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FAQs – periodic reporting in accordance with the Anti-Money Laundering Act

Who must report?

Basically all undertakings conducting business in Sweden, i.e. natural and legal persons specified in Chapter 1, section 2, points 1–13 of the new Anti-Money Laundering Act (2017:630).

Do companies under liquidation need to report?

Yes, if the company has authorisation from or is registered with FI.

The requirement also applies to foreign undertakings' branches and Swedish subsidiaries in Sweden.

The reporting obligation for foreign branches and Swedish subsidiaries applies only to information in these undertakings. For example, a foreign branch must only report information about the branch's net sales, not the net sales of the parent undertaking.

I am a natural person dealing as an insurance broker, am I subject to the reporting obligation?

Yes, as of 2019, if you are or have authorisation for conducting business in Sweden, i.e. natural and legal persons specified in Chapter 1, section 2, points 1-12 of the new Anti-Money Laundering Act (2017:630), you are subject to the reporting obligation.

You can see which authorisations you have in FI's Company Register, which is available at www.fi.se. If you have authorisation for life insurance (*Livförsäkring*), you are subject to the reporting obligation even if you are not conducting any business with these types of products.

I have authorisation for life insurance, but I am not conducting any business with these types of products. Can I be removed from the reporting obligation if I de-register my authorisation?

See the Insurance page at www.fi.se for more information.

Reporting exemptions

The undertakings that are exempted from the reporting obligation are specific tied agents for whom the obligation rests instead on the institution that is subject to authorisation. This applies, for example, to currency exchangers and money remitters.

The obligation does not apply to Swedish undertakings' branches and subsidiaries abroad.

Foreign companies who conduct cross-border operations in Sweden without having established a firm (for example via a branch or by other means through a natural or legal person) are not subject to this periodic reporting obligation.

For which activities in the undertaking must we file a report?

The undertaking must file a report for the part of the activities that are subject to Chapter 1, section 2, points 1–12 of the Anti-Money Laundering Act (2017:630). As such, insurance undertakings and insurance intermediaries, for example, only need to file reports for activities that refer to life insurance.

Who at the undertaking is responsible for filing the report with FI?

No single person has been specified as responsible for filing the report. The undertaking is ultimately responsible for ensuring that the report is filed, but may decide who within the undertaking is suitable for carrying out the task.

In terms of the group, what is the level of the reporting?

Each individual legal entity is responsible for its own reporting. From a practical perspective, it is up to the group to decide who in the group is responsible for reporting for each unit. In other words, the group can decide to have one person file the reports for all subsidiaries as long as a report is filed for each individual undertaking.

In what language should the report be filed?

Swedish or English.

Why are all of the products offered by my undertaking not included as an option in the questionnaire?

The questionnaire contains questions that FI considers to be necessary to be able to categorise the risk of the undertaking under supervision. While the questions may touch on some products and services, the aim is to create a risk profile for each individual undertaking, not to obtain an overview of their total product offering. It is possible that some undertakings may not offer any of the products or services that are listed in the questionnaire.

What does “legal tax domicile” mean?

Legal tax domicile is the country where the undertakings' customers are registered for tax purposes. Questions about the legal tax domicile are intended to obtain an overview of the countries in which the undertakings' customers are registered for tax purposes. Please specify if a customer has a legal tax domicile in more than one country.

Example: If a customer has a legal tax domicile in both Sweden and the USA, this customer is counted in both fields, i.e. the field for legal domicile in Sweden and the field for legal domicile outside the EU.

An undertaking must identify where its customers have their legal tax domicile. In general, the legal tax domicile is the same as the country in which the customer lives or has permanent residency. The registered address can be a natural place to start when determining the legal tax domicile. Using this address, the undertaking can assess if it is reasonable that the registered address and the legal tax domicile are the same. In some cases, based on what is known about the customer in general, it is possible to assume with a high degree of probability where the customer's tax domicile is. In cases where such an assumption is not reasonable, additional measures should be taken to determine the location of the customer's legal tax domicile.

When specifying the number of the undertaking's employees in Sweden, what happens if a service provider is a legal person and several consultants participate in the work remotely? Should the legal person in this case be considered a single employee?

Yes, in this case, the legal person should be considered a single employee.

What are the definitions for "established business relationship" and "customer"?

Established business relationship is defined in the Anti-Money Laundering Act (2017:630) as a business relationship that is expected to have a certain longevity.

A *customer* is defined in the Anti-Money Laundering Act (2017:630) as a party which has commenced or is about to commence a business relationship with an undertaking.

It is up to an undertaking to make an assessment based on these definitions and the nature of business which is conducted when defining its established business relationships and customers. Some guidance has been provided in the preparatory works, Bill 2016/17:163 (from page 188).

What does the term "correspondent bank" mean?

A *correspondent bank* is a bank that considers itself to have correspondent relationships as defined in Article 3(8)(a) of the Fourth Anti-Money Laundering Directive (2015/849). The answer to the question should be the number of relationships.

Article 3(8)(a) defines *correspondent relationships* between banks as

“the provision of banking services by one bank as the correspondent to another bank as the respondent, including providing a current or other liability account and related services, such as cash management, international funds transfers, cheque clearing, payable-through accounts and foreign exchange services”

What does the term “private banking” mean?

There is no legal definition of *private banking*. It is up to the undertakings to determine if they offer this service or not. Private banking is an umbrella term for the services an undertaking offers its wealthiest customers, often based on whether the person or family has certain amount of investable assets. The range of products at undertakings can vary. For example, some may offer tax advice but others not.

What is the definition of “money transmittance”?

The term *money transmittance* is defined in Chapter 1, section 2, points 8–9 of the Anti-Money Laundering Act (2017:630).

What does the term “High risk third country mean?

Third countries, identified by The European Commission with strategic deficiencies in their AML/CFT regimes that pose significant threats to the financial system of the Union.

What does the phrase “Are cross-border transactions checked against the sanction lists?” mean?

Transactions that are transmitted from one jurisdiction to another must be checked against international sanction lists. For example, as a main rule, financial transactions to/from North Korea are forbidden.

What is meant by “What is the value of all cross-border transactions?”?

The total value of cross-border transactions transmitted to and from another jurisdiction. Cross-border transactions can include payments such as wire transfers, card payments, etc.

The value of all cross-border transactions includes transactions for both customers and internal corporate transactions. For example: If a company conducts transactions from Sweden *to* country A for SEK 50.000 and *from* country A to Sweden for SEK 10.000 then the total value should be reported as $50.000 + 10.000 = 60.000$.

What is meant by “Hawala”?

Hawala is an informal method of transferring money without any physical money actually moving.