

TECHNICAL COMMUNIQUÉ CT-02/2025

Technical Communiqué intended exclusively for non financial parties under obligation, concerning the procedure to benefit from the exemption to submit an annual external audit on anti-money laundering and counter-terrorist financing

Andorra la Vella, 21st March 2025

Dear Sirs/Madams,

Article 17 bis of the Regulation, dated 2nd March 2022, implementing Law 14/2017, of 22nd June, on the prevention and fight against money laundering and the financing of terrorism, as approved by Decree 46/2025, of 19th February 2025, establishes the possibility for financial obliged entities to request an exemption from the requirement to submit an annual audit on anti-money laundering and counter-terrorist Financing (henceforth, AML/CTF), as set forth in Article 40.1.a) of Law 14/2017.

The following are the necessary requirements to apply for the exemption:

A. Eligible entities for the annual audit exemption

To obtain this exemption, the following conditions must be met:

- (i) low exposure to AML/CTF Risk: The entity must demonstrate a low level of risk according to national and sectoral risk assessments, or based on internal and external supervisory actions reaching the same conclusion.
- (ii) no transactions with high-risk jurisdictions: The entity must provide evidence that it does not engage in financial transactions with jurisdictions identified as having strategic deficiencies in AML/CTF compliance.
- (iii) no substantial legislative or regulatory changes: The entity must confirm that no significant changes in legislation or new regulatory requirements have been introduced that would mandate an AML/CTF audit.

The exemption applies as long as all requirements are met and, in any case, when the FIUAND has not detected any risk elements that would be contrary to the granting of the exemption.

In the event that obliged entities carry out multiple regulated activities, and only one of them meets all the requirements, they shall not be eligible for the exemption and must conduct the audit for the entire business.

Obliged entities may avail themselves of the exemption from submitting the AML/CTF audit for a maximum of three (3) consecutive financial years, provided that no substantial changes occur that would require an external audit.

Additionally, any newly created entity, mergers, transformations, or the commencement of a new regulated activity require an AML/CTF audit to verify the adequacy of controls from the outset of such an event, regardless of any future circumstances that might otherwise allow for an exemption in subsequent financial years.

B. Procedure for requesting an exemption from submitting the AML/CTF audit

To apply for the exemption, obliged entities must submit to the UIFAND the form entitled "*Request for exemption from the obligation to submit an external audit*," which is attached hereto. The request must include all required information and supporting documentation as specified in the aforementioned form.

Otherwise, the request will be considered not accepted, and consequently, the entity must comply with the obligations set forth in Article 40.1.a) of Law 14/2017.

The submission period for the exemption request is fixed from October **1st to October 31st of the current financial year**.

C. Resolution by UIFAND on the Granting of the Exemption

Based on the information provided by the obliged entities, as well as other risk criteria deemed relevant, the FIUAND will determine whether to grant the requested exemption within ten (10) business days from the receipt of the required documentation, and a resolution will be issued if the request is accepted.

If no response is received within this period, the request shall be considered denied.

In the event of a denial, the obliged entity must proceed with the appointment of an AML/CTF auditor, following the legally established procedure, and conduct the external audit in accordance with the provisions set forth in the relevant Technical Communiqué.

This Technical Communiqué will come into force the day after its publication.

Carles FIÑANA PIFARRÉ
Head of FIUAND