

## Consolidation Act on Measures to Prevent Money Laundering and Terrorism Financing (the Anti-Money Laundering Act)<sup>1)</sup>

This is an Act to consolidate the Prevention of Money Laundering and Terrorism Financing (the Anti-Money Laundering Act) Act, cf. Consolidation Act no. 1782 of 27 December 2020, with the amendments that follow from Section 2 of Act no. 1940 of 15 December 2020.

### Chapter 1

#### *Scope and definitions etc.*

**Section 1** This Act applies to the following undertakings and persons:

- 1) Banks.
- 2) Mortgage credit institutions.
- 3) Investment firms.
- 4) Life insurance companies and cross-sectoral pension funds.
- 5) Savings institutions.
- 6) Issuers of electronic money and providers of payment services covered by annex 1, nos. 1-7, of the Payments Act.
- 7) Insurance intermediaries, when they provide life insurance or other investment-related insurance.
- 8) Other undertakings and persons that commercially carry out one or more of the activities listed in annex 1; however, cf. subsection 6.
- 9) Branches, distributors and agents of foreign companies in Denmark that carry out activities in accordance with nos. 1-7, 10 and 11.
- 10) Investment management companies and managers of alternative investment funds, provided these companies have direct customer contact.
- 11) Danish UCITS and alternative investment funds, provided these companies have direct customer contact.
- 12) Operators of a regulated market that has been authorised in Denmark to be an auction platform in accordance with Commission Regulation (EU) no. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctions of allowances for greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowances trading within the Community.
- 13) Actors allowed to bid directly in auctions subject to Commission Regulation (EU) no. 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctions of allowances for greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the

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Council establishing a scheme for greenhouse gas emission allowances trading within the Community, who are not already covered by nos. 1 and 3.

- 14) Lawyers
  - a) when providing assistance through advisory services on, or conducting transactions for their clients in connection with,
    - i) the purchase and sale of real property or companies,
    - ii) Management of clients' money, securities or other assets;
    - iii) opening or managing bank accounts or securities depositories;
    - (iv) the provision of necessary capital for the establishment, operation or management of companies; or
    - (v) the establishment, operation or management of companies, foundations, etc., or
  - b) when on a client's behalf and expense, they carry out a financial transaction or a real property transaction.
- 15) Auditors and audit firms approved under the Danish Act on Approved Auditors and Audit Firms.
- 16) Real estate agents and real estate agencies, including when they act as middlemen in connection with the rental of real estate.
- 17) Undertakings and persons that otherwise commercially provide the same services as the groups mentioned in points 14-16, including auditors who are not approved under the Auditors Act, tax advisers, external accountants and any other person that undertakes to provide assistance, tax assistance or advice as its most important business.
- 18) Providers of services to undertakings, cf. Section 2, no. 12.
- 19) Currency exchange companies; however, cf. subsection 6.
- 20) Providers of games as defined in the Gambling Act; however, cf. subsection 7.
- 21) Danmarks Nationalbank, to the extent it carries out activities corresponding to those of the institutions mentioned in no. 1.
- 22) Companies and persons that commercially store, trade in, or act as agents for the sale of works of art, including galleries and auction houses, where the value of the transaction or of a number of interrelated transactions constitutes DKK 50,000 or above.
- 23) Providers of exchange between virtual currencies and fiat currencies.
- 24) Providers of virtual custodian wallets.

*Subsection 2* Section 5 applies to business owners not covered by subsection 1.

*Subsection 3* Section 6 applies to undertakings and persons that are engaged in the handling and distribution of banknotes and coins to the public as part of their business, including entities and companies whose activities consist of exchanging banknotes and coins of different currencies.

*Subsection 4* Section 6 a applies to all legal and natural persons in this country.

*Subsection 5* Section 36 a applies to Danish companies' foreign branches.

*Subsection 6* The Danish Financial Supervisory Authority (FSA) can, wholly or partially, exempt undertakings and persons covered by subsection (1) nos. 8 and 19 from being subject to the Act, should they only conduct financial activity to a limited extent.

*Subsection 7* The Minister of Taxation can, wholly or partially, decide to exempt gambling - excluding casinos - from being covered by the Act, should it be deemed to entail a limited risk of money laundering or terrorist financing.

### *Definitions*

**Section 2.** For the purpose of this act, the following definitions apply:

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- 1) Daily management: Persons responsible for a legal person's daily management, including operations, sales and other results.
- 2) Financial transaction: A transaction involving cash or cash equivalents or other financial assets.
- 3) Business relationship: A customer relationship established by the company or person covered by the Act which at its time of establishment is expected to be of a certain duration and which may include the establishment of customer accounts, customer deposits, initiation of transactions and other activities, including advisory tasks for the customer.
- 4) Correspondent relationship:
  - a) Delivery of financial services from one bank (the correspondent) to another bank (the respondent), including the opening of a current account or debit account, as well as other services such as cash management, international transfers of funds etc.
  - b) A relationship between a company subject to Section 1 (1), nos. 1-13 or 19 (the correspondent) and another undertaking subject to Section 1 (1), nos. 1-13 or 19 (the respondent), where similar services are provided, including relationships entered into for the purpose of securities transactions or the transfer of funds.
- 5) Customer relationship: A business relationship with a customer or the conduction of a single transaction for a customer, including in connection with provision of gambling.
- 6) Close family member to a politically exposed person: A politically exposed person's spouse, civil partner, cohabitant or parents as well as children and their spouses, civil partners or cohabitants.
- 7) Close associate to a politically exposed person:
  - a) A natural person who is the beneficial owner of a company or other legal person along with one or more politically exposed persons.
  - b) A natural person who, in other ways than those mentioned in point a, has a close business relationship with one or more politically exposed persons.
  - c) A natural person who is the sole beneficial owner of a company or other legal person which is known to have been created for the benefit of a politically exposed person.
- 8) Politically exposed person: A natural person who has or has had one of the following public occupations:
  - a) Head of State, Head of Government, Minister, Deputy Minister or Assistant Minister.
  - b) Member of Parliament or a member of a corresponding legislative body.
  - c) Member of a political party's governing body.
  - d) Justice of the Supreme Court, member of the Constitutional Court and other senior court instance whose decisions are only subject to appeal in exceptional circumstances.
  - e) Member of the Court of Auditors and the supreme governing body of a central bank.
  - f) Ambassador, chargé d'affaires or high-ranking officer in the armed forces.
  - g) Member of a state-owned undertaking or state board's administrative, managerial or supervisory body.
  - h) Director General, Deputy Director and member of the board or a person with similar functions in an international organisation.
- 9) Beneficial owner: The natural person(s) who ultimately own or control the customer, or the natural person(s) on whose behalf a transaction or activity is conducted, including the following:
  - a) For companies and other legal entities:
    - i) The natural person(s) in a legal entity who ultimately, directly or indirectly, own or control a sufficient proportion of the shares or the voting rights or exercise control by other means, apart from owners of companies whose shares are traded on a regulated market or an equivalent market that is subject to a duty of disclosure under EU law or equivalent international standards.

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- ii) The daily management if, after all possibilities have been exhausted, no person has been identified as described in point i), or if there is some doubt as to whether the person or persons identified is/are the beneficial owner(s).
  - b) For trusts and similar legal arrangements:
    - i) The founder(s)
    - ii) The trustee(s). (iii) The Protector or Protectors.
    - iv) Special beneficiaries or, where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates.
    - v) Any other natural person who ultimately exercises control over the trust through direct or indirect ownership or by other means.
  - c) The board of directors and the natural person(s) in a fund holding equivalent or similar positions to those described in point b), nos. ii-v, with the necessary deviations according to the specific nature of the fund.
- 10) Transaction: One or more actions whereby one or more assets is transferred or assigned.
- 11) Shell bank: A company conducting activities similar to companies covered by Section 1 (1) nos. 1-11 and 19 which has no physical presence in its country of domicile, is not managed or administrated in the country in question and which is not part of a regulated bank.
- 12) Provider of services to undertakings: Any entity not covered by Section 1 (1), nos. 14-16, when conducting the following activities commercially:
  - a) Setting up companies, undertakings or other legal entities.
  - b) Acts as or arranges for another person to act as a member of management in a company, or who partakes in a partnership or a similar position in other companies.
  - c) Provides domicile address, or other address which is similarly intended as a contact address, and related services for a company.
  - d) Acts as, or arranges for another person to act as, the custodian or administrator of a foundation, trust or a similar legal arrangement.
  - e) Acts as, or arranges for another person to act as, the nominee for third parties, unless this concerns a company whose ownership shares etc. are traded in a regulated market or equivalent which is subject to disclosure in accordance with EU law or equivalent international standards.
- 13) Property: Assets of any kind, whether movable or real estate or tangible or intangible, as well as legal documents or instruments in any form, including electronic or digital, which prove the ownership to or rights over such assets.
- 14) Self-regulatory body: A body that represents members of a profession and plays a role in regulating them in the performance of certain supervisory or monitoring functions and in ensuring that the rules pertaining to the members in question are enforced.
- 15) Virtual custodian wallet provider: A unit that provides services to protect private cryptographic keys on behalf of its customers in order to keep, store and transfer virtual currencies.
- 16) Virtual currency: A digital expression of value that is not issued or guaranteed by a central bank or public authority, is not necessarily bound to a legally established currency and does not have the same legal status as currency or money but is accepted by natural and legal entities as a medium of exchange which can be transmitted, stored and traded electronically.
- 17) Fiat currency: A legal means of payment issued by a central bank.
- 18) Trust: An entity which is not a legal person and has been established in connection with the founder's goal of transferring assets to a trustee for the benefit of one or more beneficiaries.

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- 19) Similar legal arrangement: A type of legal arrangement which has a structure or function similar to the structure and function of a trust and which has been established to allow the founder to transfer assets to a person holding a position equivalent to the trustee of a trust.
- 20) Trustee of a trust or a person holding a similar position in a similar legal arrangement: A natural or legal person controlling the assets of the trust or similar legal arrangement in accordance with the founders' instructions.

**Section 3** For the purposes of this Act "money laundering" shall mean

- 1) To unlawfully receive or obtain for oneself or others a share in economic proceeds or funds obtained by means of a criminal offence.
- 2) To unlawfully conceal, store, transport, assist in the disposal of or otherwise subsequently to act to secure the economic proceeds or funds obtained by means of a criminal offence.
- 3) Attempt at or participation in such actions.

*Subsection 2* The provision in subsection 1 shall also cover actions carried out by the entity that committed the punishable crime from which the profits or funds originate. Money laundering is deemed to exist, cf. 1, irrespective of whether the actions which produced the economic benefit or the funds to be laundered were carried out in the territory of another Member State or a third country.

**Section 4.** In the context of this Act, terrorist financing means terrorist financing as defined in Section 114b of the Criminal Code, in regard to actions covered by Section 114 of the Criminal Code.

#### *Cash prohibition*

**Section 5** Business owners not covered by Section 1 (1) may not receive cash payments of DKK 50,000 or more, regardless of whether payment takes place at once or as several payments which appear to be linked.

**Section 5 a.** Payments made via anonymous prepaid cards issued in a third country may not be redeemed in Denmark. Similarly, the residual value in cash or cash withdrawal of the monetary value of such cards may not be redeemed in Denmark.

#### *Counterfeit money*

**Section 6.** Undertakings and persons that, as part of their activities, are engaged in the processing and distribution of banknotes and coins to the public, including entities and companies whose activities consist of exchanging banknotes and coins of different currencies, have an obligation to remove all banknotes or coins which they know or have reason to believe are counterfeit from circulation. Banknotes and coins withdrawn from circulation in accordance with subsection 1 shall be immediately handed over to the police.

*Subsection 2* Subsection 1 does not apply to banknotes and coins in Euros, cf. Article 6, subsection 1 of the Council's Regulation 2009/44/EC of 18 December 2008 on the amendment of Regulation 2001/1338/EC on the establishment of measures necessary to protect the Euro against counterfeiting, which contains a similar commitment in regard to Euro banknotes and Euro coins.

#### *Prohibition on the use of 500 euro banknotes*

**Section 6 a.** 500 euro banknotes may not be used, including handed out, handed in, exchanged, used as a means of payment or transferred, in Denmark.

## Chapter 2

### *Risk assessment and management*

**Section 7.** Undertakings and persons covered by this Act shall identify and assess the risk that the business or person can be misused for money laundering or terrorist financing. The risk assessment shall be carried out based on the undertaking's or person's business model and

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include the assessment of risk factors associated with customers, products, services and transactions as well as delivery channels and countries or geographical areas where business activities are carried out. The risk assessment shall be documented and updated regularly.

*Subsection 2* The daily management of undertakings covered by Section 1 (1). 1, sentences 1-8, 10, 11, 19, 23 and 24, shall appoint an employee who is authorised to make decisions on behalf of the company in accordance with Section 8 (2), Section 17 (2), no. 5, Section 18 (3) and 19 (1), no. 3. The person may be a member of the day-to-day management of the undertaking. The person shall have sufficient knowledge of the company's risk in regard to money laundering and terrorist financing to make decisions which might affect the company's risk exposure. The person shall also be of sufficiently good reputation, including not having demonstrated behaviour which gives reason to believe that the person in question will not perform their position in a satisfactory manner.

*Subsection 3* The Minister for Industry, Business and Financial Affairs and the Minister of Taxation may, within their respective spheres of responsibility, lay down rules on exemptions from the requirements in subsection 1. The Minister for Industry, Business and Financial Affairs may lay down rules on exemptions from the requirements of subsection 1 in relation to lawyers, cf. Section 1 (1), no. 14. The Minister for Industry, Business and Financial Affairs may lay down rules on exemptions for the requirements in subsection 2.

**Section 8.** Undertakings and persons covered by this Act shall have adequate written policies, procedures and controls, which shall include risk management, CDD procedures, obligations to investigate, register and report, storage of information, screening of employees as well as internal controls for the efficient prevention, reduction and control of the risks of money laundering and terrorist financing. Policies, controls and procedures shall be devised on the basis of risk assessment carried out according to Section 7, taking into account the company's size.

*Subsection 2* Policies, controls and procedures devised in accordance with subsection 1 shall be approved by the person designated under Section 7 (2).

*Subsection 3* The general management of companies covered by Section 1 (1), nos. 1 - 7, and which is required by other legislation to have a compliance function, shall appoint a compliance officer at management level who shall check and assess whether the business procedures referred to in subsection 1 and the measures taken to remedy any deficiencies are effective and verify that the company informs the Money Laundering Secretariat, cf. Section 26 (1).

*Subsection 4* Boards of companies covered by Section 1 (1), nos. 1-7, and that have an internal audit, and boards of other undertakings covered by Section 1 (1) and which in accordance with other legislation are subject to requirements for an internal audit, shall ensure that such an internal audit assesses whether the company's policies, procedures and controls, in accordance with the requirements of this Act and rules issued pursuant to it, are organised and function satisfactorily.

*Subsection 5* Where deemed appropriate, companies shall designate a member of the executive board as responsible for the company's implementation of the requirements of this Act and the regulations issued pursuant hereto.

*Subsection 6* Undertakings and persons covered by this Act shall ensure that employees, including management, have received adequate training in the requirements of this Act and the regulations issued pursuant hereto, as well as relevant data protection requirements.

**Section 9.** In addition to the requirements of Section 8, groups shall have adequate written policies for data protection as well as written policies and procedures for the exchange of information exchanged with the aim of combating money laundering and terrorist financing within the group.

*Subsection 2* In addition to the requirements of Section 8, companies which are part of a group shall comply with the group's policies and procedures.

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*Customer due diligence procedures*

*General requirements*

**Section 10.** Undertakings and persons covered by this Act shall apply CDDCDD procedures, cf. Sections 11-21, when

- 1) they establish a business relationship, the relevant circumstances of a customer change and otherwise at appropriate times, including when, during the relevant calendar year, the company or person is legally obliged to contact the customer in order to investigate any relevant information regarding the beneficial owner(s),
- 2) carry out a single transaction of
  - a) 15,000 euros or more, regardless of whether the transaction is carried out as one or as several transactions which are or appear to be linked,
  - b) more than 1,000 euros in the form of a money transfer, regardless of whether the transaction is carried out as one or as several transactions which are or appear to be linked, or
  - c) 500 euros or more in the form of currency exchange, regardless of whether the transaction is carried out as one or as several transactions which are or appear to be linked,
- 3) in connection with the offering of gambling, they receive bets, pay out winnings or both of at least 2,000 euros, regardless of whether the transaction is carried out as one or as several transactions which are or appear to be linked,
- 4) there is a suspicion of money laundering or terrorist financing, regardless of whether the conditions in nos. 2 and 3 are not fulfilled, or
- 5) there is doubt as to whether previously-obtained customer identification data are correct or sufficient.

**Section 11.** CDD procedures include the following:

- 1) The undertaking or person shall obtain the customer's identity information.
  - a) If the customer is a natural person, the identity information shall include name and civil registration number or similar if the person in question does not have a civil registration number. Should the applicant not have a civil registration number or similar, the identity information shall include date of birth.
  - b) If the customer is a legal person, identity information shall include name and CVR number or similar, should the legal person not have a CVR number.
- 2) The undertaking or person shall verify the customer's identity information on the basis of documents, data or information obtained from a reliable and independent source. A reliable and independent source means, for example, electronic means of identification, relevant trust services or any other secure form of remote identification process or electronic identification process that is regulated, recognised, approved or accepted by the competent national authorities.
- 3) The undertaking or person shall obtain the identity information of the person or the beneficial owners and implement reasonable measures to verify the beneficial owners' identity, so that the company or person knows with certainty who the beneficial owner(s) are. If the customer is a legal person, including foundations, or a non-legal person, including a trust or a similar legal arrangement, reasonable measures shall be taken hereunder to clarify the person's ownership and control structure. If the beneficial owner is a beneficiary of the assets of a trust or similar legal arrangement, cf. Section 2 (9) (b) no. iv, or the assets of a fund or similar legal arrangement, cf. Section 2 (9) (c), the company or person shall take the measures referred to in the first sentence at the latest at the time of payment or where the beneficiary exercises its right. If the general management is identified as the beneficial owner, the company or person shall take the necessary reasonable steps to verify the identity of the natural person(s) who constitute the customer's day-to-day management, cf. Section 2, no. 9 (a) (ii). The company or person

shall keep information on the measures taken and any difficulties encountered during the conduct of the inspection.

- 4) The undertaking or person shall assess and, where applicable, obtain information about the business relationship's purpose and intended nature.
- 5) Undertakings and persons shall continuously monitor an established business relationship. Transactions carried out as part of a business relationship should be supervised to ensure that transactions are consistent with the company's or person's knowledge of the customer and the customer's business and risk profile, if necessary including the origin of the funds. Documents, data or information about the customer shall be updated on an ongoing basis.

*Subsection 2* Should a person claim to act on behalf of a customer or should there be doubts as to whether a person is acting on their own behalf, undertakings and persons shall also identify the person, and their identity shall be verified by a reliable and independent source. Undertakings and persons shall also ensure that natural persons or legal entities acting on behalf of a customer are authorised to do so, unless the person in question is a lawyer appointed in this country or in another EU or EEA country.

*Subsection 3* Undertakings and persons shall implement all customer knowledge requirements, cf. subsections 1 and 2. However, the scope of the customer knowledge procedure can be implemented based on a risk assessment. In the assessment, information on the business relationship's purpose, scope, regularity and duration shall be included. The assessment shall, as a minimum, include the factors set out in annexes 2 and 3.

*Subsection 4* The undertaking or person shall be able to demonstrate to the authority which supervises the entity's compliance with the Act that knowledge of the customer is sufficient in regard to the risk of money laundering and terrorist financing.

**Section 12.** Undertakings which provide life and pension insurance shall, beyond the requirements of Section 11, obtain information about the name of the beneficiary of the insurance policy. In case this is an unnamed person or multiple persons, sufficient information shall be procured to identify the beneficiary or beneficiaries at the time of payment.

*Subsection 2* The identity information of the beneficiary or beneficiaries shall be verified on the basis of documents, data or information obtained from a reliable and independent source before payment is made under the insurance policy.

**Section 13.** In assisting customers with single activities that do not include a transaction, the requirements of Section 11 can be deviated from on the basis of a risk assessment.

**Section 14.** Undertakings and persons shall verify the customer's and the beneficial owners' identity information before establishing a business relationship with the customer or before a transaction is carried out; however, cf. subsections 2-4. If the business relationship is established with a company or other legal entity or a trust or similar legal arrangement that is required to register information about beneficial owners in the Danish Business Authority's IT system, the company or person shall obtain a registration certificate or an extract of the information in the Danish Business Authority's IT system.

*Subsection 2* Verification of the customer's or the beneficial owners' identity information may, regardless of subsection 1, be carried out during the establishment of the business relationship where deemed necessary in order to avoid interrupting the normal course of business and where the risk of money laundering or terrorist financing is limited. The verification of identity information in such cases shall be carried out as soon as possible after the first contact.

*Subsection 3* Undertakings and persons may, regardless of subsection 1, create an account, a deposit or similar for the customer which allows transactions in securities without the verification of identity information, cf. Section 11 (1), nos. 2 and 3, 1st sentence, being completed, provided that adequate safeguards are in place to ensure that transactions are not carried out until the requirements are met.

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*Subsection 4* A temporary gambling account may be created for the customer, without the verification of the customer's identity information being completed. The verification of identity information shall in such cases be completed as soon as possible and no later than 30 days after the registration of the customer.

*Subsection 5* If the requirements of Section 11 (1), nos. 1-4, as well as (2) and (3) cannot be met, an established business relationship shall be terminated or interrupted, and no more transactions can be made. At the same time, it shall be examined whether reporting in accordance with Section 26 should be made.

*Subsection 6* Subsection 5 does not apply to lawyers when ascertaining a customer's legal position or defending or representing said customer during or in connection with legal proceedings, including advice on initiating or avoiding legal proceedings. When assisting a lawyer in the situations mentioned in the 1st sentence, entities and companies mentioned in Section 1 (1), nos. 14-17, are exempted from the requirement of subsection (5) to the same extent as the lawyer they are assisting.

**Section 15.** Should an undertaking or person become aware that the information obtained pursuant to this chapter is inadequate and cannot be updated, the company or person shall take appropriate measures to address the risk of money laundering and terrorist financing, including considering whether the business relationship should be terminated, cf. Section 14 (5).

**Section 15 a.** If an undertaking or person becomes aware that the information on the customer's beneficial owners obtained pursuant to this chapter does not match the information on the customer's beneficial owners registered in the Danish Business Authority's IT system, the discrepancy and documentation thereof shall be reported to the Danish Business Authority as soon as possible.

*Subsection 2* If a competent authority becomes aware of discrepancies in the information about beneficial owners registered in the Danish Business Authority's IT system and the information on beneficial ownership available to the authority, the discrepancy and documentation thereof shall be reported to the Danish Business Authority as soon as possible. This does not apply if it will interfere unnecessarily with the functioning of the authority.

*Subsection 3* The Danish Business Authority can lay down more detailed rules on the technical fulfilment of the reporting obligation.

**Section 16.** Before establishing a business relationship or executing a single transaction for natural persons, undertakings and persons covered by this Act shall inform the customer about the rules governing the processing of personal data with a view to preventing money laundering and terrorist financing.

*Subsection 2* Personal data obtained under this Act or regulations issued pursuant hereto may only be processed with a view to preventing money laundering and terrorist financing. Processing of such personal data for any other purpose, including commercial purposes, shall not take place.

#### *Enhanced due diligence*

**Section 17.** Beyond the requirements in Sections 11 and 12, undertakings and persons covered by this Act shall implement **enhanced CDD procedures** where increased risk of money laundering or terrorist financing is assessed. The company or person shall in this assessment take into consideration the high-risk factors presented in annex 3 of the Act, as well as other high-risk factors deemed relevant.

*Subsection 2* Undertakings and persons shall carry out enhanced CDD procedures if the customer is domiciled in a country listed on the European Commission's list of high-risk third countries. Enhanced CDD procedures shall include the following:

- 1) Obtaining additional information concerning the customer and its beneficial owners.
- 2) Obtaining additional information on the intended nature of the business relationship.
- 3) Obtaining information on the origin of the funds and the source of the funds of the customer and the beneficial owner.
- 4) Obtaining information on the reasons for the requested or executed transactions.

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- 5) Obtaining approval upon establishment or continuation of business relations with the person designated in accordance with Section 7 (2).
- 6) Tighter monitoring of the business relationship by increasing the number of checks and by selecting transaction patterns that require closer investigation.

*Subsection 3* In addition to the measures referred to in subsection 2, undertakings and persons shall implement one or more additional risk mitigation measures when natural persons or legal entities carry out transactions involving countries which are listed on the European Commission's list of high-risk third countries. These measures shall consist of one or more of the following:

- 1) Applying supplementary elements of enhanced CDD procedures.
- 2) The introduction of relevant, more rigorous, reporting mechanisms or systematic reporting of financial transactions.
- 3) Restriction of business relationships or transactions with natural or legal entities from third countries identified as high-risk third countries.

*Subsection 4* In addition to the measures referred to in subsection 3, undertakings and persons in business relations or transactions involving countries listed on the European Commission's list of high-risk third countries shall, when deemed relevant, ensure that the first payment is made through an account in the customer's name in a credit institution subject to requirements on CDD procedures that are at least equivalent to the CDD procedures established in this Act.

*Subsection 5* The requirement of subsection 2 may, based on a risk assessment, be disregarded for a branch or a majority-owned subsidiary of a legal person, provided the legal person is established in an EU or EEA country and subject to requirements arising from the European Parliament's and Council's Regulation 2015/849/EU of 20 May 2015 on the prevention of use of the financial system for money laundering or terrorist financing, and that the branch or majority-owned subsidiary complies with the group's policies and procedures, cf. Section 9 (2).

**Section 18.** Undertakings and persons covered by this Act shall have procedures for assessing whether the customer, the customer's beneficial owner, the beneficiary of a life insurance policy or the beneficiary's beneficial owner is a politically exposed person, cf. Section 2, no. 8, or a family member or close associate to a politically exposed person, cf. Section 2, nos. 6 and 7.

*Subsection 2* If the customer is a person covered by subsection 1, the company or person shall take appropriate measures to verify the source of the funds and assets covered by the business relationship or transaction.

*Subsection 3* Establishing and maintaining a business relationship with an person covered by subsection 1 shall be approved by the person designated in accordance with Section 7 (2).

*Subsection 4* Enhanced monitoring shall be conducted of a business relationship with a politically exposed person, cf. Section 2, no. 8, or a family member or close associate to a politically exposed person, cf. Section 2, nos. 6 and 7.

*Subsection 5* Should the beneficiary or beneficial owner of the beneficiary of the insurance policy be a person covered by subsection 1, the company or person shall, based on a risk assessment, ensure that the circumstances of the insurance relationship are clarified and that the person designated in accordance with Section 7 (2) is advised about the payment being made under the insurance policy and in case of a full or partial transfer of the policy.

*Subsection 6* Should a politically exposed person cease to perform the task in question, undertakings and persons shall, for at least 12 months thereafter, assess whether the person poses an increased risk of money laundering and terrorist financing, and apply enhanced customer CDD procedures, cf. Section 17 (1), until the person is not considered to pose an increased risk of money laundering or terrorist financing.

*Subsection 7* The Minister for Industry, Business and Financial Affairs maintains and publishes a list of names, dates of birth and job descriptions of persons covered by Section 2, no 8.

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*Subsection 8* International organisations accredited by Denmark shall compile and update a list of senior public offices, cf. Section 2, no.8, within the relevant international organisation. This list shall be sent to the European Commission. The Minister for Industry, Business and Financial Affairs also draws up and updates a list of the exact functions covered by Section 2, no. 8, and sends this list to the European Commission.

*Subsection 9* The Minister of Industry, Business and Financial Affairs may lay down rules regarding the list referred to in subsection (7), including rules concerning reporting, publication etc.

**Section 19.** Before the establishment of a cross-border correspondence relationship involving execution of payments with a respondent institute from countries outside the European Union with which the Union has not established an agreement regarding the financial area, the correspondent shall, beyond the customer CDD procedure pursuant to Section 11,

- 1) gather sufficient information about the respondent to understand what the respondent's business consists of and, based on publicly available information, assess the respondent's reputation and the quality of the supervision the respondent is subject to in the country in question,
- 2) obtain sufficient information to ensure that the respondent has effective control procedures in order to comply with said country's rules on combating money laundering and terrorist financing,
- 3) obtain approval for the establishment of the correspondent relationship from the person designated under Section 7, subsection (2), and
- 4) document the correspondent's and the respondent's responsibility in fulfilling the provisions of this Act.

*Subsection 2* Should a respondent's customer have direct access to controlling funds held in an account with the correspondent relationship, the correspondent shall ensure that the respondent conducts CDD procedures and that the respondent is able to disclose information on the customer at the request of the correspondent.

**Section 20.** Undertakings and persons covered by the Act may not enter into or maintain a correspondent relationship with a shell bank.

*Subsection 2* Undertakings and persons covered by this Act shall take reasonable measures to avoid establishing correspondent relationships with companies where publicly available information reveals that the respondent allows shell banks to use the respondent's accounts.

#### *Simplified due diligence*

**Section 21.** Undertakings and persons covered by this Act can, in regard to the requirements in Sections 11 and 12, implement simplified customer CDD procedures in cases where there is considered to be a limited risk of money laundering and terrorist financing. Undertakings and persons should assess whether the business relationship or transaction involves a limited risk before applying simplified customer CDD procedures. In its risk assessment, the company or person shall take into account the low-risk factors stipulated in annex 2 of this Act, as well as other low-risk factors likely to be relevant.

*Subsection 2* The FSA may lay down regulations that certain requirements for CDD procedures under Sections 10 to 21 do not apply to issuers of electronic money in areas where it is assessed that there is a low risk of money laundering and terrorist financing.

### Chapter 4

#### *Assistance from third parties*

**Section 22.** Undertakings and persons covered by this Act may entrust third parties with obtaining and controlling information according to Section 11 (1), nos. 1-4, if the information is provided by:

- 1) an undertaking or person covered by Section 1 (1)

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- 2) a similar undertaking or person established in an EU or EEA country or a similar company or person in other countries which are subject to requirements to combat money laundering and terrorist financing equivalent to the requirements arising from the European Parliament's and Council's Regulation 2015/849/EU of 20 May 2015 on preventive measures against the use of the financial system for money laundering or terrorist financing, and the company or person is subject to supervision by an authority, or
- 3) a member organisation or association of companies and persons mentioned in nos. 1 and 2, provided this is subject to requirements to combat money laundering and terrorist financing equivalent to the requirements arising from the European Parliament's and Council's Regulation 2015/849/EU of 20 May 2015 on preventive measures against the use of the financial system for money laundering or terrorist financing, and the member organisation or association is subject to supervision by an authority.

*Subsection 2* Undertakings and persons covered by this Act shall gather sufficient information about a third party to be able to claim that said third party meets the requirements for CDD procedures and storage of information equivalent to the requirements arising from the European Parliament's and Council's Regulation 2015/849/EU of 20 May 2015 on preventive measures against use of the financial system for money laundering or terrorist financing.

*Subsection 3* Undertakings and persons covered by this Act shall ensure that, upon request from the company or person, the third party commits to immediately forward a copy of identity and verification information about the customer or the beneficial owner, as well as other relevant documentation and data.

*Subsection 4* Regardless of subsections 1-3, the company or person in question is responsible for compliance with the obligations pursuant to this Act.

*Subsection 5* Subsection 1 shall not apply to third parties established in high-risk third countries. However, this does not apply to branches and majority-owned subsidiaries established in countries mentioned in subsection 1 by committed entities established in an EU or EEA country if these branches and majority-owned subsidiaries fully comply with the group's policies and procedures in accordance with Section 9 (2).

**Section 23.** Undertakings covered by this Act which are part of a group can leave it to another company in the group to meet the requirements of Section 11 (1), nos. 1-4, provided the group uses CDD procedures, rules on storage of data and programs for combating money laundering and terrorist financing in accordance with the requirements arising from the European Parliament's and Council's Regulation 2015/849/EU of 20 May 2015 on the prevention of the use of the financial system for money laundering or terrorist financing, and that an authority supervises at the group level to ensure that requirements are complied with.

**Section 24.** Undertakings and persons covered by this Act may choose to contractually outsource tasks to a supplier which they shall carry out in order to comply with this Act. However, it is a precondition that these companies or entities, before entering into the outsourcing agreement, ensure that the supplier has the necessary ability and capacity to perform the task in a satisfactory manner and that the supplier has the necessary authorisations to undertake the task.

*Subsection 2* The undertaking or person shall regularly during the agreement verify that the supplier performs the task in accordance with the requirements, and on the basis hereof, the soundness of the outsourcing agreement shall be regularly evaluated.

*Subsection 3* The obligation to designate a person with authority, cf. Section 7 (2), cannot be outsourced in accordance with subsection 1.

*Subsection 4* Regardless of whether outsourcing takes place, the undertaking or person who outsources is responsible for fulfilling its obligations under this Act.

## Chapter 5

### *Obligation to investigate, register, report, inform and record-keeping*

**Section 25.** Undertakings and persons shall examine the background and purpose of:

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- 1) All transactions that
  - a) are complex,
  - b) are unusually large,
  - c) are carried out in an unusual pattern, or
  - d) do not have an obvious economic or legal purpose.
- 2) All unusual activities that do not have an obvious or legal purpose.

*Subsection 2* Undertakings and persons shall, where appropriate, expand the monitoring of the customer with the aim of determining whether the transactions or activities appear suspicious.

*Subsection 3* The results of an investigation shall be registered and stored, cf. Section 30.

*Subsection 4* A registered person has no right of access to the personal data relating to him/her, which will be processed in accordance with subsections 1-3.

**Section 26.** Companies and persons shall immediately inform the Money Laundering Secretariat (State Prosecutor for Serious Economic and International Crime) if the undertaking or person knows or suspects or has reasonable reason to suspect that a transaction or activity is or has been associated with money laundering or terrorist financing. The same applies to any suspicion which has arisen in connection with the customer's attempt to make a transaction or an enquiry from a potential customer with the desire to complete a transaction or activity.

*Subsection 2* In case of suspicions, as mentioned in subsection (1), members of the Danish Bar and Law Society may inform the secretariat of the Danish Bar and Law Society who shall, after an assessment of whether a duty to report exists in accordance with subsection 1, immediately forward the unedited report to the Money Laundering Secretariat.

*Subsection 3* Undertakings and persons shall refrain from carrying out transactions until reporting in accordance with subsection 1 has been submitted, provided they have knowledge of, or reasonable grounds for assuming, that the transaction is connected to money laundering and the transaction has not already been completed. Upon reporting under subsection 2, the transaction shall be suspended until the Danish Bar and Law Society has forwarded the report to the Money Laundering Secretariat or notified the member that the report will not be forwarded following concrete assessment. Should refraining from completing the transaction not be possible, or should the company or person believe that such refraining might harm the investigation, the report shall instead be submitted immediately after the transaction has been completed.

*Subsection 4* Undertakings and persons shall refrain from carrying out transactions until reporting under subsection 1 has been made and they obtained approval from the Money Laundering Secretariat if they have knowledge, suspicion or reasonable grounds for assuming that the transaction concerns terrorist financing. The Money Laundering Secretariat decides as soon as possible and at the latest before the end of the following banking day after receiving notification of whether a seizure should take place.

*Subsection 5* A registered person has no right of access to the personal data relating to him/her which are being/will be processed in accordance with subsections 1 and 2.

*Subsection 6* The FSA may lay down detailed rules on the technical fulfilment of the notification obligation to the Money Laundering Secretariat, cf. subsection 1.

**Section 26 a** The Danish Bar and Law Society publishes an annual report containing information on the following:

- 1) The number of reports received concerning possible breaches of this Act.
- 2) The number of notifications received pursuant to Section 26 (2), and the number of such notices sent by the Danish Bar and Law Society to the Money Laundering Secretariat.
- 3) The number and content of the measures taken by the Danish Bar and Law Society Council pursuant to Section 64 (2) in order to monitor that companies and persons covered by the Act comply with their obligations under chapter 2 on risk assessment and risk management, chapter 3 on CDD procedures and chapter 5 on the duty to investigate, register, report, inform and store.

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**Section 27.** Lawyers are exempted from the duty in Section 26 to report based on information they receive from, or obtain about, a client in connection with the lawyer assessing the client's legal position or defending or representing said client during or in connection with legal proceedings, including advice on initiating or avoiding legal proceedings. This also applies to cases brought before the National Tax Tribunal, as well as cases brought before a court of arbitration. The exceptions apply regardless of whether the information is received prior to, during or after the trial or proceedings, or in connection with the client's legal position being assessed.

*Subsection 2* As mentioned in Section 1 (1) no. 15, auditors are exempted from the duty in Section 26 to report based on information they receive from, or obtain about, a client when representing said client in the National Tax Tribunal. The exemption in subsection 1 applies, regardless of whether the information is obtained prior to, during or after proceedings.

*Subsection 3* When assisting a lawyer prior to, during and after legal proceedings or assisting in asserting a client's legal position, companies and persons mentioned in Section 1 (1), nos. 14-17 are exempted from the duty to report to the same extent as the lawyer they assist, cf. subsection 1.

*Subsection 4* Subsections 1-3 shall not apply if the company or person knows or should have known that the client is seeking assistance with a view to conducting money laundering or terrorist financing.

**Section 28.** Should a supervisory authority under this Act or the customs and tax administration gain knowledge of facts which give reason to suspect they can have a connection with money laundering or terrorist financing covered by the duty to report in Section 26 (1), the authority shall notify this to the Money Laundering Secretariat.

**Section 29.** The Danish Financial Intelligence Unit is the Money Laundering Secretariat of the State Prosecutor for Serious Economic and International Crime. The Money Laundering Secretariat is operationally independent and autonomous, which means that the secretariat has the authority and capacity to carry out its tasks freely and can make decisions independently concerning the analysis, request and dissemination of specific information as described in subsection 2.

*Subsection 2* As a central national unit, the Money Laundering Secretariat is tasked with

- 1) receiving and analysing notifications of suspicious transactions and other information relevant to money laundering, related underlying crimes or terrorist financing; and
- 2) disseminating the results of its analysis and all other relevant information to the competent authorities, bodies and agencies if money laundering, related underlying crimes or terrorist financing are suspected.

*Subsection 3* In collaboration with other authorities, the Money Laundering Secretariat is responsible for preparing and updating the national risk assessment in the money laundering area in order to identify, assess, understand and mitigate the current money laundering risks.

*Subsection 4* The Money Laundering Secretariat may require any information from undertakings and persons covered by this Act which is necessary to carry out the tasks of the secretariat, as described in subsection 2, for the purpose of preventing, discovering and effectively combating money laundering and terrorist financing, unless the company or person is exempt from a notification obligation pursuant to Section 27 (1-3). At the request of the Money Laundering Secretariat, undertakings and persons covered by this Act shall promptly provide the Secretariat with all necessary information. Section 26 (2) shall apply mutatis mutandis in relation to the manner in which members of the Danish Bar and Law Society may comply with the disclosure obligation.

*Subsection 5* Unless deemed unwarranted due to investigative considerations etc., the Money Laundering Secretariat may notify the reporting company, person or authority which, pursuant to Section 26 (1) or Section 28, has filed a report or notice of the status of the case, including whether charges have been pressed, whether a final decision has been made or whether the case has been closed.

*Subsection 6* Received notifications, as mentioned in subsection 5, may not be disclosed to unauthorised persons.

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**Section 29 a.** The Money Laundering Secretariat may, when transmitting information to another EU Member State's financial intelligence unit, set restrictions and conditions for the use of that information.

*Subsection 2* The Money Laundering Secretariat shall promptly respond and, as far as possible, respect a request from another EU Member State's financial intelligence unit for authorisation to disclose information to competent authorities, bodies or agencies received by the respective financial intelligence unit from the Money Laundering Secretariat, irrespective of the type of the associated underlying crime. In connection with this, the Money Laundering Secretariat may not refuse to grant such a request, unless the purpose of the disclosure falls outside such tasks as described in Section 29 (2) or there are specific reasons to believe that the disclosure could make it difficult to prevent, detect or investigate criminal acts or enforce criminal penalties or otherwise would not comply with basic principles of Danish law.

*Subsection 3* Refusal of requests under subsection 2 shall be duly justified.

*Subsection 4* The Money Laundering Secretariat shall comply with any set restrictions and conditions for the use of information received by the secretariat from another EU Member State's financial intelligence unit. Thus, the Money Laundering Secretariat may only use such information for the purposes for which the information was obtained or has been disclosed. The disclosure of such information by the Money Laundering Secretariat to competent authorities, bodies or agencies or the use of such information for other purposes is subject to the prior consent of the issuing EU Member State's financial intelligence unit.

**Section 30.** Undertakings and persons covered by this Act shall store the following information:

- 1) Information obtained in connection with the fulfilment of the requirements in chapter 3, including identity and control information as well as a copy of the presented identification documents.
- 2) Documentation and records of transactions carried out as part of a business relationship or a single transaction.
- 3) Documents and records concerning investigations conducted pursuant to Section 25 (1) and (3).

*Subsection 2* Information, documents and records, as indicated in subsection 1, shall be kept for at least five years after the business relationship is terminated or the single transaction conducted. Personal data shall be deleted five years after the business relationship is terminated or a single transaction conducted, unless otherwise stated in other legislation.

*Subsection 3* Information, documents and records, as indicated in subsection 1, shall be disclosed when the Money Laundering Secretariat or other competent national authorities contact companies and persons covered by the Act to ascertain whether they have or (in the last 5 years prior to the inquiry) had business relations with further specified persons and where these relations exist or have existed. Disclosure shall be done through secure channels and in a way that ensures full confidentiality about the investigations.

**Section 30 a** The Minister for Industry, Business and Financial Affairs may lay down detailed rules on key automatic mechanisms that enable the identification of all natural or legal persons who have or control payment accounts and bank accounts identified with IBAN, as defined in Regulation 260/2012/EU of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) no. 924/2009, as well as deposit boxes held by a credit institution established in Denmark. The Minister may lay down detailed rules that the central automatic mechanisms may be conducted in the public or private sector, as well as concerning which information shall be available and searchable through the central automatic mechanisms.

**Section 30 b** The Money Laundering Secretariat and other competent national authorities under this Act shall be granted access to information which will enable timely identification of all natural or legal persons who own real estate in Denmark.

## Chapter 6

### *Cross-border activities etc.*

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**Section 31.** Undertakings operating in another EU or EEA country shall ensure that the established undertaking complies with national regulations in the country in question regarding money laundering and terrorist financing.

*Subsection 2* Undertakings with branches or majority-owned subsidiaries established in a country which is not an EU or EEA country where the requirements for combating money laundering and terrorist financing are less stringent than the requirements of this Act shall ensure that the branch or majority-owned subsidiary meets the requirements imposed on the company under this Act and the data protection requirements, to the extent this is not contrary to the laws of the country where the branch or the majority-owned subsidiary is established.

*Subsection 3* Should the national legislation of a country which is not an EU or EEA country prevent fulfilment of the requirements of this Act, cf. subsection 2, the company shall take further measures to ensure that the risk of money laundering and terrorist financing in the branch or subsidiary is countered in another way. Should the legislation of the country in question not allow compliance with the requirements of this Act, the company shall notify this to the authority responsible for ensuring the company's compliance with this Act, cf. Section 11.

**Section 31 a** The authority that supervises the compliance of an undertaking or person with the Act may reject the establishment of subsidiaries, branches or representative offices in Denmark of undertakings or entities domiciled in a country listed on the European Commission's list of high-risk third countries.

*Subsection 2* The authority that supervises compliance by an undertaking or person with the Act may establish rules that those undertakings or entities domiciled in a country listed on the European Commission's list of high-risk third countries can only establish a subsidiary, branch or representative office in Denmark under special conditions.

**Section 31 b** Undertakings and enterprises covered by the Act that want to establish a branch or a representative office in one of the countries listed on the European Commission's list of high-risk third countries shall notify this to the authority responsible for the compliance of such undertakings or enterprises, and include the following information:

- 1) The country in which the branch or representative office is to be established.
- 2) A description of the activities of the branch or representative office, including information on organisation and planned activities.
- 3) Address of the branch or representative office.
- 4) The names of the members of management of the branch or the representative office.

*Subsection 2* The authority responsible for compliance with this act by a company or person may prohibit them from establishing branches or representation offices in a country listed on the European Commission list of high-risk third countries.

*Subsection 3* The authority responsible for compliance by a company or person with this act may establish rules to ensure that they take into account that their respective branch or representative office will be located in a country that does not have adequate schemes for the prevention of money laundering and terrorist financing.

**Section 32.** Undertakings in a group shall exchange information with other undertakings in that group when funds are suspected of being the proceeds of a criminal act or of being linked to the terrorist financing, and where notification has been given pursuant to Section 26 (1) or (2). Companies in a group may not exchange personal data pursuant to the first sentence beyond that necessary to meet the requirement.

**Section 33.** The FSA may lay down rules that payment service providers and issuers of electronic money registered in an EU or EEA country, and which are established in this country otherwise than through a branch, are obliged to appoint a person with responsibility for ensuring that the undertaking or person

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complies with the provisions of this Act. The FSA may lay down rules requiring the person to be present in this country and define the functions the person shall perform on behalf of the undertaking.

**Section 34.** The FSA may lay down rules on measures in relation to countries and territories with a view to fulfilling the requirements or recommendations of the Financial Action Task Force.

**Section 34 a** The Minister for Industry, Business and Financial Affairs may designate an authority responsible for publishing the names of natural or legal persons, groups or entities listed on the UN sanctions lists. The names are published on the authority's website.

*Subsection 2* A name that has been published, cf. subsection 1, shall be removed from the website of the Danish authority if the name is included in a legislative act issued by the European Union which is published in the Official Journal if it is decided that the name should not be included in such an EU legislative act or if the name is removed from UN sanctions lists.

*Subsection 3* Undertakings and persons covered by this Act are obliged, without undue delay, to freeze funds owned or held by natural or legal persons, groups or entities whose names are published on the Danish authority's website, cf. subsection 1. The obligation to freeze funds lapses if the natural or legal person, group or entity is removed from the website.

## Chapter 7

### *Employees*

**Section 35.** Undertakings and persons covered by Section 1 (1), nos. 5, 8 and 11, with regard to alternative investment funds, as well as nos. 13-20 and 22-24, shall have a scheme where, through a special, independent and autonomous channel, their employees may report violations or potential violations of this Act and regulations issued pursuant hereto. It must be possible to submit information to this scheme anonymously. Undertakings and persons shall follow up on reports to the scheme and be able to document in writing how the companies or persons have followed up on the reports.

*Subsection 2* The arrangement in subsection 1 may be set up through collective agreement.

*Subsection 3* Subsection 1 only applies to undertakings and persons that employ more than five employees. The scheme referred to in subsection 1 shall be established no later than 3 months from when the undertaking or person has hired its sixth employee.

*Subsection 4* The supervisory authority may, in special cases where the authority believes it futile to set up a system, make exemptions from the requirement of subsection 1.

**Section 35 a** If an undertaking or person is covered by Section 1 (1), nos. 5, 8 and 11, with regard to alternative investment funds, and nos. 13-20, and an employee or former employee is subject to a confidentiality clause, the agreement shall state that the employee or former employee is not prohibited from reporting information on breaches or potential breaches of this Act and rules issued in accordance with it to public authorities.

*Subsection 2* Notwithstanding subsection 1, the employee or former employee is not prevented from reporting information on breaches or potential breaches of financial legislation to public authorities, even if such a prohibition is part of an agreement between the employee and the undertaking or person. The same applies to reports for schemes under Section 35.

**Section 36.** Undertakings and persons covered by Section 1 (1), nos. 5, 8 and 11, as regards alternative investment funds, and nos. 13-20 and 22-24, shall not expose the employee or former employee to unfavourable treatment or adverse effects as a result of the employee or the former employee reporting a violation or potential violation of this Act and regulations by the company or person to a supervisory authority or to a scheme within the undertaking. The same shall apply to the determination, allocation and payment of variable remuneration to employees or former employees.

*Subsection 2* Undertakings and persons covered by this Act shall not subject an employee or former employee to unfavourable treatment or adverse effects as a result of an internal notification by the employee

or former employee on the suspicion of money laundering or terrorist financing or a notification to The Money Laundering Secretariat in accordance with Section 26 (1) or (2). The same applies to the determination, allocation and payment of variable pay to employees or former employees.

*Subsection 3* Employees whose rights are violated by noncompliance with subsection 1 or 2 may be awarded compensation in accordance with the principles of the Equality Act. Compensation is determined taking into account the employee's length of service as well as the general circumstances of the case.

*Subsection 4* Subsections 1-3 cannot be derogated to the detriment of the employee.

**Section 36 a.** The daily management of undertakings covered by Section 1 (1) shall, without undue delay report to the undertaking's top management body about warnings of money laundering or terrorist financing received from others, including from foreign authorities, external auditors and consultants, and whistle blowers.

*Subsection 2.* Correspondingly, key personnel in companies covered by Section 1 (1) shall, without undue delay, report to the general management or the undertaking's top management body about warnings of money laundering or terrorist financing received from others, including from foreign authorities, external auditors and consultants, and whistle blowers. If the general management receives a report about a warning received from employees, it shall report the warning to the undertaking's top management body.

## Chapter 8

### *Duty of confidentiality and liability*

**Section 37.** The reports and information which companies and persons covered by this Act divulge in good faith pursuant to Section 26 (1) and (2), as well as the suspension of transactions pursuant to Section 26 (3) and (4), cannot lead to any liability on the part of the company or person, its employees or management. Disclosure of information relating thereto cannot therefore be regarded as a breach of the duty of confidentiality.

**Section 38.** Undertakings and persons covered by this Act as well as the management and employees of said companies and persons as well as auditors or others who perform or have performed special tasks for the undertaking or person are obliged to keep secret that a report has been submitted in accordance with Section 26 (1) and (2), or that this is being considered, or that an investigation has or will be launched in accordance with Section 25 (1).

*Subsection 2* Information that a report has been submitted in accordance with Section 26 (1) and (2), or that this is being considered, or that an investigation has or will be launched in accordance with Section 25 (1) can, upon request, be disclosed to the authorities and organisations which supervise compliance with this Act or for law enforcement purposes.

*Subsection 3* Information that notice has been given pursuant to Section 26 (1) or (2), or that this is being considered, or that an investigation has been or will be initiated pursuant to Section 25 (1) may be passed on between companies in groups covered by Section 1 (1), nos. 1-13, 19, 23 or 24 and other companies in the group established or domiciled in an EU or EEA country.

*Subsection 4* Undertakings covered by subsection 3 may disclose information that notice has been given, pursuant to Section 26 (1) or (2), or that this is being considered, or that an investigation has been or will be initiated pursuant to Section 25 (1) to branches and majority-owned subsidiaries located in third countries, provided that these branches and majority-owned subsidiaries comply with the Group's policies and procedures, including business exchange procedures, and that the Group's policies and procedures meet the requirements of the European Parliament and Council Directive 2015/849/EU of 20 May 2015 on preventive measures against the use of the financial system for money laundering or terrorist financing.

*Subsection 5* Information that notice has been given pursuant to Section 26 (1) or (2), or that this is being considered or that an investigation has been or will be initiated pursuant to Section 25 (1), may be transferred between undertakings and persons covered by Section 1 (1), nos. 14, 15 and 17, and similar

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companies established or domiciled in an EU or EEA country or in a third country which meets the requirements of the European Parliament and Council Directive 2015/849/EU of 20 May 2015 on preventive measures against the use of the financial system for money laundering or terrorist financing if both the person disclosing the information and the person to whom the information is disclosed have joint ownership, joint management or joint control of compliance on money laundering prevention and terrorist financing.

*Subsection 6* Information that notice has been given pursuant to Section 26 (1) or (2), or that this is being considered or that an investigation has been or will be initiated pursuant to Section 25 (1), may be transferred between companies and persons covered by Section 1 (1), nos. 1-15, 17, 19, 21, 23 and 24, provided that

- 1) the information relates to the same customer and the same transaction,
- 2) the recipient of the information is subject to requirements in regard to combating money laundering and terrorist financing which correspond to the requirements of European Parliament and Council's Directive 2015/849/EU of 20 May 2015 on the prevention of the use of the financial system for money laundering or terrorist financing, and
- 3) the recipient is subject to obligations with regard to confidentiality and protection of personal data.

*Subsection 7* Subsections 5 and 6 shall not apply to undertakings and persons covered by Section 1 (1) no. 17 which provide the same services as real estate agents or real estate agencies.

*Subsection 8* The duty of confidentiality in subsection (1) does not prevent lawyers, auditors, external accountants and tax advisors from advising their clients against carrying out illegal activities.

## Chapter 9

### *Money transfers*

**Section 39.** Regulation 2015/847/EU of the European Parliament and of the Council 20 May 2015 on information accompanying transfers of funds does not apply within Denmark or to and from the Faroe Islands and Greenland in connection with the purchase of goods and services when

- 1) the amount does not exceed an amount corresponding to the value of 1,000 euros.
- 2) the payment service provider of the payee is subject to this Act or equivalent rules of the Faroe Islands or Greenland and
- 3) the payment service provider of the payee can, by means of a unique reference number, identify the legal or natural person with whom the payee has an agreement to supply goods or services.

*Subsection 2* The rules which apply to transfers of funds within Denmark according to the Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds also apply to or from the Faroe Islands and Greenland.

## Chapter 10

### *Currency exchange providers*

**Section 40.** Currency exchange may only be conducted in this country by undertakings authorised as currency exchange companies or by banks, Danmarks Nationalbank or public authorities.

**Section 41.** The FSA can approve authorisation to provide currency exchange, cf. Section 1 (1), no. 19, provided that

- 1) the undertaking has its head office and registered office in Denmark,
- 2) the members of the undertaking's board and management or, where currency exchange is conducted by a sole proprietorship, the owner or, where the undertaking operates as a legal person with no board of directors nor executive management, the person or persons holding managerial responsibility for the undertaking meet the requirements of Section 45,

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- 3) the owners of qualifying holdings in the undertaking, cf. Section 5 (3) of the Financial Business Act, are not assumed to want to discourage prudent and sound management of the company,
- 4) the undertaking has adequate control measures and business procedures, including on the prevention of money laundering and terrorist financing, cf. Section 8 (1) in all relevant areas and
- 5) the undertaking has not previously been convicted of a criminal offence which implies an imminent risk of abuse of the authorisation cf. Section 78 (2) of the Criminal Code.

**Section 42.** An application for authorisation for currency exchange services shall contain the information necessary for the FSA to make an assessment of whether the conditions in Section 41 are met. The application shall contain at least the following:

- 1) Information about the undertaking's legal structure with a copy of the deed of foundation as well as articles of association, where the preparation of these documents are required according to legislation.
- 2) The address of the undertaking's head office.
- 3) A description of the undertaking's business model.
- 4) A budget forecast for the three next financial years from the application date and the latest audited financial statement, insofar as such has been prepared.
- 5) Information on members of the undertaking's board of directors and executive board or, where currency exchange is conducted by a sole proprietorship, the owner or, where the undertaking operates as a legal person with no board of directors nor executive board, the person or persons holding managerial responsibility for the company that document that the requirements under Section 45 are met.
- 6) Information about owners of qualifying holdings in the undertaking, cf. Section 5 (3) of the Financial Business Act, or, where the currency exchange is conducted by a sole proprietorship, the owner, the size of their holdings and documentation of the owners' ability to ensure a reasonable and sound management of the undertaking.
- 7) Information about the undertaking's business procedures and internal control mechanisms, including administrative, risk management-related and accounting procedures, including but not limited to:
  - a) The undertaking's IT security policy, including a detailed risk assessment of the planned activities and a description of the preventive measures which the company has taken to address the identified risks, including fraud and misuse of sensitive personal data.
  - b) The undertaking's business process for the prevention of money laundering and terrorist financing, including a detailed risk assessment of the planned activities and the preventive measures which the company will take to address the identified risks.

**Section 43.** Undertakings authorised to provide currency exchange shall report to the FSA if there is a change in regard to the information which the FSA has received and used as the basis for granting an authorisation. The report shall be made within two weeks after the change.

**Section 44.** Undertakings authorised to provide currency exchange shall, no later than 1 April each year, submit a declaration that the company fulfils the conditions for obtaining authorisation under Sections 40 and 41, as well as an overview of the undertaking's management and any owners of qualifying holdings, cf. Section 5 (3) of the Financial Business Act. The declaration shall be signed by the company's board of directors and executive board. Should the undertaking be operated as a legal person with no board of directors nor executive board, the declaration shall be signed by the person or persons who hold managerial responsibility for the undertaking or, should the currency exchange be provided by a sole proprietorship, the owner.

**Section 45.** A member of the board of directors or the executive board or, where the currency exchange is conducted by a sole proprietorship, the owner, or, where the currency exchange undertaking is operated as a legal person with no board of directors nor executive board, the person or persons who hold managerial responsibility

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- 1) shall have sufficient knowledge, technical competence, and experience to perform the duties or hold the position
- 2) have a sufficiently good reputation and be able to act with honesty, integrity and sufficient autonomy in performing the duties or holding the position,
- 3) may not be held criminally liable for violations of the Criminal Code, financial legislation, or any other relevant legislation if such violation carries any risk that the person would not be able to perform his functions or position adequately;
- 4) may not have filed for reorganisation proceedings, bankruptcy, or debt relief; and
- 5) may not have demonstrated such behaviour that it may be assumed the person is not able to perform their functions or hold the position responsibly.

*Subsection 2* A member of the board of directors or the executive board of a currency exchange undertaking or, where currency exchange is exercised by a sole proprietorship, the holder or, where the currency exchange business is run as a legal person without a board of directors or executive board, the person with managerial responsibility shall provide the Financial Supervisory Authority with information on matters as mentioned in subsection 1 in connection with joining the company's management or, where currency exchange is carried out by a sole proprietorship, in connection with an application for authorisation, cf. Section 41. In addition, the Financial Supervisory Authority shall be provided with information on matters as mentioned in subsection 1, nos. 2-5, if conditions subsequently change. The notification shall be made within 2 weeks of the change.

**Section 46.** The FSA may revoke an undertaking's authorisation to provide currency exchange services, should the undertaking

- 1) not make use of the authorisation within a period of 12 months from when the authorisation was granted, expressly waive its right to make use of the authorisation or cease to provide currency exchange services for a period spanning more than 6 months,
- 2) has obtained the authorisation based on false information which was of significance when the authorisation was granted or by other fraudulent means,
- 3) no longer meets the conditions for granting the authorisation or 4) does not comply with the provisions of this Act.

## Chapter 10 a

### *Trusts and similar legal arrangements established under foreign law*

**Section 46 a** The trustee of a trust or a person holding a corresponding position in a similar legal arrangement shall obtain and retain information about the beneficial owners of the trust or similar legal arrangement, cf. Section 46 c, including information on the rights of the beneficial owners when the trustee or the person holding a corresponding position is established or domiciled in Denmark.

*Subsection 2* If the trustee of a trust or a person holding a corresponding position in a similar legal arrangement is established outside the EU or if the trustee is domiciled outside the EU, the trustee or the person holding a corresponding position shall obtain and store information on the trustee or similar legal arrangement's beneficial owners, including information on the rights of the beneficial owners, when the trustee of the trust or the person holding a corresponding position in a similar legal arrangement

- 1) enters into a business relationship, cf. Section 2 (3), in the name of the trust or similar legal arrangement or
- 2) acquires real estate in the name of the trust or similar legal arrangement.

*Subsection 3* The trustee of the trust or the person holding a corresponding position in a similar legal arrangement shall record the information pursuant to subsection 1 or 2 in the Danish Business Authority's IT system as soon as possible after the trustee or person holding a corresponding position has become aware that a person has become beneficial owner. Any change to the information registered about the beneficial

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owners shall be registered as soon as possible after the trustee of the trust or the person holding a corresponding position in a similar legal arrangement becomes aware of the change.

*Subsection 4* If the trustees of the trust or persons holding a corresponding position in a similar legal arrangement are domiciled in different EU Member States or if a trustee or person holding a corresponding position enters into several business relationships in the name of the trust or similar legal arrangement in different EU Member States, a registration certificate or an extract of the information on beneficial ownership from another EU Member State's register may replace the registration of the beneficial owners of the trust or similar legal arrangement in the Danish Business Authority's IT system.

*Subsection 5* The trustee of a trust or the person holding a corresponding position in a similar legal arrangement shall, at least once a year, check for any changes to the registered information about the beneficial owners of the trust or similar legal arrangement.

*Subsection 6* The trustee of a trust or the person holding a corresponding position in a similar legal arrangement shall store all records of the information obtained on the beneficial owners of the trust or similar legal arrangement for 5 years after the termination of the beneficial ownership. Furthermore, the trustee of a trust or person holding a corresponding position in a similar legal arrangement shall also store the documentation for the information obtained about attempts to identify the beneficial owners of the trust or similar legal arrangement for 5 years after the identification attempt.

*Subsection 7* The trustee of a trust or the person holding a similar position in a similar legal arrangement shall, upon request, disclose information about the beneficial owners of the trust or similar legal arrangement, including attempts of the trustee or person holding a similar legal position to identify the trust or the beneficial owners of the similar legal arrangement, to the Money Laundering Secretariat. In addition, the trustee of a trust or the person holding a similar position in a similar legal arrangement shall, on request, disclose the said information to other competent authorities when those authorities consider that the information is necessary for the performance of their supervisory or supervisory duties.

*Subsection 8* The Money Laundering Secretariat and other competent authorities may, at no charge, disclose information on beneficial owners which is registered, cf. subsection 3, or has been obtained, cf. subsection 7, to other competent authorities and financial intelligence units of EU Member States.

*Subsection 9* The Danish Business Authority sets detailed rules on registration, accessibility and publication of the information, cf. subsections 1-4 and 6, in the Danish Business Authority's IT system, including what information the trustee of a trust or the person holding a corresponding position in a similar legal arrangement shall register in the authority's IT system.

**Section 46 b** The beneficial owner of a trust or similar legal arrangement is considered to be the natural person(s) who, in the end, directly or indirectly controls the trust or similar legal arrangement or in some other manner has powers similar to ownership, including

- 1) founders,
- 2) trustees or persons holding a corresponding position,
- 3) protectors, if any, and
- 4) special beneficiaries, or if the individuals benefiting from the distributions of the trust or similar legal arrangement are not yet known by the trust or similar legal arrangement, the group of persons in whose principal interest the trust or similar legal arrangement is created or operates.

**Section 46 c** Trustees of trusts or persons holding corresponding positions in similar legal arrangements who shall obtain, store and record information about beneficial owners, cf. Section 46 a, shall notify entities and companies required to carry out CDD procedures under this Act about their status and provide timely information on the ownership of the trust or similar legal arrangement when the trustee or person holding a corresponding position establishes business relationships or performs occasional transactions on behalf of the trust or similar legal arrangement in excess of the imposed limits, cf. Section 10.

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*Subsection 2* If the Danish Business Authority receives reports of discrepancies, pursuant to Section 15, in relation to the registered information about the beneficial owners of a trust or a similar legal arrangement, the Danish Business Authority shall carry out an investigation of the matter, cf. Section 46 a (7) and Section 46 e (1).

*Subsection 3* In parallel with the investigation, the Danish Business Authority can, cf. subsection 2, publish a notice of the report in the Danish Business Authority's IT system. The trustee or person holding a corresponding position shall be able to object to the report before it is published, unless the purpose of the publication of the notice of the report would thereby be lost.

**Section 46 d** Registration may not take place if the matter to be registered does not comply with the provisions of this Act or the provisions laid down in accordance with this Act or the articles of association of the trust or similar legal arrangement. Registration may also not take place if the decision on which the registration is based has not been made in accordance with this Act or provisions laid down in accordance with this Act or the articles of association of the trust or similar legal arrangement.

*Subsection 2* A reporting undertaking or person who registers a relationship in the Danish Business Authority's IT systems or submits such a notification for registration in the IT system of the Danish Business Authority is responsible for the registration or notification being made lawfully, including that the proper authority is obtained and that the documentation in connection with the registration or notification is valid.

*Subsection 3* Subsections 1 and 2 shall apply mutatis mutandis to documents etc. that are published in the IT system of the Danish Business Authority or which are submitted to the Danish Business Authority for publication etc. pursuant to this Act.

**Section 46 e** The Danish Business Authority may, as a registration authority, request the information necessary to determine whether the law and rules laid down in accordance with this Act and the articles of association of the trust or similar legal arrangement have been complied with.

*Subsection 2* For notifications and registrations in accordance with the rules laid down pursuant to this chapter, the Danish Business Authority, as a registration authority, may require, for up to 3 years from the date of registration, that documentation be submitted so as to ensure that the notification or registration has been made lawfully. If the requirements are met in accordance with the first sentence, the Danish Business Authority, as a registration authority, shall set a deadline for rectifying the situation.

## Chapter 11

### *Supervision, etc.*

#### *The Danish Financial Supervisory Authority*

**Section 47.** The FSA ensures that undertakings and persons covered by Section 1 (1), nos. 1-13, 19, 23 and 24, and subsidiaries, distributors and agents for such foreign undertakings and persons in Denmark, comply with the Act, regulations issued pursuant hereto, Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds, and EU Regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies. However, this does not apply to compliance with Section 36.

*Subsection 2* The FSA's board of directors participates in supervision pursuant to subsection 1, with the authority granted to the board through Section 345 of the Danish Financial Business Act.

*Subsection 3* The FSA shall cooperate with the competent authorities of EU or EEA countries on contributing to supervisory activities, on-site inspections or inspections in this country in regard to undertakings and persons covered by Section 1 (1), no. 9, which are under the supervision of another EU or EEA country or a Danish company or person covered by Section 1 (1) nos. 1-13, 23 and 24 which is subject to Danish supervision but operates in other EU or EEA countries.

*Subsection 4* The FSA may lay down rules on provisional measures against both agents of payment institutions and online banks, including distributors based in another EU or EEA country, who do not

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comply with the regulations of this Act, rules issued in pursuance hereof, Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds, where applicable, and regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

**Section 48.** Undertakings and persons covered by Section 1 (1), no. 8 shall be registered with the FSA to pursue the activities listed in annex 1.

*Subsection 2* Undertakings and persons covered by Section 1 (1), nos. 23 and 24 shall also be registered with the FSA in order to carry out their activities.

*Subsection 3* The FSA shall refrain from performing registration under subsections 1 and 2 if a member of the company's top or day-to-day management or the person is convicted of an offence and such offence implies an imminent risk of abuse of their position or function, cf. Section 78 (2) of the Criminal Code.

*Subsection 4* The FSA shall also refrain from registering a company, should the company be convicted of a criminal offence which implies an imminent risk of abuse of the registration, cf. Section 78 (2) of the Criminal Code, or should a beneficial owner be convicted of a criminal offence, which implies an imminent risk of abuse of said person's controlling influence.

*Subsection 5* In the FSA's assessment in accordance with subsections 3 and 4, Section 78 (3) of the Criminal Code will be similarly applied.

*Subsection 6* The FSA may revoke the registration of a company or other legal person under subsection 1 and 2 should a member of the company's top or day-to-day management or the person subsequently become covered by subsection (3), or should the company or a beneficial owner subsequently become covered by subsection (4).

*Subsection 7* The FSA may include the registration of a company or person pursuant to subsections 1 and 2 if that company or person is guilty of gross or repeated violations of this Act.

**Section 49.** Undertakings and persons mentioned in Section 1 (1), nos. 1-13, 19, 23 and 24, as well as their suppliers and subcontractors, shall give the FSA the information necessary for the FSA to conduct its activities. Information that is of critical importance to supervision by the FSA shall be provided voluntarily and as soon as possible.

*Subsection 2* Undertakings and persons that have provided information pursuant to subsection 1 or according to rules issued pursuant to subsection 7 are obliged to rectify the information with the FSA as soon as possible if the company or person subsequently realises the following:

- 1) The information was not correct at the time of submission.
- 2) The information at a later date has become misleading.

*Subsection 3* On presentation of appropriate identification, the FSA may at any time, without a court order, gain access to companies and persons covered by subsection 1 for the purpose of obtaining information, including through inspections.

*Subsection 4* On presentation of appropriate identification, the FSA may, at any time and without a court order, be entitled to gain access to a supplier or a sub-supplier with a view to gathering information about the outsourced activity. The FSA's physical access to the supplier's premises shall be included as a requirement in the outsourcing contract made between the outsourcing company and the supplier. Should an outsourcing contract not contain the requirement for the FSA's physical access to the supplier, the FSA may demand that the outsourced activity is either henceforth handled by the outsourcing company itself or outsourced to another supplier, within a deadline specified by the FSA.

*Subsection 5* The FSA may demand access to all information, including financial statements and accounting records, printouts of books, other business papers and electronically stored data, deemed necessary for the FSA to make a decision on whether a company or person is subject to the provisions of this Act.

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*Subsection 6* The FSA may request information under subsections 1 and 5 for the use of the authorities and bodies referred to in Section 56 (3).

*Subsection 7* The FSA may lay down detailed rules on the reporting of information necessary for the purposes of its risk assessment of companies and persons covered by this Act.

**Section 50.** The supervisory authority of an EU or EEA country may by prior agreement with the FSA conduct an inspection of the branches, agents and distributors of foreign companies based in said country, which are covered by Section 1 (1), no. 9. The FSA may participate in the inspection as mentioned in the first sentence. Should a company or person covered by the first sentence resist the inspection of a competent foreign authority, the inspection can only be conducted with the FSA's involvement.

*Subsection 2* The FSA may ask the competent authorities of an EU or EEA country to help ensure compliance with the Act and the regulations issued pursuant to the Act for companies and persons covered by Section 1 (1) nos. 1-13, 23 and 24 which are based in another EU or EEA country through monitoring, on-site inspections or inspections in another EU or EEA country.

**Section 51.** The FSA may, within a deadline set by the FSA, order undertakings and persons mentioned in Section 1 (1), nos. 1-13, 19, 23 and 24 to take the necessary measures in case of violation of the provisions of this Act, the regulations issued pursuant hereto, Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds, or regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

**Section 51 a.** The FSA may order a company covered by Section 1 (1), nos. 1-8, 10, 11, 19, 23 and 24, to dismiss the person appointed under Section 7 (2), within a time limit set by the FSA, if the person does not have a sufficiently good reputation or the person's behaviour provides grounds for assuming that the person will not hold the position in a proper manner, cf. Section 7 (2), 4th sentence.

*Subsection 2* Orders issued pursuant to subsection 1 may be brought before the courts of the FSA at the request of the company and of the person to whom the order relates. Such a request shall be submitted to the FSA no later than four weeks after the order was issued to the respective entity. The FSA shall bring the case before the courts within four weeks of receiving a request. The case shall be brought through civil procedure.

**Section 51 b** The FSA may order a company or person covered by Section 1, nos. 1-8, 10, 11, 19, 23 and 24 that the company or person may not temporarily enter into new customer relationships when a serious breach of the provisions of this Act or rules issued pursuant to it has been found. If the breach took place in whole or in part in a company's foreign branch, the order may be extended to cover the branch.

*Subsection 2* An order under subsection 1 is void when the company or person can document to the FSA that the breach has ceased.

**Section 52.** The FSA may, for undertakings and persons covered by Section 1 (1), nos. 8, 23 and 24 establish further rules on reporting, registration and publication, including which information is to be registered and which matters reporting undertakings and persons or others may submit and register electronically via the FSA's IT system by using a digital or similar electronic signature, as well as on the use of this system.

**Section 53.** The Minister for Industry, Business and Financial Affairs may, for companies mentioned in Section 1 (1), nos. 1-13, 19, 23 and 24, establish rules on said companies' duty to publish information about the FSA's assessment of the company as well as rules which allow the FSA to publish said information before the company does.

**Section 54.** Should a company or person covered by Section 1 (1) nos. 1-13, 19, 23 and 24 disclose information about the company or person, and should this information become public knowledge, the FSA may demand that the company or person publishes correcting information within a deadline set by the FSA,

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provided the information is deemed misleading by the FSA and provided that the FSA believes that the information may have adverse effects on the company's or person's customers, depositors, other creditors, the financial markets on which the shares of the company or the securities issued by the company are traded, or financial stability in general.

*Subsection 2* Should the company or person covered by Section 1 (1) nos. 1-13, 19, 23 and 24 not rectify the information in accordance with the FSA's order and within the FSA deadline, the FSA may publish the order issued under subsection 1.

**Section 55.** Reactions given pursuant to Section 47 (1) and (2), or Section 51 or by the FSA after delegation by the Board of Directors of the FSA shall be published by the FSA on its website; however, cf. subsection (6). Decisions to forward cases for police investigation, cf. Section 47 (2) shall be published as a summary; however, cf. subsection 6. Publication shall include the name of the legal or natural person; however, cf. subsection 3.

*Subsection 2* Published reactions remain on the FSA's website for 5 years after publication. However, personal information contained in the publication may only remain on the FSA's website for the required period of time.

*Subsection 3* Publication according to subsection 1, which includes a natural person's name, can only be made in the event of serious, repeated or systematic violations of Section 10, nos. 1, 2, 4 and 5, Section 11 (1) and (2) and (3), 1st, 3rd and 4th sentence, Section 14 (1), (2) 2nd sentence and (3) and (5), Section 17, (1) and (2), Sections 18, 21, (1), 2nd sentence, Section 25 (1), Section 26 (1) and (3) and (4), 1st sentence, and Section 30.

*Subsection 4* The company shall disclose the same information as is covered by subsection 1 on its website, should it have one, in a place where it naturally belongs. Publication shall take place as soon as possible and no later than 3 business days after the company has received notification of the reaction, or at the latest by the time of publication required pursuant to the Securities Trading Act, etc. At the time of publication, the company shall insert a link which provides direct access to the reaction on the homepage of the company's website in a visible manner, and the link and any attached text shall clearly state that this is a reaction from the FSA. Should the company decide to comment on the reaction, this shall happen in continuation of it, and the comments shall be clearly separated from the reaction. Removal of the information and the link from the homepage of the company's website, if it has one, shall follow the same principles used by the company for other announcements, but cannot take place before the link and the information have been on the website for three months, and not before the next general meeting or meeting of the board of representatives. The duty of the company to publish information on its website shall only apply for legal persons. Should the reaction announced in accordance with subsection 1, 1st sentence be brought before the Danish Company Appeals Board or the courts, this shall be stated in the FSA's announcement and the subsequent decision of the Danish Company Appeals Board or courts shall also be published on the FSA's website as soon as possible.

*Subsection 5* If the FSA has submitted a case to the police for investigation and should a judgment be made or a fine decided, the judgement or the fine decision or a summary shall be published by the FSA; however, cf. subsection 6. If the judgment is not final, or if an appeal has been submitted or the case has been reopened, this shall be stated in the publication. Publication by the company shall be made on its website in a place where such publication naturally belongs as soon as possible and no later than ten business days after a ruling has been delivered or a fine has been decided, or no later than the time required for publication laid down in the Securities Trading Act etc. At the same time as publication, the company shall insert a link providing direct access to the ruling, the fine decision or summary, made visible on its website, and the link and any attached text shall clearly state whether this relates to a judgement or an acceptance of fine. Any comments by the company on the ruling, the fine decision or summary shall be made further to this, and the comments shall be clearly separated from the ruling, the fine decision or summary. Removal

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of the information from the company's website shall follow the same principles as the company applies to other notifications. However, the information may not be removed before the link and information have been available on the website for three months, and not before the next general meeting or meeting of the board of representatives. The company shall notify the FSA about the publication and forward a copy of the ruling or fine decision. The FSA shall subsequently publish the ruling, fine decision or a summary hereof on its website. The duty of the company to publish information on its website shall only apply for legal persons.

*Subsection 6* Publication pursuant to subsections 1 and 3-5 may not, however, take place if it will mean disproportionate damage to the company or if issues relating to investigations make publication inadvisable. The publication shall not contain confidential information about customer relationships or information covered by the provisions of the Public Administration Act on the exclusion of information on private and operating/business matters, etc. The publication shall not contain any confidential information stemming from financial authorities of an EU or EEA country, unless the authorities which disclosed the information, expressly allowed it.

*Subsection 7* If publication is omitted pursuant to subsection 6, first sentence, publication pursuant to subsections 1 and 3-5 shall be effected when the considerations necessitating omission no longer apply. However, after two years from the date of the reaction or decision to refer the matter to police for investigation, publication shall not take place regardless of the first sentence. Publication shall only take place if actions or charges have not been dismissed according to the Administration of Justice Act.

*Subsection 8* In cases where the FSA published a decision to transfer a case to police for investigation under subsection 1, 2nd sentence, and a decision is made to dismiss actions or charges or an acquittal is passed, the FSA shall, at the request of the natural or legal person to which the case relates, publish information hereof. The natural or legal person shall submit a copy of the decision to dismiss actions or charges, or a copy of the ruling, to the FSA at the same time as the request for publication is made. If the decision to withdraw or dismiss the case or the judgment is not final, this shall be stated in the publication. If the FSA receives documentation that the case is closed due to a final decision to withdraw or dismiss the charge or a final judgment to acquit the defendant, the FSA shall remove all information on the decision to turn the case over to police investigation and any subsequent judgements in the case from its website.

**Section 56.** By virtue of Sections 152–152e of the Criminal Code, employees of the FSA shall be obliged to keep secret any confidential information they receive in the course of their supervisory duties. The same applies to persons performing services as part of the FSA's activities as well as to experts acting on the FSA's behalf. This also applies after the termination of the employment or contractual relationship.

*Subsection 2* Consent from the individual whom the duty of confidentiality is intended to protect shall not entitle the persons mentioned in subsection 1 to divulge confidential information.

*Subsection 3* Subsection 1 shall not prevent confidential information from being disclosed to:

- 1) Supervisory authorities pursuant to this Act.
- 2) Members of collaborative forums, cf. Section 74.
- 3) Other public authorities, including the prosecution and police, in connection with the investigation and prosecution of potential criminal offences covered by the Criminal Code, this Act or other supervisory legislation.
- 4) The Customs and Tax Administration when disclosure is made for the purpose of the Customs and Tax Administration's investigation of possible violations of tax legislation.
- 5) The competent minister as part of their overall supervision.
- 6) Administrative authorities and courts hearing decisions made by the FSA.
- 7) The Ombudsman of the Danish Parliament.
- 8) A parliamentary commission set up by the Danish Parliament.
- 9) Commissions of inquiry established by law or under the Act on commissions of inquiry.

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- 10) Members of the Public Accounts Committee and the National Audit Office of Denmark (“Rigsrevisionen”).
- 11) The bankruptcy court, other authorities involved in the financial company's liquidation, bankruptcy or similar proceedings, curator and persons responsible for the statutory audit of a financial company's accounts, provided that the recipients of the information need said information to carry out their tasks.
- 12) Finansiell Stabilitet A/S, provided that the Finansiell Stabilitet A/S needs such information to perform its duties.
- 13) Committees, groups, etc. established by the Minister for Industry, Business and Financial Affairs which exist to discuss and coordinate efforts to ensure financial stability.
- 14) The Faroese Minister of Finance, as part of the responsibility for economic stability in the Faroe Islands and for crisis management of financial companies in the Faroe Islands.
- 15) The Greenlandic Minister for Industry and Labour Market, as part of the responsibility for economic stability in Greenland and for crisis management of financial companies in Greenland.
- 16) Faroese supervisory authorities for the financial area, provided that the recipients of said information are subject to a statutory duty of confidentiality corresponding, as a minimum, to the duty of confidentiality pursuant to subsection 1 and that the recipients require the information to perform their duties; however, cf. subsection 6.
- 17) The Danish Business Authority, in its capacity of being the supervisory authority for compliance with corporate legislation, when disclosure takes place in order to strengthen the stability and integrity of the financial system, cf. however subsection (6), the Danish Business Authority, the Auditors’ Supervisory Authority (Revisortilsynet) and the Auditors Board (Revisornævnet) in their capacity of being the supervisory authority for the statutory audit of the accounts of financial businesses, cf. however subsection (6), and the Danish Business Authority when the information relates to a foundation or association covered by Sections 207, 214, 214a or 222 of the Financial Business Act. Disclosure pursuant to the 1st sentence can only take place provided that the recipient needs the information to perform their tasks.
- 18) Supervisory authorities in an EU or EEA country which are responsible for supervising the compliance of entities and companies with legislation on the preventive measures against money laundering and terrorist financing, Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds, and regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies, provided that the recipients of the information need said information to perform their tasks.
- 19) Financial supervisory authorities in countries outside the EU or EEA which are responsible for supervising the compliance of entities and companies with legislation on preventive measures against money laundering and terrorist financing.
- 20) The European Central Bank when acting under Council Regulation 1024/2013/EU of 15 October 2013 on the transfer of specific tasks to the European Central Bank in the context of credit institution supervision policies.
- 21) The European Banking Authority, the European Systemic Risk Board, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority, as well as bodies established by these authorities, when the recipients of information need said information to perform their duties.

*Subsection 4* Disclosure, under subsection 3, no. 19, can only be based on an international collaborative agreement and only provided that the beneficiaries are subject to a statutory duty of confidentiality at least equivalent to the duty of confidentiality under subsection 1, and have a significant need for the information to perform their duties.

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*Subsection 5* Anyone who, under subsection (3), nos. 1-17, receives confidential information from the FSA, is in regard to this information, subject to the duty of confidentiality as referred to in subsection 1.

*Subsection 6* Disclosure, in accordance with subsection 3, nos. 1, 2, 8, 9, 11, 16, 18 and 19, of confidential information originating from an EU or EEA country or financial supervisory authorities in countries outside the EU or EEA can only take place should the authorities who disclosed the information have given their explicit permission, and it may only be used for the purpose which the permission concerns.

*Subsection 7* Confidential information received by the FSA may only be used in conjunction with supervisory duties to impose sanctions, or if the supervisory authority's decision is appealed to a higher administrative authority or brought before the courts.

**Section 56 a.** The FSA shall not disclose information about a person when he or she has reported a company or person to the FSA for a violation or potential violation of this Act, rules issued pursuant to it or provisions contained in regulations referred to in Section 47 (1) for the areas of law that the FSA supervises; however, cf. subsection (2).

*Subsection 2* The provision in subsection (1) shall not prevent personal data from being divulged pursuant to Section 56 (3).

*Subsection 3* Anyone receiving personal data under subsection 2, cf. however Section 56 (5) shall be subject to the duty of confidentiality mentioned in subsection 1 with regard to said information.

#### *The Danish Business Authority*

**Section 57.** The Danish Business Authority ensures that undertakings and persons covered by Section 1 (1), nos. 15-18 and 22, and subsidiaries, distributors and agents of such foreign undertakings and persons in Denmark, comply with this Act, regulations issued pursuant hereto and regulations issued by the European Parliament and Council containing rules on financial sanctions against countries, persons, groups, legal entities or bodies. However, this does not apply to compliance with Section 36.

*Subsection 2* Members of management and beneficial owners of companies as well as entities covered by Section 1 (1), no. 17, are not allowed to have been convicted of a criminal offence that implies an imminent risk of abuse of either position or controlling influence.

*Subsection 3* The Danish Business Authority may use external assistance for supervision in accordance with subsection 1.

*Subsection 4* The Danish Business Authority shall cooperate with the competent authorities in EU or EEA countries to participate in supervisory activities, on-site inspections or inspections in Denmark where undertakings and persons performing the type of activity mentioned in Section 1 (1), nos. 15-18 and 22 which are under supervision in another EU or EEA country perform these activities in Denmark, or for undertakings and persons covered by Section 1 (1), nos. 15-18 and 22 which are subject to Danish supervision but operate in other EU or EEA countries.

*Subsection 5* The supervisory authorities in another EU or EEA country may, by prior agreement with the Danish Business Authority, perform inspection of the undertakings or persons situated in Denmark which perform the type of activity mentioned in Section 1 (1), nos. 15-18 and 22, with registered office in the country in question. The Danish Business Authority may participate in the inspection as mentioned in the first sentence. Should an undertaking or person as mentioned in the first sentence oppose an inspection by a competent foreign authority, the investigation may only be carried out with the involvement of the Danish Business Authority.

*Subsection 6* The Danish Business Authority may ask the competent authorities of an EU or EEA country to help ensure compliance with the Act and the regulations issued pursuant to the Act for undertakings and persons covered by Section 1 (1), nos. 15-18 and 22 with registered office in another EU or EEA country through monitoring, on-site inspections or inspections in another EU or EEA country.

**Section 58.** Undertakings and persons covered by Section 1 (1), no. 18 shall be registered with the Danish Business Authority to be able to exercise this activity.

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*Subsection 2* The Danish Business Authority shall refrain from registration under subsection 1, should a member of a company's top or day-to-day management or the person be convicted of an offence that implies an imminent risk of abuse of position or profession, cf. Section 78 (2) of the Criminal Code, or have requested/is currently undergoing reconstruction, bankruptcy proceedings or debt relief.

*Subsection 3* The Danish Business Authority shall also refrain from registering a company, provided that

- 1) the company is convicted of an offence and such offences implies an imminent risk of abuse of the registration, cf. Section 78 (2) of the Criminal Code.
- 2) the company has requested/is currently undergoing reconstruction proceedings or bankruptcy proceedings, or
- 3) a beneficial owner has been convicted of an offence which implies an imminent risk of abuse of said person's controlling influence.

*Subsection 4* In the Danish Business Authority's assessment under subsection 2, no. 1, and subsection 3, no. 1, the Criminal Code's Section 78 (3) similarly applies.

*Subsection 5* The Danish Business Authority may involve the registration of a company or person pursuant to subsection 1 if new members of a company's top or day-to-day management or new beneficial owners do not provide the Danish Business Authority with the information necessary for it to assess whether these are covered by subsections 2 or 3.

*Subsection 6* The Danish Business Authority may involve the registration of a company or person pursuant to subsection 1 if a member of the company's top or day-to-day management or the person is subsequently covered by subsection 2, if the company is subsequently covered by subsection (3), nos. 2 and 3, if a beneficial owner is subsequently covered by subsection 3, no. 3, or if the company or person is not or ceases to be covered by Section 1 (1), no. 18.

*Subsection 7* Undertakings and persons, a member of a company's top or day-to-day management as well as a beneficial owner of a company shall provide the Danish Business Authority with information about subsequent changes to matters referred to in subsections 2 and 3, no later than 2 weeks after the change.

*Subsection 8* The Danish Business Authority may include the registration of a company or person pursuant to subsection 1 if that company or person is guilty of gross or repeated violations of this Act.

**Section 59.** Undertakings and persons mentioned in Section 1 (1), nos. 15-18 and 22 shall provide the Danish Business Authority with the information necessary for the authority's activities.

*Subsection 2* Should the purpose require it, the Danish Business Authority may gain access to undertakings and persons covered by Section 1 (1), nos. 15-18 and 22 with adequate proof of identity without a court order, for the purpose of obtaining information, including through inspection visits.

**Section 60.** The Danish Business Authority may, within a deadline determined by the Danish Business Authority, order undertakings and persons mentioned in Section 1 (1), nos. 15-18 and 22, to take the necessary measures in case of violation of the provisions of this Act, the regulations issued pursuant hereto, or the regulations of the European Parliament and of the Council containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

**Section 61.** The Danish Business Authority may, for undertakings and persons mentioned in Section 1 (1), no. 18, establish more detailed rules on reporting, registration and publication, including which information is to be registered and which matters reporting undertakings and persons or others may submit and register electronically through the Authority's IT system by using a digital or similar electronic signature, as well as on the use of this system.

**Section 62.** Reactions given in accordance with Sections 57 and 60 shall be published by the Danish Business Authority on its website; however, cf. subsection 6. Decisions to surrender cases for police investigation shall be published as a resumé; however, cf. subsection 6. Publication shall include the name of the legal or natural person; however, cf. subsection 3.

**While this translation was carried out by a professional translation agency, the text is to be regarded as an unofficial translation. Only the Danish document has legal validity.**

*Subsection 2* Published reactions remain on the Danish Business Authority's website for 5 years after publication. However, personal information contained in the publication may only remain on the Authority's website for the required period of time.

*Subsection 3* Publication according to subsection 1, which includes a natural person's name, can only be made in the event of serious, repeated or systematic violations of Section 10, nos. 1, 2, 4 and 5, Section 11 (1) and (2) and (3), 1st, 3rd and 4th sentences, Section 14 (1), (2) 2nd sentence and (3) and (5), Section 17 (1) and (2), Sections 18, 21 (1), 2nd sentence, Section 25 (1), Section 26 (1) and (3) and (4), 1st sentence, and Section 30.

*Subsection 4* Should the reaction which is made public in accordance with subsection 1, first sentence, be appealed to the Danish Company Appeals Board or the courts, this shall be evident from the Danish Business Authority's announcement and the subsequent decision of the Danish Company Appeals Board or courts shall also be published on the Danish Business Authority's website as soon as possible.

*Subsection 5* If the Danish Business Authority has submitted a case to the police for investigation and should a judgment be made or a fine decided, the Authority shall publish the judgment or the fine decision or a summary; however, cf. subsection 6. If the judgment is not final, or if it has been appealed against or the case has been reopened, this shall be stated in the publication.

*Subsection 6* Publication pursuant to subsections 1-5 may not, however, take place if it will mean disproportionate damage for the company, or issues relating to investigations make publication inadvisable. The publication shall not contain confidential information about customer relationships or information covered by the provisions of the Public Administration Act on the exclusion of information on private and operating/business matters, etc. The publication shall not contain any confidential information stemming from financial authorities of an EU or EEA country, unless the authorities which disclosed the information, expressly allowed it.

*Subsection 7* If publication is omitted pursuant to subsection (6), first sentence, publication pursuant to subsections 1-5 shall be effected when the considerations necessitating omission no longer apply. After two years from the date of the reaction or decision to refer the matter to the police for investigation, publication shall not take place regardless of the first sentence. Publication shall only take place if actions or charges have not been dismissed according to the rules of the Administration of Justice Act.

*Subsection 8* In cases where the Danish Business Authority published a decision to transfer a case to police for investigation under subsection 1, 2nd sentence, and a decision is made to dismiss actions or charges or an acquittal is passed, the Authority shall at the request of the natural or legal person to which the case relates, publish information hereof. The natural or legal person shall submit a copy of the decision to dismiss actions or charges or a copy of the ruling to the Danish Business Authority along with the request for publication. If the decision to withdraw or dismiss the case or the judgment is not final, this shall be stated in the publication. Should the Danish Business Authority receive documentation that the case has been closed by a final dismissal of actions or charges or the passing of a final acquittal, the Authority shall remove all information about the decision to refer the matter to police for investigation as well as any subsequent rulings in the case from its website.

*Subsection 9* The Danish Business Authority shall, upon request from any natural or legal person who is acquitted, publish the outcome of the appeal or retrial. The natural or legal person shall, at the time when the request for publication is made, submit a copy of the judgement on the appeal or retrial. Should the outcome of the appeal or retrial differ from the result of the judgement published under subsection 5, 1st sentence, the Danish Business Authority may decide to remove said judgement from its website.

**Section 63.** With liability under Sections 152-152 e of the Criminal Code, the Danish Business Authority's employees are obliged to keep secret the confidential information which they acquire through their supervisory activities. The same applies to persons performing services as part of the Danish Business Authority's activities, as well as to experts acting on its behalf. This also applies after the termination of the employment or contractual relationship.

**While this translation was carried out by a professional translation agency, the text is to be regarded as an unofficial translation. Only the Danish document has legal validity.**

*Subsection 2* Consent from the individual whom the duty of confidentiality is intended to protect shall not entitle the persons mentioned in subsection 1 to divulge confidential information.

*Subsection 3* Subsection 1 shall not prevent confidential information from being disclosed to:

- 1) Supervisory authorities pursuant to this Act.
- 2) Members of collaborative forums, cf. Section 74.
- 3) Other public authorities, including the prosecution and police, in connection with the investigation and prosecution of potential criminal offences covered by the Criminal Code, this Act or other supervisory legislation.
- 4) The Customs and Tax Administration when disclosure is made for the purpose of the Customs and Tax Administration's investigation of possible violations of tax legislation.
- 5) The competent minister as part of their overall supervision.
- 6) Administrative authorities and courts processing decisions made by the Danish Business Authority.
- 7) The Ombudsman of the Danish Parliament.
- 8) A parliamentary commission set up by the Danish Parliament.
- 9) Commissions of inquiry established by law or under the Act on commissions of inquiry.
- 10) Members of the Public Accounts Committee and the National Audit Office of Denmark ("Rigsrevisionen").
- 11) The bankruptcy court, other authorities or persons involved in liquidation, bankruptcy or similar proceedings regarding a company covered by this Act, provided that the recipients of the information need said information to carry out their tasks.
- 12) Committees and groups etc. established by the Minister for Industry, Business and Financial Affairs with the aim of discussing and coordinating efforts to prevent money laundering and terrorist financing.
- 13) Faroese and Greenlandic supervisory authorities in the field of preventing money laundering and terrorist financing, provided that the recipients are subject to a statutory duty of confidentiality at least equal to the duty of confidentiality under subsection 1 and that the recipients need said information to fulfil their duties.
- 14) Supervisory authorities in an EU or EEA country which are responsible for supervising the compliance of entities and companies with legislation on preventive measures against money laundering and terrorist financing, provided that the recipients of the information need said information to fulfil their duties.
- 15) Supervisory authorities in countries outside the EU or EEA which are responsible for supervising the compliance of entities and companies with legislation on preventive measures against money laundering and terrorist financing.

*Subsection 4* Disclosure in accordance with subsection 3, no. 15 can only be based on an international collaborative agreement and requires the recipients to be subject to a statutory duty of confidentiality at least equivalent to the duty of confidentiality under subsection 1, just as they shall have a need for said information to perform their duties.

*Subsection 5* Anyone who receives confidential information from the Danish Business Authority under subsection 3, nos. 1-13 is, with regard to this information, subject to the duty of confidentiality under subsection 1.

*Subsection 6* Disclosure of confidential information originating from an EU or EEA country or regulators in countries outside the EU or EEA in accordance with subsection 3, nos. 1, 2, 8, 9, 11 and 13-15, can only take place if the authorities who disclosed the information have given their explicit permission, and may only be used for the purpose to which the permission relates.

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*Subsection 7* Confidential information received by the Danish Business Authority may only be used in connection with supervisory duties to impose sanctions or if the Authority's decision is appealed to a higher administrative authority or brought before the courts.

**Section 63 a.** The Danish Business Authority shall not disclose information about a person when he or she has reported a company or person to the Authority for a violation or potential violation of this Act, rules issued pursuant to it or provisions contained in regulations referred to in Section 57 1 for the areas of law that the Authority supervises, however, cf. subsection (2).

*Subsection 2* The provision in subsection (1) shall not prevent personal data from being divulged pursuant to Section 63 (3).

*Subsection 3* Anyone receiving personal data under subsection 2, however cf. Section 63 (5), shall be subject to the duty of confidentiality mentioned in subsection 1 with regard to said information.

*The Danish Bar and Law Society Council (Advokatrådet)*

**Section 64.** The Danish Bar and Law Society Council ensures that lawyers covered by Section 1 (1), no. 14, and lawyers established in another EU Member State, in an EEA country or in Switzerland and performing legal activities in Denmark, comply with the law and the regulations issued pursuant hereto, as well as the regulations of the European Parliament and of the Council containing rules on financial sanctions against countries, persons, groups, legal entities or bodies. However, this does not apply to compliance with Section 36.

*Subsection 2* The Danish Bar and Law Society Council may, within a deadline determined by the board, order lawyers under subsection 1 to take the necessary measures in case of violation of the provisions of this Act, the regulations issued pursuant hereto, or the European Parliament's and Council's regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

*Subsection 3* The Danish Bar and Law Society Council shall cooperate with the competent authorities in EU or EEA countries to participate in supervisory activities, on-site inspections or inspections in Denmark where undertakings and persons performing the type of activity mentioned in Section 1 (1), no. 14 which are subject to supervision in another EU or EEA country perform legal activities in Denmark, or for Danish undertakings and persons covered by Section 1 (1), no. 14 which are subject to Danish supervision but operate in other EU or EEA countries.

*Subsection 4* The supervisory authorities in another EU or EEA country may, by prior agreement with the Danish Bar and Law Society Council, perform inspection of the undertakings or persons situated in Denmark which perform the type of activity mentioned in Section 1 (1), no. 14, with registered office in the country in question. The Danish Bar and Law Society Council may participate in the inspection as mentioned in the first sentence. Should an undertaking or person as mentioned in the first sentence oppose an inspection by a competent foreign authority, the investigation may only be carried out with the involvement of the Danish Bar and Law Society Council.

*Subsection 5* The Danish Bar and Law Society Council may ask the competent authorities of an EU or EEA country to help ensure compliance with the Act and the regulations issued pursuant to the Act for undertakings and persons covered by Section 1 (1), no. 14 with registered office in another EU or EEA country through monitoring, on-site inspections or inspections in another EU or EEA country.

**Section 64 a.** The responses of the Danish Bar and Law Society Council in connection with supervision pursuant to Section 64, including decisions to refer a case for police investigation, shall be published by the Danish Bar and Law Society Council on the Danish Bar and Law Society's website; however, cf. subsection (5). Publication shall include the name of the legal or natural person; however, cf. subsection (3).

*Subsection 2* Published responses remain on the Danish Bar and Law Society's website for five years after publication. Personal information contained in the publication, however, may only remain on the Danish Bar and Law Society's website for the necessary period of time.

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*Subsection 3* Publication pursuant to subsection (1) that includes the name of a natural person may only take place in the event of that person's serious, repeated or systematic violations of Section 10, nos. 1, 2, 4 and 5, Section 11 (1) and (2) and Section 11 (3), sentences 1, 3 and 4, Section 14 (1), (2), second sentence, and (3) and (5), Section 17 (1) and (2), Section 18, Section 21 (1), second sentence, Section 25 (1), Section 26 (1) and (3) and Section 26 (4), first sentence, and Section 30.

*Subsection 4* Where the Danish Bar and Law Society Council has referred a case for police investigation, and a judgement is made or a fine imposed, the Danish Bar and Law Society Council shall publish the judgement, the decision regarding the fine or a summary thereof; however, cf. subsection (5). If the judgement is not final, this must be included in the publication. Subsections (1) and (2) apply mutatis mutandis.

*Subsection 5* Publication pursuant to subsections (1)-(4) must not take place, however, if this will cause disproportionate damage to the undertaking or if it could compromise an ongoing investigation. Information on individuals' personal matters, including financial matters, and technical arrangements or procedures or about operating or business-related circumstances, or similar, where this is of significant economic importance to the person or undertaking to which the information pertains, is not published. Publication must not contain confidential information deriving from an authority in an EU or EEA country, unless the authorities that have provided this information have provided explicit permission.

*Subsection 6* If publication is omitted pursuant to the first sentence of subsection (5), publication shall be made pursuant to subsections (1)-(4) where the considerations that necessitated the omission no longer apply. Once two years has elapsed, however, since the date of the response or decision to refer the case for a police investigation, publication shall not be made, the first sentence notwithstanding. Publication shall only be made if the order has not been dropped or dismissed under the rules of the Administration of Justice Act.

*Subsection 7* In cases where the Danish Bar and Law Society Council has published a decision to refer a case for a police investigation pursuant to subsection (1), and a decision is made to withdraw or dismiss charges, the Disciplinary Board declares an acquittal or an acquittal is passed, the Danish Bar and Law Society Council shall, at the request of the natural or legal person to which the case relates, publish information concerning this. The natural or legal person must submit a copy of the decision to withdraw or dismiss the charge or a copy of the acquittal decision to the Danish Bar and Law Society Council along with a request for publication. If the decision to withdraw, dismissal, decision or judgement is not final, this must be included in the publication. If the Danish Bar and Law Society Council receives evidence that the case has been closed by final withdrawal, charges being dropped or final clearance or judgement, the Danish Bar and Law Society Council shall remove all information about the decision to refer the case for a police investigation and any subsequent judgements in the case from the Danish Bar and Law Society's website.

*Subsection 8* At the request of a natural or legal person who has been acquitted, the Danish Bar and Law Society Council shall publish the result of the appeal or retrial. The natural or legal person must submit a copy of the judgement on the appeal or the case which has been retried along with the request. If the result of the appeal or the case which has been retried differs from the result of the judgement published pursuant to subsection (4), first sentence, the Danish Bar and Law Society Council may decide to remove the judgement from its website.

*Subsection 9* The verdicts of the Disciplinary Board of the Danish Bar and Law Society regarding violation of this Act and the regulations issued pursuant to this Act, as well as the regulations of the European Parliament and of the Council containing rules on financial sanctions against countries, persons, groups, legal entities or bodies, shall be published by the Danish Bar and Law Society Council on the Danish Bar and Law Society's website when the deadline for bringing the verdict before the court has expired. This does not apply, however, to compliance with Section 36. Verdicts that are brought before the court are published when a final judgement is announced. The provisions in subsections (2)-(8) apply mutatis mutandis.

*The Danish Gambling Authority*

**Section 65.** The Danish Gambling Authority ensures that providers of gambling covered by Section 1 (1), no. 20, and subsidiaries, distributors and agents of such foreign undertakings and persons in Denmark, comply with the law, the regulations issued pursuant hereto as well as regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies. However, this does not apply to compliance with Section 36.

*Subsection 2* Providers of games shall provide the Danish Gambling Authority with the information necessary for the authority to fulfil its duties.

*Subsection 3* The Danish Gambling Authority may, so long as adequate proof of identity is presented, gain access to providers of gambling without a court order so as to obtain information, including through inspections.

*Subsection 4* Providers of games where the gambling system is not located in Denmark shall provide the Danish Gambling Authority with access to the gambling system via remote access or similar.

*Subsection 5* The Danish Gambling Authority shall cooperate with the competent authorities in another EU or EEA country when providers of games under the supervision of another EU or EEA country provide games in this country or when providers of games covered by Section 1 (1), no. 20, provide games in other EU or EEA countries.

*Subsection 6* Regulators in another EU or EEA country may, by prior agreement with the Danish Gambling Authority, carry out inspection visits in shops located in Denmark from where gambling is offered for providers of games established in the respective country. The Danish Gambling Authority may participate in the inspection visit as mentioned in the first sentence. Should a shop mentioned in the first sentence resist supervision from a competent, foreign authority, the inspection can only be conducted with the involvement of the Danish Gambling Authority.

**Section 66.** The Danish Gambling Authority may, within a deadline set by the Danish Gambling Authority, order providers of games covered by Section 1 (1), no. 20, to take the necessary measures in case of violation of the provisions in this Act, regulations issued pursuant hereto, or the European Parliament's and Council's regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

**Section 67.** For providers of games, the Minister for Taxation may establish more detailed rules on reporting and publication, including what information shall be reported, and which matters reporting undertakings and persons or others may submit and register electronically through the Danish Gambling Authority's IT system by using a digital or similar electronic signature as well as on the use of this system.

**Section 68.** Reactions given in accordance with Sections 65 (1) and 66 shall be published by the Danish Gambling Authority on its website; however, cf. subsection (6). Decisions to surrender cases for police investigation shall be published as a resumé; however, cf. subsection (6). Publication shall include the name of the legal or natural person; however, cf. subsection (3).

*Subsection 2* Published reactions remain on the Danish Gambling Authority's website for 5 years after publication. However, personal information contained in the publication may only remain on the Danish Gambling Authority's website for the required period of time in accordance with the applicable data protection rules.

*Subsection 3* Publication according to subsection (1), which includes a physical person's name, can only be done in the event of the person's serious, repeated or systematic violations of Section 10, nos. 1, 3, 4 and 5, Section 11 (1) and (2) and (3), 1st, 3rd and 4th sentences, Section 14 (1), (2), 2nd sentence, (4), 2nd sentence, and (5), Section 17 (1) and (2), Section 18, Section 21 (1), 2nd sentence, Section 25 (1), Section 26 (1) and (3) and subsection (4), 1st sentence, and Section 30.

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*Subsection 4* Should the reaction which is published in accordance with subsection 1, first sentence be brought before the National Tax Tribunal or the courts, this shall be evident from the Danish Gambling Authority's publication, and the subsequent decision of the National Tax Tribunal or courts shall also be made public on the Danish Gambling Authority's website as soon as possible.

*Subsection 5* If the Danish Gambling Authority has passed a case to the police for investigation and should a judgment be made or a fine decided, the Danish Gambling Authority shall publish the judgment or the fine decision or a summary; however, cf. subsection (6). If the judgment is not final or should it be appealed or the case reopened, this shall be stated in the publication.

*Subsection 6* Publication pursuant to subsections 1 and 3-5 may not, however, take place if it will mean disproportionate damage to the company or if issues relating to investigations make publication inadvisable. The publication shall not contain confidential information about customer relationships or information covered by the provisions of the Public Administration Act on the exclusion of information on private and operating or business matters, etc. The publication shall not contain any confidential information stemming from financial authorities of an EU or EEA country, unless the authorities which disclosed the information, expressly allowed it.

*Subsection 7* If publication is omitted pursuant to subsection 6, first sentence, publication pursuant to subsections 1 and 3-5 shall be effected when the considerations necessitating omission no longer apply. After two years from the date of the reaction or decision to refer the matter to the police for investigation, publication shall not take place regardless of the first sentence. Publication shall only take place if actions or charges have not been dismissed according to the Administration of Justice Act.

*Subsection 8* In cases where the Danish Gambling Authority published a decision to transfer a case to police for investigation under subsection 1, second sentence, and a decision is made to dismiss actions or charges or an acquittal is passed, the Authority shall, at the request of the natural or legal person to which the case relates, publish information hereof. The natural or legal person shall submit a copy of the decision to dismiss actions or charges or a copy of the ruling to the Danish Gambling Authority at the time when the request for publication is made. If the decision to withdraw or dismiss the case or the judgment is not final, this shall be stated in the publication. Should the Danish Gambling Authority receive documentation that the case is ended by dismissal of actions or charges or through final acquittal being passed, the Authority shall remove all information about the decision to refer the matter to police for investigation and any subsequent rulings from its website.

**Section 69.** With liability under Sections 152-152 e of the criminal code, the Danish Gambling Authority's employees are obliged to keep secret the confidential information which they acquire through their supervisory activities. The same applies to persons performing services as part of the Danish Gambling Authority's activities, as well as to experts acting on the Danish Gambling Authority's behalf. This also applies after the termination of the employment or contractual relationship.

*Subsection 2* Consent from the individual whom the duty of confidentiality is intended to protect shall not entitle the persons mentioned in subsection 1 to divulge confidential information.

*Subsection 3* Subsection 1 shall not prevent confidential information from being disclosed to:

- 1) Supervisory authorities pursuant to this Act.
- 2) Members of collaborative forums, cf. Section 74.
- 3) Other public authorities, including the prosecution and police, in connection with the investigation and prosecution of potential criminal offences covered by the Criminal Code, this Act or other supervisory legislation.
- 4) The competent minister as part of their overall supervision.
- 5) Administrative authorities and courts processing decisions made by the Danish Gambling Authority.
- 6) The Ombudsman of the Danish Parliament.
- 7) A parliamentary commission set up by the Danish Parliament.

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- 8) Commissions of inquiry established by law or under the Act on commissions of inquiry.
- 9) Members of the Public Accounts Committee and the National Audit Office of Denmark (“Rigsrevisionen”).
- 10) The bankruptcy court, other authorities involved in the games provider's liquidation, bankruptcy or similar proceedings, curator and persons responsible for the statutory audit of a games providers' accounts, provided that the recipients of the information need said information to carry out their tasks.
- 11) Committees and groups etc. established by the Minister for Industry, Business and Financial Affairs or the Minister of Taxation.
- 12) Supervisory authorities in other countries within the EU or EEA responsible for supervising the compliance of providers of games with legislation on preventive measures against money laundering and terrorist financing and regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies, provided that the recipients of information need said information to fulfil their duties.
- 13) Supervisory authorities in countries outside the EU or EEA which are responsible for supervising the compliance of providers of games with legislation on preventive measures against money laundering and terrorist financing.

*Subsection 4* Disclosure under subsection 3, no. 13, can only be based on an international collaborative agreement and only provided that the beneficiaries are subject to a statutory duty of confidentiality at least equivalent to the duty of confidentiality under subsection 1 and have a significant need for the information to perform their duties.

*Subsection 5* Anyone who receives confidential information from the Danish Gambling Authority in accordance with subsection 3, nos. 1-11 is, with regard to this information, subject to the duty of confidentiality under subsection 1.

*Subsection 6* Disclosure in accordance with subsection 3, nos. 1, 2, 7, 8, 10, 12 and 13 of confidential information originating from an EU or EEA country or financial supervisory authorities in countries outside the EU or EEA can only take place should the authorities who disclosed the information have given their explicit permission, and it may only be used for the purpose which the permission concerns.

*Subsection 7* Confidential information received by the Danish Gambling Authority may only be used in connection with supervisory duties to impose sanctions or if the Authority's decision is appealed to a higher administrative authority or brought before the courts.

**Section 69 a.** The Danish Gambling Authority shall not disclose information about a person when he or she has reported a company or person to the Authority for a violation or potential violation of this Act, rules issued pursuant to it or provisions contained in regulations referred to in Section 65 (1) for the areas of law that the Authority supervises; however, cf. subsection 2.

*Subsection 2* The provision in subsection 1 shall not prevent personal data from being divulged pursuant to Section 69 (3).

*Subsection 3* Anyone receiving personal data under subsection 2, however cf. Section 69 (5), shall be subject to the duty of confidentiality mentioned in subsection 1 with regard to said information.

**Section 69 b** Notwithstanding Section 17 (1) of the Tax Administration Act, the Danish Gambling Authority can disclose information to authorities participating in operational cooperation in the efforts against money laundering and terrorist financing if the information may impact the authorities' task of preventing or combating money laundering and terrorist financing.

*Subsection 2* If an authority participating in operational cooperation in the efforts against money laundering and terrorist financing asks for information from the Danish Gambling Authority, the Authority shall share the information regardless of Section 17 (1) of the Tax Administration Act if the information may impact the authority' task of preventing or combating money laundering and terrorist financing.

### *The Customs and Tax Administration*

**Section 69 c** The Customs and Tax Administration's employees are required, under Sections 152-152 e of the Danish Criminal Code, to keep confidential information resulting from a notification pursuant to Section 26 received by the Customs and Tax Administration from the Money Laundering Secretariat.

*Subsection 2* Section 9 of the Public Administration Act, Section 19 on consultative procedure, Section 24 on the obligation to state reasons and Sections 28 and 31 on disclosure of information between administrative authorities do not apply to the information indicated in subsection 1.

**Section 69 d** Notwithstanding Section 17 (1) of the Tax Administration Act, the Customs and Tax Administration can disclose information to authorities participating in operational cooperation in the efforts against money laundering and terrorist financing if the information may impact the authorities' task of preventing or combating money laundering and terrorist financing.

*Subsection 2* If an authority participating in operational cooperation in the efforts against money laundering and terrorist financing asks for information from the Customs and Tax Administration, the Administration, regardless of Section 17 (1) of the Tax Administration Act, shall share the information if the information may impact the authorities' task of preventing or combating money laundering and terrorist financing.

## Chapter 12

### *Communication and collaborative forum*

**Section 70.** The Minister for Industry, Business and Financial Affairs may lay down rules which require written communications to and from the FSA and to and from the Danish Business Authority on matters covered by this Act or regulations issued pursuant to this Act to be digital.

*Subsection 2* The Minister for Industry, Business and Financial Affairs may establish rules for digital communication, including the use of certain IT systems, particular digital formats and digital signature or the like.

**Section 71.** A digital message is considered to have arrived when it is available to the addressee of the message.

**Section 72.** Should it be a requirement of this Act or regulations issued in pursuance of this Act that a document issued by someone other than the FSA or Danish Business Authority be signed, this requirement may be met by using a technique ensuring unequivocal identification of the issuer of the document; however, cf. subsection 2. Such documents are considered equivalent to documents with a personal signature.

*Subsection 2* The Minister for Industry, Business and Financial Affairs may establish rules on dispensing with signature requirements. In connection with this, it may be decided that the personal signature requirement cannot be departed from for particular types of documents.

**Section 73.** The Minister of Taxation may, in relation to the Danish Gambling Authority and providers of gambling, cf. Section 1 (1), no. 20, establish rules on digital communications, as mentioned in Section 70, and on signature forms and on dispensing with signature requirements, as mentioned in Section 72.

**Section 74.** The Minister for Business and Industry establishes a forum with the participation of supervisory authorities under this Act and the Money Laundering Secretariat. This forum will coordinate the authorities' risk assessments and general measures against money laundering and terrorist financing.

*Subsection 2* The Minister for Industry, Business and Financial Affairs may decide to expand the circle of representatives with representatives of other authorities.

**Section 74 a** Persons working in public administration who participate in operational cooperation in the efforts against money laundering and terrorist financing are, with liability under Sections 152-152 e of the

Danish Criminal Code, obligated to keep confidential information received in connection with the cooperation; however, cf. subsection (3).

*Subsection 2* The duty of confidentiality in subsection 1 shall also apply in relation to the natural or legal person that the information concerns, irrespective of any legal obligation to disclose the information to the person in accordance with administrative or data protection rules; however, cf. subsection (3).

*Subsection 3* Information covered by subsection 1 may, with the consent of the authority which provided the information, be included in the case processing of the receiving authority. If there is consent, the rules which ordinarily apply to the receiving authority and which are waived pursuant to subsections 1 and 2 shall once again apply.

## Chapter 13

### *Parties and provisions regarding appeals*

**Section 75.** A party shall be considered the company or person targeted by a supervisory authority's decision made under this Act or regulations issued pursuant to this Act, regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds, as well as regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

**Section 76.** Decisions made by the FSA and the Danish Business Authority in accordance with this Act and regulations issued pursuant to this Act, regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds, as well as regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies may, by whoever the decision targets, be brought before the Danish Company Appeals Board no later than 4 weeks from when the decision was made known to said party.

**Section 77.** Decisions made by the Danish Gambling Authority under this Act may, by whoever the decision targets, be brought before the National Tax Tribunal in accordance with chapter 10 of the Act on Gambling. Chapter 11 of the Gambling Act shall equally apply.

## Chapter 14

### *Penalties*

**Section 78.** Violation of Section 55 (4), 1st-4th sentences and subsection 5, 3rd-7th sentences, is punishable by fine. Intentional or gross negligent violation of Sections 5 and 5 a, Section 6 (1), 2nd sentence, Section 6 a, Section 7 (1) and (2), Section 8 (1)-(4) and (6), Sections 9 and 10, Section 11 (1) and (2) and (3), 1st, 3rd and 4th sentences, Section 12, Section 14 (1), (2), 2nd sentence, (3), (4), 2nd sentence, and (5), Sections 15 and 16, Section 17 (1)-(4), Sections 18-20, Section 21 (1), 2nd sentence, Section 22 (2) and (3), Section 24 (1), 2nd sentence (2) and (3), Section 25 (1)-(3), Section 26 (1) and (3) and (4), 1st sentence, Section 29 (4) and (6), Sections 30 and 31, Section 31 b (1), Section 32, Section 35 (1), Section 35

a (1) Section 36 (1) and (2), Section 36 a, Section 38 (1), Sections 40, 43 and 44, Section 45 (2), Section 48 (1) and (2), Section 49 (1), Section 57 (2), Section 58 (1), Section 59 (1) and Section 65 (2) and Articles 4-8, 10-12 and 16 of Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and Article 6 (1) of Council Regulation 2001/1338/EC of 28 June 2001 laying down the measures necessary to protect the euro against counterfeiting as amended by Regulation 2009/44/EC, as provided for in Council Regulation 2001/1339/EC of 28 June 2001 extending the effects of Regulation (EC) No 1338/2001 laying down measures necessary for the protection of the euro against counterfeiting to those Member States which have not adopted the euro as their single currency, unless a higher penalty can be applied under the Criminal Code.

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*Subsection 2* In case of particularly serious or extensive intentional violations of Section 5, Section 9 (2), Section 10, Section 11 (1) and (2) and (3), 2nd and 3rd sentences, Section 12, Section 14 (1)m (2) 2nd sentence, and (3) and (5), Section 17 (1)-(4), Sections 18-20, Section 21 (1), 2nd sentence, Section 25 (1), Section 26 (1) and (3) and (4) 1st sentence, Sections 30, 31, 40 and Section 49 (2) and Articles 4-8, 10-12 and 16 of Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds, penalties may increase to imprisonment for up to 2 years, unless a higher penalty can be applied under Section 290 b (2) of the Criminal Code.

*Subsection 3* When issuing fines according to sentence 1, emphasis should be placed on the financial circumstances of the perpetrator. For offences committed by companies, emphasis is placed on the company's net sales at the time of the offence.

*Subsection 4* Companies etc. (legal persons) may incur criminal liability according to the rules in chapter 5 of the Criminal Code.

*Subsection 5* The period of limitation for violations of the provisions in this Act or regulations issued pursuant to this Act shall be five years. The period of limitation is, however, 10 years for breaches of the Act's Sections 6 and 6 a, Section 7 (1) and (2), Section 10, Section 11 (1), (2) and (3), 1st, 3rd and 4th sentences, Section 12, Section 14 (1), (2), 2nd sentence, (3), (4), 2nd sentence, and (5), Section 15, Section 17 (1)-(4), Section 18 (1)-(6), Sections 19 and 20, Section 22 (2) and (3), Section 24 (1), 2nd sentence, (2) and (3), Section 25 (1) and (2), Section 26 (1) and (3), and (4), 1st sentence, Sections 30, 31, and 31 b, Section 32, 1st sentence, Sections 36 a, 43 and 49 (1) and (2).

*Subsection 6* In regulations issued pursuant to this Act, penalties in the form of fines may be prescribed for violation of regulations issued pursuant to the Act.

**Section 78 a** If a breach of Section 7 (1) or (2), Section 8 (1-4) or (6), Section 9 (1) or (2), Section 10, Section 11 (1) or (2), or (3), 1st, 3rd or 4th sentence, Section 12, Section 14 (1), (2), 2nd sentence, (3), (4), 2nd sentence, or (5), Section 15, Section 17 (1) or (2), Section 18 (1-6), Section 19, Section 20, Section 22 (2) or (3), Section 24 (1), 2nd sentence, (2) or (3), Section 25 (1) or (2), Section 26 (1) or (3), or (4), 1st sentence, Sections 30, 31, 40 or 43 or 48 (1) is deemed not to impose a higher penalty than a fine, the Danish Financial Supervisory Authority may, in a fixed-penalty notice, state that the case can be decided without trial if the natural or legal person responsible for the breach pleads guilty to the offence and declares that they are ready to pay the fine specified in the fixed-penalty notice within a further specified deadline; however, cf. subsection 2.

*Subsection 2* Prior to the issuance of a fixed-penalty notice, the FSA shall obtain the consent of the State Prosecutor for Serious Economic and International Crime if the Authority considers that a breach requires a certain level of estimation or if the basis for the level of the fine should be dispensed with.

*Subsection 3* The provisions laid down in the Danish Administration of Justice Act on requirements concerning the content of indictments and on the right of the accused not to comment shall apply correspondingly to fixed-penalty notices, in accordance with subsection 1).

*Subsection 4* Further prosecution shall be discontinued upon acceptance of a fixed-penalty notice. Acceptance has the same effect as a ruling.

**Section 79.** A company or person that fails to comply with an order given in accordance with Sections 51-51 b, Section 54, (1), or Sections 60 or 66 is punishable by fine.

**Section 80.** Should a company or person neglect to fulfil the duties and obligations imposed on them pursuant to Section 49 (1) and (5), or by regulations issued pursuant to Section 49 (7), the FSA may, as a means of coercion, impose daily or weekly fines on the person, company, or the persons responsible in the company.

*Subsection 2* Should a company or person neglect to fulfil the duties and obligations imposed on them pursuant to Section 58 (7), the Danish Business Authority may, as a means of coercion, impose daily or weekly fines on the person, company, or the persons responsible in the company.

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*Subsection 3* Should a company or person neglect to fulfil the duties and obligations imposed on them pursuant to Section 65 (2), the Danish Gambling Authority may, as a means of coercion, impose daily or weekly fines on the person, company, or the persons responsible in the company.

*Subsection 4* If a trustee of a trust or a person holding a similar position in a similar legal arrangement fails to fulfil the duties which the law requires in accordance with Section 46 a (1), (3), (4), (6) and (7), the Danish Business Authority may impose daily or weekly fines as a coercive measure on the trustee or the person holding a similar position.

*Subsection 5* In connection with the Minister for Industry, Business and Financial Affairs's issuing of regulations according to Section 18 (9) regarding the list referred to in Section 18 (7), provisions may be established that the Minister may, as a means of coercion, impose on legal entities, organisations etc. daily or weekly fines, should they neglect to fulfil their reporting duties.

*Subsection 6* Should a company or person neglect to fulfil the duties and obligations imposed on them pursuant to Section 29 (4), the Money Laundering Secretariat may, as a means of coercion, issue daily or weekly fines on the person, company or the persons responsible in the company.

## Chapter 15

### *Entry into force, changes to other legislation and territorial validity*

**Section 81.** This Act shall enter into force on 26 June 2017; however, cf. subsection (2).

*Subsection 2* Section 82, no. 7 comes into force on 3 January 2018.

*Subsection 3* The Act on preventive measures against money laundering and terrorist financing, cf. consolidated act no. 1022 of 13 August 2013, is repealed.

*Subsection 4* Companies which provide currency exchange services and are registered with the Danish Business Authority on 26 June 2017, may regardless of Section 40, provisionally continue their activities in this country without authorisation. However, such companies shall submit an application to the FSA for permission pursuant to Section 42, to be received by the Authority no later than 31 December 2017. Those companies can continue their business in this country without permission until the Authority has reached a decision on the application. Should the company fail to submit an application for authorisation to provide currency exchange services to the FSA, ensuring that it is received no later than 31 December 2017, currency exchange services shall cease on 31 December 2017.

*Subsection 5* For companies covered by the transitional arrangement in subsection (4), the FSA may revoke the registration if a member of the company's top or general management has been convicted of any criminal offence and such offence implies an imminent risk of abuse of position or profession, cf. Section 78 (2) of the Criminal Code, or provided the company or a beneficial owner is convicted of a criminal offence and such offence implies an imminent risk of abuse of position or profession, cf. Section 78 (2) of the Criminal Code.

*Subsection 6* For companies covered by the transitional arrangement in subsection (4), the FSA may revoke the registration if the company has requested reconstruction proceedings or bankruptcy proceedings or is undergoing reconstruction proceedings or bankruptcy proceedings.

**Sections 82 – 84.** (Omitted)

**Section 85.** This Act does not apply to the Faeroe Islands and Greenland, however, it may by royal decree be put into effect fully or partially in the Faeroe Islands and Greenland, with any amendments which the circumstances warrant in the Faeroe Islands and Greenland.

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Act no. 1547 of 19 December 2017 (Negotiated guidelines in the financial area, safeguarding of migrant workers' right to accrue and retain pension rights, implementation of amendments consequential upon the

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Benchmark Regulation and the PRIIP Regulation, identification of systemically-important financial institutions (SIFIs) etc.) contains the following entry into force provisions:

### **Section 15**

*Subsection 1* This Act shall enter into force on 1 January 2018; however, cf. subsections 2–4.

*Subsections 2–7* (Omitted)

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Act no. 706 of 8 June 2018 (Strengthened efforts against money laundering, etc. in the financial sector, introduction of new forms of alternative investment funds, change to the threshold for prospectus requirements, etc.) contains the following entry into force provision:

### **Section 24**

*Subsection 1* This Act will enter into force on 1 July 2018; however, cf. subsections 2 and 3.

*Subsections 2–6* (Omitted)

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Act No. 1535 of 18 December 2018 (Tightening the anti-money laundering rules) contains the following provision on entry into force:

### **Section 2**

This Act shall enter into force on 1 January 2019.

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Act No. 553 of 7 May 2019 (Implementation of the 5th Anti-Money Laundering Directive)<sup>2)</sup> contains the following entry into force and transitional provision:

### **Section 3**

*Subsection 1* This Act shall enter into force on 10 January 2020; however, cf. subsection 2.

*Subsection 2* Section 1, nos. 2, 8, 10, 15, 16, 19, 25, 27, 29, 33, 35, 39-46, 62-68, 75, 83, 86, 87, 91, 92, 97-100, 102 and 103, Section 2, nos. 13 and 14 of the Anti-Money Laundering Act as worded by Section 1 no. 11 and Section 11 (1) no. 3, 3rd sentence, of the Anti-Money Laundering Act as worded by Section 1 no. 20 of this Act shall enter into force on 1 July 2019.

*Subsection 3* Rules laid down pursuant to Section 1 (4) and (5), and Section 18 (8), of the Anti-Money Laundering Act, Act No. 651 of 8 June 2017, remain in force until repealed or replaced by regulations issued pursuant to Section 1 (6) and (7) of the Anti-Money Laundering Act. and Section 18 (9), as worded by Section 1, no. 7 and 25 of this Act.

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Act 1563 of 27 December 2019 (Strengthening the effort to combat financial crime and implementation of the 4th and 5th anti-money laundering directives)<sup>3)</sup> contains the following entry into force provision:

### **Section 18**

*Subsection 1* This Act shall enter into force on 10 January 2020.

*Subsection 2* Section 1, no. 20, and Section 2, no. 26, also apply to crimes committed prior to the entry into force of the Act. However, this does not apply if the period of limitation has passed, in accordance with the previous rules.

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*Subsection 3* Rules issued pursuant to Section 102 (3) of Act 1703 of 27 December 2018 on company pension funds remain in force until repealed or replaced by regulations issued pursuant to Section 102 (4) of the Act, cf. Section 10, no. 4, of the legislative bill.

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Act no. 1940 of 15 December 2020 (Implementation of the second Payment Services Directive, the fourth and fifth Anti-Money Laundering Directives, amendments to the Benchmarks Regulation and the Disclosure Regulation)<sup>3)</sup> contains the following entry into force provisions:

## **Section 12**

*Subsection 1* This Act shall enter into force on 1 January 2021; however, cf. subsections (2)-(4).

*Subsections (2)-(4)* (Omitted)

*The Ministry of Industry, Business and Financial Affairs, 2 April 2020*

Simon Kollerup

/ Rikke-Louise Ørum Petersen

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- <sup>1)</sup> The Act contains provisions implementing parts of Directive 2015/849/EU of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation No 648/2012/EU of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, Official Journal 2015, No L 141, page 73, and parts of the Directive 2018/843/EU of the European Parliament and of the Council of 30 May 2018 amending Directive 2015/849/EU on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU, Official Journal 2018, L 156, page 43. The Act incorporates certain provisions of Council Regulation No 1338/2001/EC of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting, Official Journal 2001, No L 181, page 6, Council Regulation No 1339/2001/EC of 28 June 2001 extending the effects of Regulation No 1338/2001/EC laying down measures necessary for the protection of the euro against counterfeiting to those Member States which have not adopted the euro as their single currency, Official Journal 2001, L 181, page 11, Commission Regulation No 1031/2010/EU of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC of the European Parliament and of the Council establishing a system for greenhouse gas emission allowances trading within the Union, Official Journal 2010, L 302, page 1, and Regulation 2015/847/EU of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation No 1781/2006/EC, Official Journal 2015, L 141, page 1 According to Article 288 TFEU the Treaty applies directly to a regulation in each Member State. The reproduction of these provisions in this Act is therefore exclusively due to practical considerations and shall not affect the direct applicability of the Regulations in Denmark.
- <sup>2)</sup> This amendment concerns Section 1 (1), nos. 19 and 20, Section 5 a, Section 7 (2), 1st sentence, Section 8 (4), Section 11 (1), no. 3, 4th sentence, Section 14 (6), 2nd sentence, Section 25 (1), Section 47 (1), 1st sentence, Section 57 (1), 1st sentence, and subsections (4)-(6), Section 64 (1), 1st sentence, Section 64 (3)-(5), Section 64 a, Section 65 (1), 1st sentence, Section 78 (1), 2nd sentence, Section 79 and Section 80 (1).

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- <sup>3)</sup> The amendment relates to the footnote to the title of the Act, Section 1 (1), nos. 8, 16, 17, 22-24, (4)-(5), Section 2, nos. 9, 13-20, Section 3 (2), 2nd sentence, Section 6 a, Section 7 (2), 1st sentence, Section 10, no. 1, Section 11 (1), no. 2, sentences 2-5, Section 14 (1), 2nd sentence, Section 15 a, Section 17 (2), Section 18 (8), Section 22 (3), Section 25 (1), (2) and (4), Section 30 (1), no. 3, Section 35 (1), 1st sentence, Section 36 (1), Section 38 (3) and (6), Section 47 (1), 2nd sentence, and 3, Section 48 (2) and (4)-(6), Section 49 (1), Sections 50, 51, 51 a (1), Sections 52, 53, 54 (1) and (2), Section 55 (1), (2) and (4)-(6), Section 56 (3), Section 56 a, Section 57 (1), Section 58 (5) and (8), Section 59 (1) and (2), Section 60, Section 62 (1), (4)-(6) and (8), Section 63 (3), no. 4, (4)-(5), Section 64 (1), 2nd sentence, Section 65 (1), 2nd sentence, Section 68 (4), 1st sentence, (5), 1st sentence, (6), 1st sentence, Section 80 (2) and (4)m annex 2 (3), annex 3 (1) (g), annex 3 (2) (c) and annex 3 (2) (f).
- <sup>4)</sup> The amendment concerns Section 8 (3), Section 17 (3) and (4), Section 22 (5), 1st sentence, heading of Chapter 5, Section 26 (2), (3) 2nd sentence, (4), 1st and 2nd sentences and (6), Sections 26 a, 28, 29, 29 a, 30 (3), 1st sentence, Sections 30 a, 30 b, 31 a, 31 b, 34 a, 35 a, 36 (2), 1st sentence, chapter 10 a, Section 49 (1), 2nd sentence, (2), (5) and (7), Sections 51 b, 69 b, 69 c, 69 d, 74 (1), 1st sentence, Sections 74a, 78 (1), 2nd sentence (2) and (5), Sections 78 a and 80 (1) and (6).

## Annex 1

### *Annex 1, cf. Section 1 (1), no. 8*

- 1) Acceptance of deposits and other reimbursable funds.
- 2) Lending, including
  - a) consumer credit
  - b) mortgage credit loan
  - c) factoring and discounting
  - d) trade credits (incl. forfeiting)
- 3) Financial leasing.
- 4) Issuing and administering other means of payment (e.g. traveller's cheques and bank drafts), to the extent that the activity is not subject to the Payment Services and Electronic Money Act.
- 5) Postings of collateral and warranties.
- 6) Transactions at client's expense regarding
  - a) money market instruments (cheques, bills, certificates of deposit, etc.)
  - b) the currency market,
  - c) financial futures and options,
  - d) currency and interest rate instruments,
  - e) securities.
- 7) Participation in issuing securities and provision of related services.
- 8) Advisory services for companies regarding capital structure, industrial strategy and related matters, as well as advisory and services relating to mergers and acquisitions of companies.
- 9) Money broking.
- 10) Portfolio management and advisory services.
- 11) Storage and administration of securities. 12) Safe custody services.

## Annex 2

The following is not an exhaustive list of factors and types of documentation that characterise situations which potentially pose a limited risk:

- 1) Customer risk factors:
  - a) Listed undertakings subject to duty to disclose (either under stock exchange rules or laws or enforcement measures), obliging them to ensure appropriate transparency in relation to beneficial ownership.
  - b) Public administrations or companies.
  - c) Customers residing in a lower-risk geographical area as referred to in point 3.
- 2) Risk factors related to products, services, transactions or delivery channels:
  - a) Life insurance policies where the annual premium is low.
  - b) Pension schemes if there is no early surrender clause and the policy cannot be used as collateral.
  - c) Pensions schemes or the like, which pay out pensions to employees, and where contributions are made by way of deduction from wages and the rules of the scheme in question do not permit the transfer of a member's rights under the scheme.
  - d) Financial products or services which provide appropriately defined and limited services to certain types of customers with the aim of promoting financial inclusion.
  - e) Products where the risk of money laundering and terrorist financing are controlled by other factors, i.e. expenditure ceilings or transparency in relation to ownership (e.g. certain types of electronic money).
- 3) Geographical risk factors, including registration, establishment and residence in:
  - a) EU or EEA countries.
  - b) Third countries with effective mechanisms to combat money laundering and terrorist financing.
  - c) Third countries, which credible sources have identified as countries with a limited extent of corruption or other criminal activity.
  - d) Third countries which, on the basis of credible sources such as mutual evaluations, reports on detailed assessment or publicly available follow-up reports, have requirements to combat money laundering and terrorist financing which are consistent with the FATF recommendations of 2012 and which implement these requirements in an effective manner.

## Annex 3

The following factors are not an exhaustive list of factors and types of documentation that characterise situations which potentially pose increased risk:

- 1) Customer risk factors:
  - a) The business relationship exists under exceptional circumstances.
  - b) Customers residing in a higher risk geographical area as referred to in point 3.
  - c) Legal persons or legal arrangements which are personal asset management undertakings.
  - d) Undertakings which have nominee shareholders or bearer shares.
  - e) Cash-based businesses.
  - f) The company's ownership structure seems unusual or complex, given its business activities.
  - g) The customer is a third-country national who applies for a residence permit or citizenship in an EU or EEA country in exchange for capital transfers, property purchases or government bonds or investment in companies in that EU or EEA country.
- 2) Risk factors related to products, services, transactions or delivery channels:
  - a) Private banking
  - b) Products or transactions which might favour anonymity.
  - c) Business relationships or direct contact transactions without certain security measures such as electronic means of identification or relevant trust services, as defined in 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, or any other secure form of remote identification process or electronic identification process regulated, recognised, approved or accepted by the competent national authorities.
  - d) Payments from unknown or non-associated third parties.
  - e) New products and new business procedures, including new delivery mechanisms, and the use of new technologies or technologies in development for both new and existing products.
  - f) Transactions relating to oil, weapons, precious metals, tobacco products, cultural objects and other important objects of archaeological, historical, cultural and religious significance or of particular scientific value, as well as ivory and protected animal species.
- 3) Geographical risk factors:
  - a) Countries which credible sources, i.e. mutual evaluations, reports on detailed assessment or publicly available follow-up reports, have identified as countries which do not have effective mechanisms for combating money laundering and terrorist financing; however, cf. Section 17 (2).
  - b) Countries which credible sources have identified as countries with a significant level of corruption or other criminal activity.
  - c) Countries subject to sanctions, embargoes or similar measures taken by, for example, the EU or UN.
  - d) Countries that finance or support terrorist activities, or which house known terrorist organisations.