

AML/CFT regulatory developments in H1 2026

The first half of 2026 saw several major developments in the field of anti-money laundering and counter-terrorist financing: three new draft Regulatory Technical Standards issued by AMLA, two major Spanish legislative developments, and two SEPBLAC guides on de-risking and simplified due diligence.

The anti-money laundering and counter-terrorist financing (“**AML/CFT**”) developments in the first half of 2026 share a common thread: intensified controls and less discretion in risk management, amid Spain’s imminent mutual evaluation by the Financial Action Task Force (“**FATF**”) and progress on the AML/CFT “single rulebook” at the EU level. We analyse these developments below.

1. NEW DRAFT REGULATORY TECHNICAL STANDARDS FROM THE AMLA

The Authority for Anti-Money Laundering and Countering the Financing of Terrorism (“**AMLA**”) published three new draft Regulatory Technical Standards (“**RTS**”) in the first quarter of 2026, which develop key aspects of the AML Package.¹ The texts address key issues, such as distinguishing between business relationships and occasional transactions, identifying related transactions, setting out customer due diligence requirements and establishing the criteria for the sanctions regime applicable to AML/CFT breaches. The three texts focus on different stages of the customer relationship and should be read together.

1.1 BUSINESS RELATIONSHIPS, OCCASIONAL TRANSACTIONS AND LINKED TRANSACTIONS

The distinction between a business relationship and an occasional transaction is the first step in an AML/CFT compliance assessment, as it determines whether an institution must apply the full due diligence regime and carry out ongoing monitoring, or whether a more limited process is sufficient. These two concepts are mutually exclusive: every interaction with a customer must be classified as either a business relationship or an occasional transaction.

Correctly identifying related transactions is equally important to mitigate the risk of transactions being artificially split to avoid the due diligence thresholds. This is one of the main areas of focus in supervisory inspections.

¹ The AML Package consists of Regulation (EU) 2024/1624 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing; Regulation (EU) 2024/1620, establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism; and Directive (EU) 2024/1640 (“**AMLD6**”) on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

The draft combines horizontal and sector-specific criteria and, in general, demonstrates greater flexibility than current Spanish regulations, which require more robust justifications for decisions while giving entities greater flexibility to adapt to their specific circumstances.

For example, for all entities, using online services that provide continuous access indicates “duration”. For non-financial professionals (notaries, lawyers, advisers and auditors), providing services at different times or services of a different nature indicates “repetition”; and, for currency exchange entities, remittance entities and crypto-asset providers, executing three or more transactions within 12 months meets the minimum threshold.

The resulting Delegated Regulation will apply from 10 July 2027, except for certain entities in the non-financial sector, where application is deferred until 10 July 2029.

1.2 CUSTOMER DUE DILIGENCE

The AMLA has opted to set out the same rules for the financial and non-financial sectors in a single instrument, reserving sector-specific provisions only where strictly necessary.

For identification and verification, the most significant practical changes are:

- Standardising the minimum set of data to be collected, thereby eliminating the previous discretion in this area: for natural persons, full name as stated on the identity document, address and all nationalities; for legal entities, registered name and trading name if these differ.
- For remote verification, entities should use, whenever possible, electronic identification means with a “substantial” or “high” security level.² Only if that is not possible or reasonably practicable can entities use another method, which must in any event meet the integrity, confidentiality and image quality requirements set out in the draft. Entities that do not use the eIDAS system must provide additional justification to the supervisor for not doing so.

With regard to beneficial ownership, the AMLA considers a structure to be “complex” if there are three or more layers between the customer and the beneficial owner, and if at least one of the following circumstances applies: the presence of a trust or similar entity, registration outside the EU, the use of nominee shareholders or directors, or a lack of transparency for which there is no economic justification. This provision may result in tighter controls than those currently applied under Spanish law, where senior managers are often identified as ultimate beneficial owners when a customer declares that no natural person owns or controls more than 25% of its share capital. Structural complexity alone nevertheless does not justify identifying senior managers as ultimate beneficial owners.

The draft adopts a risk-based approach to due diligence, with identification and verification requirements varying according to customer risk. It distinguishes between simplified due diligence measures for low-risk cases, standard measures for medium-risk cases and enhanced measures for high-risk cases. Enhanced due diligence requires reliable and independent documentation such as tax returns, payslips,

² In accordance with Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (“**eIDAS Regulation**”).

audited accounts, registered deeds or documentation relating to inheritances and gifts, to verify that the funds and assets originate from a lawful source.

1.3 SANCTIONS, ADMINISTRATIVE MEASURES AND COERCIVE FINES

The draft RTS on sanctions establishes common indicators for classifying the seriousness of breaches; criteria for determining the level of financial penalties and administrative measures; and uniform methods for imposing coercive fines (periodic penalty payments). Although these already exist in the EU banking sector, they have not previously been applied in the anti-money laundering field. In practice, these coercive fines are used to compel compliance and are similar to those already set out in Spanish administrative law.

Each infringement is classified into one of four categories, ranging from least serious (category 1) to most serious (category 4). Category 1 infringements have the least impact and are non-recurring, while category 4 infringements have a very significant impact, indicating structural failures in control systems or conduct that facilitates criminal activities.

The draft introduces additional administrative measures, including restrictions on activities, the withdrawal or suspension of authorisation, and changes to governance arrangements. While these measures already exist in anti-money laundering legislation, they have rarely been used in practice. The new criteria and the creation of a European supervisor may also affect how these measures are applied.

The three draft RTS mark a significant step towards a “single rulebook” for AML/CFT compliance and will have a direct and material impact on obliged entities. Although the final text has yet to be adopted, entities should start preparing for the changes now by focusing first on the most settled elements of the framework, such as their onboarding and know-your-customer processes, the treatment of complex beneficial ownership structures and screening systems, rather than waiting for the delegated regulations to be formally adopted.

2. DRAFT ROYAL DECREE ON AML/CFT AND RELATED FINANCIAL SECTOR REFORMS

The Ministry of Economy, Trade and Enterprise submitted a draft royal decree for public consultation between 16 March and 6 April 2026. The draft has three objectives: to update the AML/CFT regulatory framework³, address the FATF’s requirements ahead of the imminent mutual evaluation and immediately incorporate specific aspects of the AML Package. The draft would also introduce specific technical amendments to other financial sector regulations, such as those relating to bank resolution, the supervision of investment firms, issuer transparency and deposit guarantee schemes. We set out below the most significant changes for obliged entities by area of impact:

- **Formal identification and due diligence.** AML/CFT regulations would no longer exclude notarial and registration acts lacking economic or financial content. Natural and legal persons would have to be identified and their identity verified in all transactions carried out before a notary public and

³ Royal Decree 304/2014 of 5 May implementing Law 10/2010 of 28 April on the anti-money laundering and the financing of terrorism (“AML/CFT Regulations” and “Law 10/2010”, respectively).

those executed at crypto-asset ATMs. Spanish nationals have been able to identify themselves using either the digital or physical version of the national identity card since Royal Decree 255/2025 of 1 April regulating national identity documents came into force. Finally, the draft royal decree provides that, where due diligence measures cannot be completed at the start of the business relationship, the obliged entity must carry out the special examination set out in article 17 of Law 10/2010.

- **Non-face-to-face business relationships and transactions and gambling operators.** The option to treat the first deposit as establishing a business relationship or a non-face-to-face transaction would be removed if that deposit originates from an account in the customer's name held with an institution established in Spain, the European Union or an equivalent third country. If this amendment is ultimately incorporated into the regulations, it would be particularly significant, as this method has been widely used to establish remote relationships. It would also be technically problematic to remove this option from Royal Decree 304/2014 while leaving it in article 12.1.b) of Law 10/2010. Regarding operators of games of chance through electronic, computerised, telematic or interactive means, the operator would have to verify that the holder of the payment method used for deposits and withdrawals is also the gaming account holder.
- **Internal control and financial sanctions.** Obligated entities would have to approve in writing and implement appropriate, structured policies and procedures relating to international financial sanctions and countermeasures – in line with article 42.5 of Law 10/2010, which we analyse in section 3. Furthermore, auditors, external accountants, tax advisers and any other person providing, directly or through related parties, material assistance, support or advice on tax matters would no longer be exempt from appointing a representative to the Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences (“SEPBLAC”). Consequently, obliged entities would generally have to appoint a representative. In the case of business groups, the representative may appoint up to three authorised persons.
- **Freezing or blocking of funds or economic resources.** In line with the FATF recommendations, the regime for freezing or blocking funds would be amended to require immediate application and prevent release, including in cases determined by United Nations Security Council resolutions. This does not affect any humanitarian exceptions provided in those resolutions.
- **Foundations and associations.** In line with FATF standards and the risk-based approach, foundations and non-profit associations with an inherent risk level above “medium” – and, in any event, those operating in jurisdictions at risk of terrorist financing – would have to record and retain information on donors and beneficiaries in transactions exceeding EUR 1,000. The draft royal decree also provides that obliged entities, including credit and financial institutions, must facilitate compliance with measures designed to promote the channelling of funds through them. Accordingly, obliged entities would have to provide written evidence of the reasons for rejecting associations or foundations as customers. This provision is consistent with SEPBLAC's de-risking guidance, which we analyse in section 4.

- **Institutional organisation.** The Financial Intelligence Committee will be responsible for coordinating the national analysis of money laundering and terrorist financing risks in accordance with the requirements established by the European authorities. This analysis would take into account the European Union's Supranational Risk Assessment and the National Security Strategy. The Committee's role would be to detect, assess, understand and mitigate the risks of money laundering and terrorist financing, as well as those arising from the circumvention or non-application of international financial sanctions and countermeasures.

Once approved, the draft royal decree is expected to enter into force the day after its publication in the Spanish Official State Gazette. Although the public consultation process has concluded, the final text may differ from the draft that was submitted for consultation. Nevertheless, obliged entities can start reviewing their policies and procedures in the relevant areas, focusing specifically on formalising controls relating to international financial sanctions and preparing for the removal of the exemption from appointing a representative to SEPBLAC. These are the changes likely to have the most immediate and widespread impact.

3. ROYAL DECREE-LAW 7/2026: STRENGTHENING THE INTERNATIONAL FINANCIAL SANCTIONS REGIME

Royal Decree-Law 7/2026, which was published in the Spanish Official State Gazette on 21 March, entered into force the following day and was ratified on 26 March. It amends article 42 of Law 10/2010 to align the domestic framework with the FATF's recommendations on financial sanctions relating to terrorism and proliferation, and expressly designates SEPBLAC as the authority responsible for supervising compliance. The most significant changes are as follows:

- **Immediate effect of international designations.** Restrictive measures imposed by the EU and United Nations Security Council resolutions aimed at preventing and suppressing terrorism, terrorist financing and the proliferation of weapons of mass destruction are binding on all natural and legal persons from the moment of designation. Member States are not required to transpose or implement the measures domestically. SEPBLAC's designation as the supervisory authority suggests that compliance with asset-freezing obligations and the traceability of measures taken may be subject to specific scrutiny during future inspections.
- **Financial countermeasures against third countries.** Under article 42.2 of the draft royal decree, the Council of Ministers has the power, on a proposal from the Minister of Economy, Trade and Enterprise, to adopt financial countermeasures against third countries posing a high risk of money laundering, terrorist financing or proliferation financing. This power can be exercised at the Council's discretion or to implement decisions or recommendations from international bodies, such as the FATF. The range of available countermeasures is broad and includes, among others, the prohibition or restriction of capital movements and transfers; the freezing of funds belonging to nationals or residents of the third country in question; and the application of enhanced due diligence measures or systematic transaction reporting.

- **Protocols for indirectly affected entities.** Article 42.3 introduces a new concept into Spanish law: the power of the Directorate-General for the Treasury and Financial Policy to establish protocols for companies or entities that are indirectly affected by international sanctions because they are owned or controlled by a sanctioned party, even though the sanctions do not apply to them directly. These protocols will enable those entities to continue their normal business activities, provided that they take measures to ensure that no financial assets or economic resources are made available to designated natural or legal persons. An independent third party will be required to verify compliance with these mechanisms. The Directorate-General for the Treasury may also approve equivalent protocols recognised as effective by the competent authorities of third countries.
- **Obligation to implement policies and procedures regarding sanctions.** Article 42.5 of the draft royal decree expressly establishes that obliged entities must implement appropriate policies and procedures relating to financial sanctions. This includes assessing the risks of evasion and non-compliance, and the measures must be proportionate to the entity's nature, size and risk profile. SEPBLAC may exempt non-financial entities from this obligation where sectoral risks have been identified and understood at the collective level. This exemption, however, does not apply to financial institutions.

The reform does not introduce new obligations for financial institutions with existing compliance programmes for international sanctions, but the express inclusion of these obligations in Law 10/2010 and SEPBLAC's designation as the supervisory authority mean that sanctions compliance is now subject to formal inspection, with the same level of scrutiny as other AML/CFT obligations. Entities that have not formalised their procedures in this area – particularly in relation to assessing evasion risk and managing indirectly affected entities – should prioritise this adaptation.

4. SEPBLAC GUIDE TO BEST PRACTICES ON DE-RISKING

In early March 2026, SEPBLAC published a guide to best practices on de-risking, based on supervisory actions carried out on credit institutions in 2025. It identifies the following main best practices:

- **Entire categories of customers should not be rejected.** Belonging to a high-risk sector or group does not imply that all its members pose a high risk. Institutions must assess each customer individually, both at onboarding and throughout the business relationship. They must not compile lists of prohibited customers based solely on categories.
- **Alternative measures should be considered before exclusion.** Before rejecting or terminating a business relationship, entities must consider intermediate risk-mitigation measures, such as imposing specific restrictions on certain higher-risk products or services. Internal policies must provide for tools that allow these restrictions to be applied quickly and consistently, without terminating the business relationship.
- **A case-by-case analysis should be carried out before a business relationship is terminated.** Entities must not automatically terminate business relationships with customers

whose transactions have been reported to SEPBLAC. Internal procedures must provide for mitigating measures to identify and manage risks before the relationship is terminated.

- **Rejection or termination decisions should be recorded.** When a decision is made not to enter into, or to terminate, a business relationship for AML/CFT reasons, it is advisable to keep an internal record of the decision, including the reasons for it and the procedure followed. It is considered good practice to maintain separate lists of rejected customers, distinguishing between those excluded for commercial reasons and those excluded based solely on regulatory compliance reasons.

This guide is not binding, but clearly indicates SEPBLAC's supervisory approach on this matter. Therefore, institutions without policies and procedures for intermediate risk mitigation should review their internal frameworks in light of the guide.

5. SEPBLAC GUIDE ON APPLYING SIMPLIFIED DUE DILIGENCE MEASURES

In April, SEPBLAC published guidance on the correct application of simplified due diligence measures. The aim is to promote consistent and legally sound implementation of the risk-based approach to AML/CFT.

The guidance clarifies that, while simplified due diligence is a less stringent approach, it does not exempt entities from know-your-customer obligations. Entities must assess and document the relevant risk as low before applying simplified due diligence measures. Entities must also address all essential due diligence elements and cease applying simplified due diligence measures as soon as they identify an increase in risk. Before terminating the business relationship, they must consider any other available risk-mitigation measures.

As regards the specific measures available in low-risk scenarios, the guidance identifies the following: deferred identity verification; reduced monitoring and scrutiny of transactions; less frequent document review (with a recommended minimum period of five years for lower-risk customers); and the possibility of inferring the purpose of the business relationship from the type of product or service contracted, without having to collect additional information on the customer's activity.

In terms of beneficial ownership, entities may rely exclusively on the information in the Register of Beneficial Ownership when applying simplified due diligence measures, provided that the information does not raise any suspicions. From July 2027, Regulation (EU) 2024/1624 and its implementing rules will supersede the current Spanish framework's criteria, eliminating the predefined categories of simplified due diligence measures and enhancing the role of obliged entities in assessing the individual risk associated with each customer, business relationship or transaction.

This exemption differs from that applicable to listed companies under article 4.2.b) of Law 10/2010 and article 9.4 of Royal Decree 304/2014. Under these provisions, entities are not required to identify the beneficial owner. In these cases, the exemption is based on a specific legal provision rather than on the application of simplified due diligence measures.

Taken together, these five developments point in the same direction: AML/CFT compliance is becoming increasingly structured, risk-based and evidence-driven, both at the EU level – where the AMLA is developing the “single rulebook” through its RTS – and domestically – where the regulatory framework is being modernised, the international sanctions regime is being strengthened and SEPBLAC continues to issue guidance on de-risking and simplified due diligence. With the FATF mutual evaluation approaching and Regulation (EU) 2024/1624 due to apply from July 2027, entities should start reviewing their policies and procedures now. Those that do so will be better placed to implement the changes efficiently and effectively.

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- **Rejection or termination decisions should be recorded.** When a decision is made not to enter into, or to terminate, a business relationship for AML/CFT reasons, it is advisable to keep an

internal record of the decision, including the reasons for it and the procedure followed. It is considered good practice to maintain separate lists of rejected customers, distinguishing between those excluded for commercial reasons and those excluded based solely on regulatory compliance reasons.

This guide is not binding, but clearly indicates SEPBLAC's supervisory approach on this matter. Therefore, institutions without policies and procedures for intermediate risk mitigation should review their internal frameworks in light of the guide.

10. SEPBLAC GUIDE ON APPLYING SIMPLIFIED DUE DILIGENCE MEASURES

In April, SEPBLAC published guidance on the correct application of simplified due diligence measures. The aim is to promote consistent and legally sound implementation of the risk-based approach to AML/CFT.

The guidance clarifies that, while simplified due diligence is a less stringent approach, it does not exempt entities from know-your-customer obligations. Entities must assess and document the relevant risk as low before applying simplified due diligence measures. Entities must also address all essential due diligence elements and cease applying simplified due diligence measures as soon as they identify an increase in risk. Before terminating the business relationship, they must consider any other available risk-mitigation measures.

As regards the specific measures available in low-risk scenarios, the guidance identifies the following: deferred identity verification; reduced monitoring and scrutiny of transactions; less frequent document review (with a recommended minimum period of five years for lower-risk customers); and the possibility of inferring the purpose of the business relationship from the type of product or service contracted, without having to collect additional information on the customer's activity.

In terms of beneficial ownership, entities may rely exclusively on the information in the Register of Beneficial Ownership when applying simplified due diligence measures, provided that the information does not raise any suspicions. From July 2027, Regulation (EU) 2024/1624 and its implementing rules will supersede the current Spanish framework's criteria, eliminating the predefined categories of simplified due diligence measures and enhancing the role of obliged entities in assessing the individual risk associated with each customer, business relationship or transaction.

This exemption differs from that applicable to listed companies under article 4.2.b) of Law 10/2010 and article 9.4 of Royal Decree 304/2014. Under these provisions, entities are not required to identify the beneficial owner. In these cases, the exemption is based on a specific legal provision rather than on the application of simplified due diligence measures.

Taken together, these five developments point in the same direction: AML/CFT compliance is becoming increasingly structured, risk-based and evidence-driven, both at the EU level – where the AMLA is developing the “single rulebook” through its RTS – and domestically – where the regulatory framework is being modernised, the international sanctions regime is being strengthened and SEPBLAC continues to issue guidance on de-risking and simplified due diligence. With the FATF mutual evaluation approaching

and Regulation (EU) 2024/1624 due to apply from July 2027, entities should start reviewing their policies and procedures now. Those that do so will be better placed to implement the changes efficiently and effectively.

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