



## Changes to the Money Laundering and Terrorist Financing (Prevention) Act for buyers/sellers of goods

The changes to the Money Laundering and Terrorist Financing (Prevention) Act (“Wwft”), adopted in connection with the implementation of the 4th European Anti Money Laundering Directive came into force on 25 July 2018.

The Wwft was changed to reinforce the prevention of and fight against money laundering and terrorist financing. This factsheet is to inform you about the primary changes affecting buyers and sellers of goods.

### **Buyers and sellers of goods acting in a professional or commercial capacity**

As per 28 December 2001, sellers of vehicles, vessels, art and antiques, precious stones, precious metals, and jewellery, the so-called “dealers in high-value goods”, are subject to an obligation to report suspicious transactions. In 2008, this group was expanded by the “other dealers”: all dealers not specifically listed before.

As per 25 July 2018, the scope of the Wwft increased, resulting in a change of the definition: if a payment is made in cash it is not only the seller who is obliged to report, but also the buyer.

### **Lowering of the reporting threshold**

The changes to the Wwft also includes a lowering of the minimum amount to report cash payments .

Buyers and sellers of goods are now obliged to report payments in cash of EUR 10,000 and over (this used to be EUR 15,000 and over). This minimum amount applies to transactions where there is cause for assuming that they may relate to money laundering or terrorist financing (subjective 01).

If the subjective indicator does not apply, cash payments of EUR 20,000 and over (this used to be EUR 25,000 and over) for vehicles, vessels, art and antiques, precious stones, precious metals, and jewellery must always be reported on the basis of indicator objective 03, regardless of the facts and circumstances. [See diagram 1.](#)

### **Suspected money laundering**

Should you have cause to assume that the transaction may relate to money laundering or terrorist financing, you are obliged to report the transaction on the basis of the subjective indicator and explain this assumption of suspicion in the description of the situation.

An assumption of suspicion of money laundering may be based, for example, on the denominations used. Multiple money laundering related investigations have been linked not only the use of EUR 500 notes but also large quantity of the low-value notes of EUR 10 and EUR 20. The same applies to notes that are handed over uncounted and unsorted and to clients who refuse to identify themselves or the persons they represent.

You are familiar with the customary practices in your sector. Your professional opinion is therefore of great relevance in deciding whether a transaction must be reported on the basis of the subjective indicator.

### **Intermediary (broker) in high-value goods**

In addition to buyers and sellers, intermediaries have an obligation to report as well, provided they mediate in establishing agreements on the sale and purchase of vehicles, vessels, art and antiques, precious stones, precious metals, and jewellery. The same indicators that apply to the buyers and sellers of goods are applicable. Only for indicator objective 03 there is a threshold of EUR 20.000 and this amount must be paid in cash. No minimum amount and cash payment criteria exist for the other indicators. [See diagram 2.](#)

### **Designated high-risk countries**

The changes in the Wwft also lists the countries designated by the EU as being high-risk countries.

Transactions made by or for the benefit of natural persons or legal entities resident, established or having their seat in one of those countries must be reported.

### **Client screening & General Data Protection Regulation (GDPR)**

A client screening must be performed for all payments in cash of EUR 10,000 and over, even if the transaction itself need not be reported.

A client screening entails establishing and recording the identity of the buyer/seller and, where applicable, the party effecting the payment on behalf of the buyer/seller.

It is important that the full personal and family names, date and place of birth, date and place of issue and the type of valid proof of identity provided are recorded in a clearly legible fashion, for instance by way of a scan or photocopy, possibly by making use of the Dutch Government's KopieID app. The provisions of the GDPR do not affect the obligations under the Wwft! The specific legislation in the Wwft is leading!

### **Reporting obligation**

Unusual transactions must be reported promptly.

The failure to report a transaction or incomplete, incorrect or to report not in time constitute violations of the Wwft. Such violations are punishable under the Economic Offences Act.

The supervisory authority (Bureau Toezicht Wwft), is empowered to impose administrative penalties. In addition, the Public Prosecutor may prosecute non-compliant reporters in the context of its "non-reporters programme". The new legislation specifically indicates that confirmations of receipt and other information relating to the reported transaction must be saved for a period of 5 years. This obligation as well, is not affected by the provisions of the GDPR.

### **Items to note**

-Buyers and sellers of goods do not have to report themselves as subjects.

-If the client is a legal entity, you must also always identify and report the natural person paying on behalf of the legal entity (buyer).

-In the case of a trade-in or (partial) payment by wire transfer, you only have to state the amount paid in cash under "transaction amount". The total amount can be provided in the description of the transaction or under "object data".

-Proposed transactions (transactions that are not completed but to which the indicators do apply) must also be reported.

-Informing third parties about the (proposed) report is prohibited.

More information on the reporting obligation and the Financial Intelligence Unit-the Netherlands is available on our [website](#), which also contains the guidelines of the regulatory authority.

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### **Colofon**

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Diagram 1: Buyers and sellers of goods

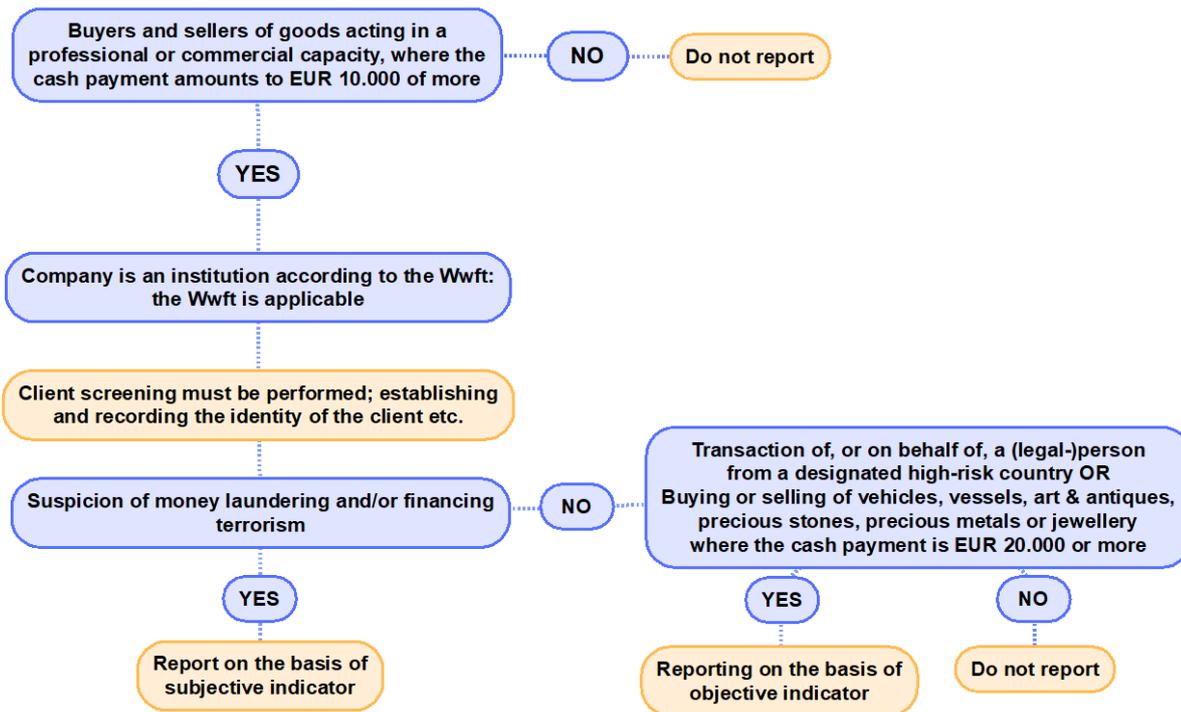


Diagram 2: Intermediary (broker) of high value goods

