

**Subject:** Consultation Paper – Draft Regulatory Technical Standard on criteria for identifying business relationships, occasional and linked transactions as well as lower thresholds under Article 19(9) of Regulation (EU) 2026/1624 (the “**AMLR**”)

**Date:** 7th May 2026

Dear Sir/Madam,

The Compliance Institute (the “**Institute**”) is the professional body for compliance professionals. With over 3,850 members, it is the premier provider of education and professional development in compliance, providing an authoritative and balanced voice on matters relating to regulatory compliance and business ethics in Ireland.

The Institute is supportive of the European Union’s efforts to harmonise national legislation under the Single Rulebook and draft standards and issue guidelines to clarify the requirements under the AMLR and the other components of the EU AML/CFT Package.

The Institute is well placed to provide informed feedback given the key role that the profession has in Regulated Financial Service Providers (“**RFSP(s)**”) and its diverse membership that includes AML compliance and other professionals from a broad range of sectors subject to different levels of regulation and supervision.

The Institute welcomes the publication by the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (“**AMLA**”) of the Consultation Paper on Draft Regulatory Technical Standards on criteria for business relationships, occasional transactions and linked transactions as well as lower thresholds under Article 19(9) of the AMLR, and the opportunity to provide responses on behalf of its members to the questions set out in the paper as are more particularly set out in Appendix 1.

The recent AMLA public hearing was very well received by our membership, and the opportunity to engage and communicate in these types of fora is very helpful. Our members would welcome the continuation of this engagement with the AMLA and express their thanks for the support provided to date.

The views expressed in this letter reflect those of the Institute as a professional body for compliance professionals in consultation with a sub-section of its members representing a range of financial services industry sectors.

We hope you find our views constructive and are available to discuss further if helpful at your convenience.

Yours faithfully

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## APPENDIX 1

### GENERAL REMARKS

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At a general level, a single set of standards must accommodate the reality that obliged entities operate in diverse sectors with differing risk profiles, data availability, and operating models, and sector-specific guidance would help ensure proportionality and operational feasibility rather than imposing monitoring burdens without commensurate risk mitigation.

Further guidance would be welcomed on the interpretation of elements of the existing criteria (as further detailed in our responses below) as would confirmation that obliged entities may rely on professional judgement as well as qualitative aspects in applying the criteria.

We believe that greater recognition of sectoral differences and more explicit guidance on proportional application would better align the draft RTS with the risk-based approach.

### RESPONSES TO QUESTIONS

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**Question 1: Do you find the criteria listed in Article 2 of the draft RTS effective to identify business relationships properly? If not, could you please indicate why, where possible substantiated by relevant data?**

The criteria outlined in Article 2 of the draft RTS are welcomed by our membership in providing clarification on the concepts of repetition and duration, particularly through the inclusion of examples such as ongoing access via online services and repeated provision of services.

However, there is a risk that the framing of the criteria as matters to be taken into account may lead to divergent outcomes between obliged entities and between different industry sectors in terms of how the criteria are applied. It may also lead to customers experiencing different outcomes in very similar circumstances.

There is also a risk that obliged entities and competent authorities may reach different conclusions as to what constitutes a business relationship. This exposes obliged entities to legal uncertainty and regulatory risk and may lead some obliged entities to apply the considerations as de-facto rules. For example, thresholds such as “three transactions within a rolling 12-month period” may be applied prescriptively in practice, potentially limiting firms’ ability to apply a genuinely risk-based approach.

**Question 2: Do you find the criteria listed in Article 3 of the draft RTS effective to identify linked transactions properly? If not, could you please indicate why, where possible substantiated by relevant data?**

The criteria set out in Article 3 are clearly well-intended in terms of enhancing the identification of linked transactions and reducing the risk of circumvention of CDD thresholds.

However, there is again a risk that the framing of the criteria as matters to be taken into account may lead to divergent outcomes between obliged entities and between different industry sectors in terms of how the criteria are applied. It may also lead to customers experiencing different outcomes in very similar circumstances.

The recitals in the draft RTS notes that if the obliged entity has or should have access to information relevant to the assessment of the listed criteria, it should take that criterion into account. This statement appears open to interpretation by supervisors and may expose obliged entities to legal uncertainty and regulatory risk. It is not clear what the expectations will be of obliged entities in terms of implementing systems, procedures and controls to leverage information that obliged entities may hold or should have access to.

A number of the criteria are based on behavioural concepts such as customers “operating in concert”, “similar origin or destination”, “short timeframe” or “common characteristics”, which are not sufficiently defined to allow for consistent interpretation or implementation. These concepts are inherently subjective and may only be identifiable through retrospective analysis rather than forward-looking controls.

**Question 3: Do you consider it necessary to add additional criteria that should at least be taken into account when considering the different elements of the definition of a business relationship to ensure the proper identification of business relationships? If so, could you please indicate which criteria and for which sector(s)?**

Our membership does not consider it necessary to introduce additional criteria for the identification of business relationships at this stage. The criteria are framed as being the minimum criteria to be taken into account (i.e. “obliged entities shall...at least take into account...”) which in practice should encourage obliged entities to consider whether other criteria may be relevant to their business.

**Question 4: Do you consider it necessary to add additional criteria that should at least be taken into account when considering the different elements of the definition of linked transactions to ensure the proper identification of linked transactions? If so, could you please indicate which criteria and for which sector(s)?**

Our membership does not consider it necessary to introduce additional criteria for the identification of linked transactions at this stage. The criteria set out in the draft RTS are already extensive and have the potential to capture a wide range of transactional behaviours. The criteria are also framed as being the minimum criteria to be taken into account (i.e. “obliged entities shall...at least take into account...”) which in practice should encourage obliged entities to consider whether other criteria may be relevant to their business.

**Question 5: Do you consider the criteria for identifying business relationships and linked transactions listed in Article 2(3) and Article 3(2) of this draft RTS proportionate? If not, could you please indicate why, where possible substantiated by relevant data, and which alternative criterion you would find more proportionate?**

While the draft RTS seeks to strike a balance between harmonisation and flexibility, there is a risk that certain criteria may not be proportionate when applied across all sectors and business models particularly when different sectors present notably different levels of risks as evidenced by national and sectoral risk assessments.

The draft RTS introduces a common set of indicators across a highly diverse range of obliged entities, including sectors with fundamentally different transaction structures, customer interactions, and data availability. This approach assumes a level of data standardisation and comparability that does not exist in practice.

As a result, some firms may face disproportionate implementation challenges, particularly where the criteria require data integration, behavioural analysis, or insights that are not readily available within existing systems.

Greater recognition of sector-specific differences and more explicit guidance on proportional application would help ensure that the criteria remain aligned with the risk-based approach.

**Question 6: Do you foresee any operational challenges in implementing this draft RTS? If so, could you please indicate which, where possible substantiated by relevant data? Do you have any suggestions that would make the criteria better suited operationally?**

The draft RTS presents several operational challenges related to data availability, system capabilities, and the practical implementation of the proposed criteria.

A key issue in relation to Article 3 is the reliance on “information available to the obliged entity”, without distinguishing between data that exists within an organisation and data that is accessible and operationally usable. In many cases, identifying linked transactions would require significant enhancements to data integration, entity resolution, and analytical capabilities. In practice, firms would likely need to implement broad rule-based detection scenarios to identify patterns, which may generate a high volume of alerts driven by benign activity (e.g. shared environments such as workplaces or households). This could reduce the overall effectiveness of transaction monitoring by shifting resources from the identification of suspicious activities to the discounting of potential linked transactions.

The draft RTS does not specify when or how the criteria in Article 3 should be applied (e.g. onboarding, transaction monitoring, or investigations), which makes it difficult for firms to translate them into consistent and testable controls.

Additional clarification on expectations, definitions, and proportional implementation would significantly improve the operational feasibility of the draft RTS. Investment in system enhancements will likely be constrained by cost and resources and there may be potential issues where legacy systems are involved.

**Question 7: Do you see a need for the introduction of an additional lower threshold for a specific obliged entity, sector or transaction? If so, could you please indicate why, where possible substantiated by data, and at which value the threshold should be set?**

Our membership supports AMLA’s conclusion that the existing thresholds outlined in the AMLR are sufficient at this time. Further reductions in thresholds would impose operational burdens without clear evidence of risk mitigation.