

CMS: Implementation of 4th AML Directive brings new regulatory hurdles in Romania

As we previously informed, Law no. 129/2019 which implements the 4th Anti-Money Laundering Directive, Directive (EU) 2015/849, was promulgated by the Romanian President and will come into force three days after being published in the Romanian Official Gazette.

Legal entities registered in Romania should take note of new regulatory requirements related to Law no. 129/2019's creation of a register of beneficial owners. Under Law no. 129/2019 legal entities have the obligation to file a declaration of beneficial owners (i) when registering with the National Trade Registry Office, (ii) annually and (iii) every time a modification regarding the beneficial owner occurs. Legal entities that are already established, must file declarations of beneficial owners 12 months from the date Law no. 129/2019 enters into force. Failure to meet this deadline may result in a fine between RON 5,000 and RON 10,000.

Other notable provisions of Law no. 129/2019 include:

- Supplementary "know your client" measures are required in transactions and business relations with publicly exposed persons or clients whose beneficial owners are publicly exposed persons;
- The category of publicly exposed persons shall be extended as to also include members of the parliament or other similar legislative organs from other states, members of the leading organs of political parties, as well as directors, deputy directors and members of the board of directors or members with equivalent positions within an international organisation;
- The obliged entities are required to file a report for suspicious transactions as defined by art. 6 of Law no. 129/2019 and for any cash transactions that are equal to EUR 10,000 or more;
- All reports are to be sent exclusively to the National Office for Prevention and Control of Money Laundering before carrying out the suspicious transaction or within 3 days after executing a non-suspicious transaction equal to minimum EUR 10,000;
- The thresholds of the fines provided in Law no. 129/2019 are significantly higher than the ones provided in Law no. 656/2002 on the prevention and sanctioning of money laundering and on setting up of certain measures for the prevention and combating terrorism financing;
- Law no. 129/2019 does not apply to state owned companies.

Note that, among others, legal entities will have to comply with the new requirements within 180 days as of the date Law no. 129/2019 enters into force. If they fail to comply with the imposed requirements, legal entities risk fines of up to 10% of their annual turnover.

For further information on the Law from a regulatory perspective, please contact [Ana-Maria Nistor](#) or [Andrei Cristescu](#).