Consultation Response

Implementing Technical Standards on the format for reporting suspicions and providing transaction records

Submission date: 20 September 2026

The Association for Financial Markets in Europe (AFME) welcomes the opportunity to comment on the Draft Implementing Technical Standards on the format for reporting suspicions and providing transaction records as per the mandate given by Article 69(3) of Regulation (EU) 2024/1624. The Association for Financial Markets in Europe (AFME) is the voice of the leading banks in Europe's financial markets, providing expertise across a broad range of regulatory and capital markets issues. We represent over 150 leading global and European banks and other significant market players. Our members play a vital role in Europe's financial ecosystem, underwriting around 90% of European corporate and sovereign debt, and 85% of European listed equity capital issuances. Importantly, AFME members are market makers, providing liquidity, which is essential for ensuring financial markets can function efficiently. We also represent law firms and other associate members which advise market participants and support AFME's legal and regulatory initiatives.

AFME is registered on the EU Transparency Register, registration number 65110063986-76. We summarise below our high-level response to the consultation, which is followed by answers to the individual questions raised.

General commentary

AFME supports AMLA's objective of enhancing the quality, consistency and usefulness of suspicious activity reporting across the EU. In this context, AMLA may wish to prioritise efforts to strengthen convergence in FIU reporting expectations, data handling practices, feedback mechanisms and information sharing processes across Member States. Enhancing the effective use of existing reporting data could help maximise the value of suspicious activity reports and provide a stronger evidence base for assessing any future changes to reporting requirements.

AFME notes that the draft ITS introduces a significant number of additional data points that are not currently collected, are not required under the AMLR framework, or may not be relevant to suspicions. AMLA should demonstrate the financial intelligence value of each mandatory field and ensure that mandatory reporting obligations remain proportionate, risk-based and consistent with AMLR requirements. Mandatory fields should be limited to information necessary to support the reported suspicion and should be requested only where relevant to the suspicion type being reported.

The proposed data model appears to be structured around a direct customer relationship between the reporting entity and the subject of the report. AFME notes that for many mandatory data points required for suspicious activity reporting by financial institutions as per Annex I, certain firms, particularly wholesale banks and correspondent banking providers, may not have access to all requested information and may only have visibility over part of the transaction chain. Reporting requirements should therefore apply only to information available to the reporting entity.

AFME is concerned that the volume and granularity of certain proposed data requirements could adversely affect the timeliness of SAR/STR submissions, particularly in high-volume reporting environments. Additional manual collection, validation and population of data fields will increase processing times and divert resources away from the timely escalation and submission of suspicious activity reports. AMLA should ensure that reporting requirements support, rather than hinder, the prompt reporting of suspicious activity.

AFME further considers that mandatory data points should be limited to information that obliged entities are required, or can reasonably be expected, to collect and maintain under the AML framework. Several of the proposed mandatory data points appear to extend beyond core customer due diligence and reporting obligations set out in the Level 1 framework. Where AMLA considers additional information necessary for analytical purposes, AFME recommends that such data points be treated as optional, rather than mandatory, unless a clear justification is provided regarding their necessity, availability, and expected use by FIUs.

AFME notes that the proposed reporting framework will result in significant duplication of information across data subjects and entities linked to the same SAR/STR. For example, where a report concerns both a legal entity and one or more associated natural persons, the same information may need to be entered multiple times. AMLA should review the data model to minimise unnecessary duplication and enable the re-use of information already provided within the same report. Reducing duplicate reporting would improve efficiency, reduce operational burden and support data quality.

AFME notes that recital 10 highlights that obliged entities and FIUs remain subject to applicable data protection regimes and purpose limitation/data minimisation principles. AFME highlights that collecting information solely to satisfy data points may raise questions regarding compliance with the GDPR principle of data minimisation, particularly where the information is not demonstrably necessary for AML/CFT purposes. This may call into question the legal basis in which data is being utilised. AFME therefore recommends clarifying the purpose and expected use of data points or considering its removal where its contribution to the assessment of suspicion cannot be clearly demonstrated. AFME also requests that AMLA provide guidance on situations where suspicious activity and transaction reporting requirements, FIU requests, and EU data protection obligations may appear to conflict.

AFME notes that its membership encompasses a broad range of wholesale financial institutions, many of which have an asset management arm. The data requirements in Annex I do not appear to sufficiently tailored to reflect the diversity of financial institutions that are subject to requirements, specifically investment managers, funds and transfer agents within the asset management industry. AFME therefore encourages AMLA to ensure that the data points within templates are appropriately calibrated to consider how the asset management industry would be able to complete reporting. In addition, further guidance would be beneficial on the treatment of end-client reporting in intermediated distribution arrangements, where obliged entities may have limited visibility of, or direct relationships with, underlying investors.

AFME welcome clarification regarding the governance arrangements surrounding future changes to the Annexes and the role of industry participation within those processes.

<u>OVERALL IMPACT</u>

1) Compared to the current suspicion reporting process, what would be the expected level of monetary one-off investment costs for your institution (e.g. IT system changes, staff training, internal policy/procedure updates, etc.), based on the details provided in the draft ITS:

- Nontangible one-off costs

- Limited
- Manageable
- **Disruptive (please provide further details and evidence) - Selected**

AFME response – *maximum 5000 characters*
Cost-benefit assessment
AFME notes that the implementation costs associated with the proposed framework are likely to be significant for many obliged entities. AMLA should ensure that these costs are assessed against the expected use and frequency of reporting and information requests. For some firms, particularly those submitting relatively low volumes of SARs/STRs or receiving limited numbers of FIU information requests, the scale of systems development, data sourcing and process changes required may be disproportionate to the anticipated operational benefit. AFME therefore encourages AMLA to further assess the cost-benefit balance of the proposed framework and ensure that implementation requirements remain proportionate to the expected reporting activity.

Phased approach implications
The phased approach may also require obliged entities to implement multiple successive system, process and reporting changes within a relatively compressed timeframe. Firms may need to maintain existing national reporting arrangements while simultaneously preparing for evolving AMLA and FIU requirements. This could significantly increase implementation costs, create duplicative development efforts and reduce the efficiencies that harmonisation seeks to achieve.

Technical implementation guidance
AFME encourages AMLA to publish technical implementation guidance to support automated reporting and system-to-system file submission. Such guidance should be sufficiently detailed to facilitate consistent implementation across Member States and should include data models, validation requirements, transmission specifications, testing procedures and practical implementation examples. To support cross-border firms, guidance should be made available in English and in a format that can be readily used by implementation teams.

Data point amendment - Transition periods for obliged entities
AFME notes that Article 7 refers to a review of the data points in Annex I and II after a period of four years. Where data points are shown to provide limited value shortly after implementation, there should be an appropriate mechanism to review and amend requirements between formal review cycles to ensure that reporting requirements remain proportionate, operationally feasible and focused on data points that provide demonstrable analytical value.

Future reviews should be supported by evidence regarding the actual use, effectiveness and value of individual data points. AFME considers that periodic reviews should include direct engagement with obliged entities through dedicated industry working groups, allowing competent authorities, FIUs and private sector stakeholders to assess whether existing reporting requirements continue to meet their intended objectives. Consideration should also be given to the publication of aggregated statistical analysis on the use and utility of reported data points, enabling evidence-based discussions on whether particular requirements should be retained, amended or removed.

2)In your view, how would the implementation of a new format for reporting suspicions affect your institution's ongoing (recurrent) suspicion reporting process costs (excluding one-off investments)?

- **Increase - Selected**
- Decrease
- No impact

No free-text commentary permitted.

3)If you expect increase or decrease, please estimate the percentage change in ongoing costs compared to the current situation.

- <5
- 6-10
- 11-20
- 21-30
- 31-50
- 51-75
- **76-100 - Selected**
- >100 (increase only)

No free-text commentary permitted.

4)What are the main drivers of the expected change in costs? *Multiple selections available*

- **Changes in reporting format complexity - Selected**
- **Degree of harmonisation across jurisdictions- Selected**
- **IT system adaptation requirements - Selected**
- **Staff training and procedural changes - Selected**
- **Volume of required data fields - Selected**
- Automation opportunities
- **Other (please specify) – Selected with the following free-text commentary 'Jurisdiction-specific FIU requirements and translation to local languages '**

No free-text commentary permitted unless 'Other' is selected.

5)What would be the timeframe needed for you to adapt to the new framework?

- Less than 1 year
- 1 to 2 years
- **2 to 3 years - Selected**
- More than 3 years

No free-text commentary permitted

6)While the exact timeframe needed for technical implementation and full application of the ITS is not determined yet, it is envisaged to provide five years (three for FIUs and two for obliged entities integrating the reporting schemes into their internal systems, with a possible overlap). Is this timeframe:

- Adapted to the respective needs of FIUs and obliged entities
- **Too short (please provide explanation) – Selected**
- Too long (please provide explanation)

AFME response – *maximum 5000 characters*
AFME would welcome greater clarity regarding the phased implementation approach described in recitals 12 - 15. While AFME notes that the consultation paper envisages a first phase lasting two years from publication of the ITS which enables FIUs to conduct assessment against data requirements, then a second phase enabling FIUs to prepare for implementation, it is not clear what expectations are placed on obliged entities during these respective phases.

Sequencing and dedicated assessment and planning period for obliged entities
AFME considers that implementation obligations for obliged entities should commence only after AMLA and FIUs have finalised the harmonised reporting framework following completion of the FIU assessment phase. Earlier implementation would risk significant investment in systems and processes that may subsequently require redevelopment should the final data set be amended. Following the finalisation of the reporting framework, obliged entities should be afforded a dedicated assessment and planning period to evaluate system, process and operational

impacts before implementation requirements take effect. AFME members consider that a minimum implementation period of 2-3 years would then be required to implement the final requirements in a proportionate and operationally feasible manner.

AFME also considers that implementation timelines should be aligned with the phased AMLR requirements and the availability of underlying customer due diligence information, recognising that certain data elements may only become available as firms implement broader AMLR obligations then implementation of optional fields.

AFME would also welcome clarification on the relationship between the phased implementation approach and the review timeline set out under Article 87(a) AMLR which schedules review by the 10th July 2032. It is unclear when Phase 2 implementation is expected to end and how this interacts with the Commission's AMLR review of suspicious transaction reporting formats outlined within recital 21 and article 87(a) of the AMLRs. Further clarity on the sequencing and interaction of these timelines would support effective implementation planning for obliged entities.

Appropriate transition period for specific data point changes
At the same time, AFME notes that significant implementation effort will be required by AFME members to build systems capable of supporting the proposed suspicious reporting framework. Where data points are added, amended or removed, appropriate transition periods should be provided to allow firms sufficient time to implement the necessary system, process and training changes and to avoid repeated or immediate system redevelopment.

In particular, where a mandatory data point is removed from the reporting framework, firms should be provided with a defined grace period during which reporting of that data point remains optional rather than being discontinued immediately. Obliged entities should not be prevented from submitting reports where legacy systems continue to populate such fields during the transition period. This would support an orderly implementation process, reduce unnecessary redevelopment costs and minimise disruption to reporting arrangements while system changes are being implemented.

7)How would you rate the proposed approach, in particular Articles 3 and 4 of the draft ITS, regarding the necessary balance between harmonisation, quality and efficiency of reporting?

- Fully agree
- Agree to some extent (please provide explanation)
- **Disagree to some extent (please provide explanation) - Selected**
- Fully disagree (please provide explanation)

AFME response – *maximum 5000 characters*
Core mandatory data points
AFME encourages AMLA to further assess whether each mandatory data point included in the reporting framework is necessary to achieve the objectives of suspicious transaction reporting. Several fields appear to have limited investigative value for FIU analysis while potentially creating significant implementation burdens for obliged entities especially considering data governance costs associated with a lengthy list of mandatory data requirements.

Consistent with the principles of simplification emphasised in recital 23 and proportionality considerations, where additional information is only required in specific circumstances or based on national-specifics, consideration should be given as to whether this information can be obtained through targeted follow-up requests rather than mandatory reporting requirements.

In addition, consideration should be given to whether certain information that is publicly available (such as websites) or accessible through authoritative sources could be obtained directly by FIUs through automated means, rather than requiring systematic reporting by obliged entities.

Supplementary national data points
AFME acknowledges AMLA's rationale for selecting a harmonised core data set combined with a limited degree of national flexibility as reflected in the preferred policy option within the consultation paper. We also recognise the diverse reporting systems and analytical frameworks currently used by national FIUs and that the phased approach may be necessary to support implementation.

However, AFME notes that flexibility envisaged under recitals 5 and 8 could perpetuate existing fragmentation and create tension with the stated objectives of the ITS, namely, to harmonise information exchange across the Union and reduce compliance costs for cross-border obliged entities.

Data point implementation - Reporting architecture
AFME notes that AMLA reference that reporting will be via national FIU platforms and recital 5 provides for flexibility in FIU's technical implementation of data points. However, further clarity is required regarding future reporting mechanisms, including the extent of technical convergence that AMLA envisages across national FIU reporting platforms with respect to interfaces, submission standards and validation rules. The chosen approach for recitals 5 and 8 will have a significant impact on implementation, maintenance, and operational costs for cross-border institutions. Similarly, jurisdiction-specific language and translation requirements could contribute to significant ongoing operational burdens and reduce the benefits of harmonisation for AFME members as obliged entities. As an example, reporting entities may be required to translate and review information locally prior to submission. These costs are amplified where FIUs continue to operate jurisdiction-specific reporting templates or introduce additional national reporting requirements alongside the AMLA framework.

Secure communication channels
AFME request that the FIU ensures secure communication channels from a cybersecurity perspective noting recent examples of cybersecurity breaches having occurred under the guise of financial intelligence or law enforcement enquiries. Recent examples include a large fintech bank providing sensitive customer information and records due to an email request purportedly from a law enforcement agency.

Transmission requirements and channels
AFME supports the objective of harmonising reporting formats and data requirements across the Union. However, the benefits of harmonisation may be reduced if significant divergence remains in technical transmission requirements across Member States. Greater convergence in technical specifications, validation standards and reporting interfaces would further enhance efficiency and reduce implementation costs for firms operating across multiple jurisdictions.

Any alternative secure transmission channels should be defined and communicated in advance. Obliged entities should be provided with sufficient information to develop, test and maintain contingency reporting capabilities prior to any activation of such channels. Failure to provide advance specifications could undermine the effectiveness of emergency reporting arrangements.

8)Do you agree with the grouping of obliged entities for the purpose of different templates for the reports of suspicion and for the transaction records?

Yes
No (please provide explanation) - Selected

AFME note that considerations specific to the asset management industry are not adequately reflected in either the Annex I data points for financial institutions or the transaction reporting templates set out in Annex II.

9)Does the ITS need further clarification on definitions, processes or legal aspects?

- **Yes (please provide explanation)**
- No

AFME response – *maximum 5000 characters*

Definitions
'Reporting of Suspicions' definition
This definition does not appear fully aligned with Article 69(1) AMLR. Terms such as '*without a prior request'* and '*any type of behaviour*' appear to extend beyond the Level 1 text. AMLA should align the definition as closely as possible with Article 69(1) AMLR to support consistent implementation and reduce interpretative divergence.

A common understanding of what constitutes a suspicion is critical to achieving consistent reporting outcomes across the Union. AMLA should prioritise prompt publication of this guidance to support implementation planning.

'Transaction Record' definition
AFME welcomes clarity regarding the intended structure and content of transaction record submissions to assess feasibility, data availability and implementation impacts.

Reporting Scope and Technical Implementation
AFME welcomes clarity regarding the scope of the obligation to provide '*all requested information that is in their possession*'. It would be helpful to clarify explicitly that Article 4 relates to the provision of transaction records and associated information already held by the obliged entity and does not require firms to undertake additional investigative or analytical activity, or customer outreach, in response to such requests. This is particularly important given the challenging timelines for responding to FIU requests under Article 69(1) AMLR. AFME notes that the availability of information, and the need to apply appropriate review, escalation and governance procedures, may affect how quickly information can be provided. As such, AFME would welcome clarification on expectations where requested information is not immediately available, including whether information may be submitted on a phased basis.

Quality requirements set by FIUs
Recital 11 notes that obliged entities must meet the quality requirements set by FIUs. AFME welcomes clarification on whether FIUs will develop their own data quality standards for AMLA's harmonised templates. AFME considers that core validation, data quality requirements and guidance should be developed centrally by AMLA to support consistency across Member States and minimise divergence.

Mandatory if available
AFME does not support the categorisation of data points as **'***mandatory if available'* and recommends that this category be removed from the ITS. The concept introduces significant legal and operational uncertainty as it is unclear what threshold should be applied in determining whether information is '*available'*. In practice, information may exist across various internal systems, but requires manual retrieval, creating substantial operational burdens, increasing reporting times and necessitating extensive staff training. Where data is not mandatory, AFME request that this is categorised as optional.

Supporting Documents
In accordance with Article 6(2), supporting documentation is expected to be submitted as part of the reporting process. FIU reporting systems should provide the necessary technical functionality to facilitate secure and consistent submissions.

AFME welcomes clarification on the expectation to provide supporting documentation on a '*spontaneous basis'* under Article 6(2). Supporting documentation should only be expected where it is directly relevant to understanding or evidencing the reported suspicion and would materially assist FIU analysis.

Scope
AFME welcomes clarification regarding the role of recitals 139 and 140 AMLR within the ITS and whether these recitals are intended to expand or influence the scope of reporting requirements beyond the operative provisions of Article 69 AMLR.

AMLA should also clarify if the reporting format is intended to apply solely to Article 69 AMLR reports or if will also be mandatory for reports submitted pursuant to Articles 74(2) and 80(4) AMLR.

AFME requests clarity on the interaction between SARs, STRs and reports classified as '*both*', notably the completion of sections where a report contains both suspicious activity and suspicious transactions.

AFME welcomes clarification on if composite or consolidated reports are permitted and, if so, how Annex II transaction record templates should be completed.

Intended / attempted transactions
AMLA should clarify the treatment of intended, attempted and subsequently executed transactions, including whether later execution should trigger a new report or if this would be considered duplicate reporting.

FIU feedback process
AFME welcomes clarification regarding the future FIU feedback framework under the AMLR and how obliged entities will receive, reference and process FIU feedback under the new reporting architecture.

Unknown/ Not available
AFME recommends that AMLA allow reporting entities to use standardised values such as '*Unknown*', '*Not Available*' or *'Not Applicable'* for mandatory data fields where information is unavailable or cannot reasonably be obtained.

<u>**Impact stemming from the proposed set of data points**</u>
Please see the Excel Spreadsheet for data point impact responses

10)How would you rate the addition of country-specific data points?
- The country-specific data points are acceptable
- The country-specific data points have no impact
- **The country-specific data points pose challenges (please provide explanation) - Selected**

AFME response – *maximum 5000 characters*
AFME supports the objective of improving the quality and usefulness of suspicious transaction and suspicious activity reporting. However, country-specific and FIU-required data points should remain exceptional and be subject to strict governance and justification requirements.

The introduction of country-specific data points risks undermining one of the core objectives of the AML package, namely the harmonisation of AML/CFT requirements across the EU. For cross-border institutions operating in multiple Member States, national variations in reporting requirements create additional implementation, governance and operational complexity, requiring firms to maintain jurisdiction-specific reporting processes and controls rather than a single harmonised reporting framework.

AFME is also concerned that some country-specific data points may require the collection and reporting of information that is not required under the AMLR and may not be consistently collected across Member States. Examples include fields relating to gender, employment status and occupation. The availability of such information varies significantly across jurisdictions and institutions, and its collection may raise questions regarding data minimisation, purpose limitation and proportionality where the information is not necessary to support AML/CFT objectives.

AFME therefore recommends that data points not required under the AMLR should be made optional. Country-specific and FIU-required fields should only be permitted in exceptional circumstances and be supported by a clearly articulated operational and intelligence rationale.

AMLA should establish a transparent governance process, including impact assessments and stakeholder consultation, before introducing or maintaining country-specific reporting requirements. Any country-specific data point should be subject to more frequent periodic review to assess its ongoing intelligence value, proportionality and consistency with AMLR objectives.

Additional FIU data points – validation and oversight

While the draft ITS contains some safeguards limiting FIU-required data points to cases involving national legislation, specific national circumstances, disproportionate adaption costs or risks to FIU analytical capacity, AFME considers that certain concepts would benefit from further clarification, particularly as the notion of '*national legislation'* and '*national specifics'* could be interpreted broadly. AFME welcome transparency regarding the evidential threshold to justify the introduction or retention of FIU-specific data points, the extent to which alternative harmonised solutions are considered before any national additions are permitted, as well as AMLA's role in the continuous oversight and validation of supplementary FIU requirements to ensure they remain strictly necessary and proportionate. In line with recital 19, recital 8 should be subject to assessment against data purpose and data minimisation principles.

Emergency amendments

AFME understands that the use of emergency amendments is necessary and welcome AMLA's explicit safeguards that these should remain clearly justified and appropriately balanced with the data protection principles within recital 19.

AFME welcome greater clarity regarding the criteria for the use of emergency amendments as we consider that these should be used on an exceptional basis. AFME also considers that AMLAs oversight will be important to ensure that emergency additions remain necessary, proportionate and appropriately time-limited.

There is limited clarity regarding the governance for these additions and implementation timelines for obliged entities. Given the potentially extensive systems, data, and operational changes required to implement changes to the framework, obliged entities should be afforded reasonable and proportionate implementation periods for any new reporting requirements.

11)How would you rate the established list of data points for the various sector categories, as established in Annexes I and II, in terms of comprehensiveness and clarity.

Select the list you wish to comment on from the Annexes

- Annex 1 – Financial Institution and Credit Institution
- Annex 2 – Banking
- Annex 2 – Correspondent Banking

The selections for comprehensiveness and clarity are the same for all selected lists.

a) Please rate the list in terms of comprehensiveness; are all required data points included? The list is:

- Fully comprehensive
- Sufficiently comprehensive
- **Minor adjustments needed- Selected**

- Major adjustments needed

b) Please rate the list in terms of clarity; are the data points defined clearly without ambiguity? The list is:
- Fully clear
- Sufficiently clear
- Minor adjustments needed
- **Major adjustments needed - Selected**

Please provide comments if you choose major adjustments needed in either category

AFME response – *maximum 5000 characters*
AFME believes that major adjustments are needed to improve the clarity of the data point definitions and reporting requirements contained in Annexes I and II. While the overall structure of the templates is broadly comprehensive, a significant number of data points require further clarification to ensure consistent implementation across reporting entities, Member States and sectors. In particular, AMLA should:

- Clarify the distinction between similar or potentially overlapping data points and eliminate apparent duplication.
- Align terminology, definitions and data elements with existing ISO 20022 standards and payment messaging frameworks wherever possible.
- Clarify which information is expected to be reported from the underlying payment message and which information firms are expected to source from customer records or other systems.
- Clarify how the various reporting templates interact, including the circumstances in which each template should be used and how overlapping reporting scenarios should be handled.
- Provide additional examples and implementation guidance, particularly for correspondent banking, non-customer relationships, multi-party payment chains and non-account-based transactions.
- Clarify the treatment of data points that rely on information not consistently available under existing EU Transfer of Funds requirements.
- Remove ambiguity surrounding concepts such as '*mandatory if available*', which may otherwise lead to divergent interpretations regarding firms' obligations to obtain, investigate or verify information that is not readily available.
- Clarify the purpose and expected intelligence value of several data points where the reporting rationale is currently unclear.

AFME notes that these clarity issues create a risk of divergent implementation across institutions and jurisdictions.

AFME's commentary reflects members' view that the proposed reporting framework contains an excessive number of data points, many of which are not necessary for the purposes of suspicious activity and suspicious transaction reporting. Notwithstanding this broader concern, AFME considers that minor adjustments are required to ensure the framework adequately captures asset management-specific considerations, as outlined elsewhere in AFME's response.

Commentary on individual data points
Please see the corresponding Excel spreadsheet for the data points and AFME's response to individual data points.