

**MAY 2026**

**AFG'S RESPONSE**

**TO THE AMLA CONSULTATION ON DRAFT  
RTS UNDER ARTICLE 28 (1) OF  
REGULATION (EU) 2024/1624**



**AFG**



The Association Française de la Gestion Financière (AFG) represents and advocates for the role of asset management in shaping the French economy. It counts over 440 members, including 340 asset management companies, which collectively manage 90% of assets under management in France.

AFG actively supports the growth of the French asset management industry for the benefit of savers, investors, and businesses.

AFG is dedicated to promoting stable, efficient, and competitive regulation, with a strong focus on helping individuals finance their life goals while channelling private savings towards businesses in transition.



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## Section 2 – Substantive comments on the draft Regulatory Technical Standards

### Question 1

**Do you agree with the proposals set out in these draft RTS? If you do not agree, please specify:**

**(i) the provision(s) concerned; and**

**(ii) the rationale for your position.**

**Please provide concrete drafting proposals to resolving the issue and explain why the measure you propose would be more appropriate.**

AFG disagrees with requirements set by article 17 of the draft RTS.

The asset management industry's operational model differs significantly from banking, especially in fund unit sales and direct investor relationships. While draft RTS Article 17 acknowledges some rules for fund managers' CDD obligations, it incorrectly requires fund managers to perform CDD on intermediaries' clients. This would duplicate distributors' checks and add unnecessary costs, hampering competitiveness. This is also often legally and operationally impossible due to fund distribution methods and data privacy restrictions. Mandating these distributors substantial new data-sharing burdens, duplicate existing checks, increase costs, and likely deter retail investors, reducing investment diversity.

This could lead intermediaries to limit fund offerings, potentially to in-house products, and severely disrupt some well-functioning fund markets such as Nordic markets. EU funds would struggle internationally, risking UCITS' global standing. This would harm Europe by reducing foreign investment into the real economy, contradicting EU goals. As of late 2024, non-EU investors held €5.7 trillion in EU fund assets.

To address these concerns, ensure fair competition, and acknowledge low ML/TF risk, funds should be relieved of certain obligations based on Article 20(1) AMLR. The current Article 17 proposal fails this by duplicating intermediary work. Commission and co-legislator reports, along with FATF guidance, support this relief, recognizing that financial institutions are the primary customers for funds, not their intermediaries' underlying clients.

Article 17 proposed, by requiring access to intermediary client bases, does not follow a risk-based approach, misinterprets the AMLR mandate, and disregards the practical and legal realities of these relationships.

## Question 2

**Do you agree that the proposals set out in these draft RTS can be applied across the range of products and services provided by your obliged entity? If you do not agree, please:**

**(i) explain your rationale for why the current proposals do not provide sufficient flexibility; and**

**(ii) provide concrete drafting proposals and explain why the specific measures you propose would be more appropriate.**

-

## Question 3

**Do you agree that the proposals set out in these draft RTS allow for the effective application of a risk-based approach towards compliance with AML/CFT requirements? If you do not agree, please:**

**(i) specify the provisions concerned; and**

**(ii) provide concrete drafting proposals and explain why the specific measures you propose would be more appropriate.**

AFG disagrees with several requirements of the draft RTS because they are overly prescriptive.

The Draft RTS's Article 1 emphasizes the crucial risk-based and proportionality principles for a successful AML/CFT framework, aligning with AMLR recitals and supporting a harmonized EU approach. Similarly, Recital 29 of AMLR explicitly states that policies should be proportionate to an entity's business, risks, complexity, and size, acknowledging the need to apply this approach at both the entity and sector levels.

However, a mere reference to a risk-based approach is insufficient if followed by excessively detailed and prescriptive rules. For example, article 5 requires obliged entities to obtain information on "all nationalities" of the customer. This obligation is very impractical given that obliged entities do not have access to any database that will give them such satisfaction. Moreover, identification documents, such as passports or IDs, for obvious reasons, inform only about the nationality of one country.

## Question 4

**Considering the nature of your business, including its size, risks, and complexity, are there any situations where the information to be collected for the purposes of customer due diligence as proposed in these draft RTS is routinely unavailable and the proposals in these draft RTS do not provide an alternative solution? If so, please provide concrete examples of such situations and your proposals for alternative solutions.**

We confirm that information to be collected in the present version of the draft RTS will be unavailable.

Retail investors in several member states like Denmark, Ireland, Sweden or France typically subscribe to funds through regulated intermediaries (banks, brokers). Fund shares are purchased in the intermediary's name on behalf of their clients.

The intermediary's underlying investors are not direct clients of the fund, meaning funds and their management company have no direct relationship or visibility into these individuals. Intermediaries are restricted by data protection and professional secrecy laws from sharing client onboarding data. Furthermore, forcing funds to seek this data would be redundant as intermediaries, being AML-obliged entities themselves, already conduct full Customer Due Diligence (CDD) on their clients. Besides, this will add costs and affect competitiveness within the EU.

Funds instead perform AML/CFT analysis on the intermediary, assessing their business, reputation, AML/CFT controls, and senior management approval, ensuring the intermediary has its own robust CDD framework for its clients. This model substantially mitigates ML/TF risk through due diligence on the regulated intermediary.

Let alone other models, such as in Nordic countries with fund stock exchanges, and for ETFs traded on regulated exchanges, where identifying individual holders on secondary markets is operationally impossible.

In all these scenarios, the risk is mitigated by focusing AML efforts on the regulated intermediaries.

### Question 5

**Considering AMLA's legal mandate in Article 28(1) of Regulation (EU) 2024/1624, and taking into account your obliged entities' products offered and service provided, what other simplified due diligence measures should be included in the draft RTS, for example because of the associated lower ML/TF risks of these products and services? Please provide concrete drafting proposals and rationale for the specific measures you would propose**

**Q5: Additional observations: Do you have any additional comments relevant to the draft RTS that have not been covered above? Please ensure that comments refer to a specific article, are precise, and, where possible, supported by evidence. Where necessary, comments should also include a proposed solution.**

Article 17 of the Draft RTS should allow Collective Investment Undertakings (CIUs) to fulfill Article 20(1) AMLR requirements by relying on credit or financial institutions, without demanding their customer information. This should apply across all fund subscription scenarios (as detailed above) provided specific conditions are met. This approach ensures a

harmonized AML/CFT framework for asset management that respects diverse business models and subscription methods.

In the current draft, any scenario where an intermediary's customer is also considered the CIU's customer would lead to duplicative CDD, disrupting the industry. Therefore, CIUs should not demand customer information from counterparties but rely on credit or financial institutions, which are already obliged entities.

We suggest condition (a) should recognize the strength of AML/CFT rules within international capital groups, as their group-wide policies often meet or exceed EU standards, even in jurisdictions with less developed local laws.

We suggest deleting condition (d) as the assessment of the robustness and risk-sensitiveness of CDD measures of the financial institution may be subject to various interpretations.

The main risk lies with the intermediary AML-CFT program; therefore, the focus should be on the due diligence performed on the intermediary.

Taking all that into account, we would suggest the following changes in the wording of the Art. 17 of the Draft RTS:

*“When **shares or units of a collective investment undertaking** ~~distributes its shares or units are sold~~ through another credit institution or financial institution ~~that acts in its own name but on behalf or for the benefit of one or more final investors, #the collective investment undertaking~~ may fulfil the requirement under Article 20(1), point (h), of Regulation (EU) 2024/1624 ~~if it is~~ **being satisfied that the credit institution or financial institution will provide the information necessary to identify and verify the identity of any final investor without undue delay and upon request. This is provided that:***

- (a) the credit institution or financial institution is subject **directly or through group policies** to AML/CFT obligations in an EU Member State or in a third country that has AML/CFT requirements that are not less robust than those stipulated by Regulation (EU) 2024/1624, **or has implemented an equivalent AML/CFT program; and;***
- (b) the credit institution or financial institution is effectively supervised for compliance with obligations as provided for in point (a); and*
- (c) the risk associated with the relationship with the credit institution or financial institution is ~~low or standard~~ **not high. and***
- (d) ~~the collective investment undertaking is satisfied that the credit institution or financial institution applies robust and risk-sensitive CDD measures to its own customers and its customers' beneficial owners.”~~*

In all other cases, the collective investment undertaking may fulfil the requirement under Article 20(1), point (h), of Regulation (EU) 2024/1624 when it performs enhanced due diligence on the credit institution or financial institution's AML-CFT program at onboarding and periodically”.

### Section 3 – Additional substantive input

**Do you have any comments on a specific article in the draft RTS? There is no need to repeat comments made in the previous sections of this survey.**

- Yes

- No

**Please state the article number in simple figures, without referring to the subparagraphs or points (e.g. '3' or '21')**

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**Please share your comments below, specifying the subparagraph and point, if applicable (e.g. paragraph 1 point (a)).**

See above.

**Do you have any comments on a specific article in the draft RTS? There is no need to repeat comments made in the previous sections of this survey.**

- Yes

- No

**Please state the article number in simple figures, without referring to the subparagraphs or points (e.g. '3' or '21')**

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**Please share your comments below, specifying the subparagraph and point, if applicable (e.g. paragraph 1 point (a)).**

It would be desirable to open it up to more methods for verifying the customer's identity

**Do you have any comments on a specific article in the draft RTS? There is no need to repeat comments made in the previous sections of this survey.**

- Yes

- No

**Please state the article number in simple figures, without referring to the subparagraphs or points (e.g. '3' or '21')**

21

**Please share your comments below, specifying the subparagraph and point, if applicable (e.g. paragraph 1 point (a)).**

In order to respond to the risk-based approach, it seems useful to mention the exemption from the obligation to identify the beneficial owner for listed companies.

## **Section 4 – Substantive Overall assessment**

**How would you rate the proposals set out in the draft RTS overall?**

- Inadequate

- Somewhat inadequate

- Neutral

- Good

- Excellent



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