
- **More complex requirements:** Harmonization through the EU Single Rulebook cannot completely rule out national deviations, which poses operational challenges for companies.
- **Technological adaptations:** Companies that do not implement digital identity solutions or updated monitoring systems expose themselves to the risk of technical backlogs and regulatory violations.

4. Risks and consequences from a compliance perspective

4.2 Effects of the new regulations

- **Extended due diligence obligations:** Companies are required to take a more individual approach and carry out comprehensive data analyses**.**
- **More control through the AMLA:** Cross-border activities are subject to central review, which requires increased transparency.
- **Changing workflows:** Implementing new standards such as KYC updates and stricter transparency regulations requires extensive training and internal process adjustments.
- **Competitive pressure from compliance:** Companies that implement AML and KYC measures more effectively can secure a competitive advantage, while laggards face reputational risks.

5. 2025 timetable: new provisions enter into force

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Timeline 2025

NEW REGULATIONS ARE COMING INTO EFFECT

January 2025

MiCA - FMA Austria

Stricter transparency regulations for financial transactions.

- Supervision by the FMA in Austria.
- Regulation of cryptocurrencies and related services that were previously unregulated.

June 2025

AMLA

The AMLA, the EU Anti-Money Laundering Authority, is commencing its operations.

- Headquartered in Frankfurt, Germany.
- An EU authority with a leading role in overseeing anti-money laundering efforts.

December 2025

EU Single Rulebook

Completion of the implementation of new KYC procedures and full adoption of the EU Single Rulebook.

- Harmonizes European banking supervision through guidelines and recommendations from the EBA (European Banking Authority).
- Consists of a set of legal provisions.
- Mandatory for all financial institutions.

6. Recommendations for regulated companies

6. Recommendations for regulated companies

Update AML and KYC systems

Implementation of innovative software solutions for identity verification and transaction monitoring in accordance with EU regulations.

Training and awareness-raising

Inform your employees about the new requirements of the AMLA and MiCA and train them regularly.

Optimize processes

Streamline workflows to meet stringent transparency requirements and the requirements of the EU's single rulebook.

Seek external help

- Working with specialized compliance experts to implement complex regulations.
- Ensure proper documentation.
- Review and update internal policies to ensure compliance with the new regulations.

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Thank you!