

No. 1 (3 January 2022)

Laws

Law 37/2021, of December 16, amending Law 14/2017, on the prevention and fight against money laundering and terrorist financing

Whereas the Andorran Parliament in its session of December 16, 2021 has approved the following:

Law 37/2021, of December 16, on amendment of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing

Explanatory statement

The prevention and fight against money laundering and terrorist financing are a national priority that entail the periodic adoption of legislative measures to reflect the evolution of the standards adopted by international bodies, such as FATF and Moneyval, and the commitments given to transpose European Union regulations pursuant to the Monetary Agreement between the Principality of Andorra and the European Union.

In accordance with these commitments, this Law and its regulations incorporate into the Andorran legal system the provisions of Directive (EU) 2018/843 of the European Parliament and of the Council, of 30 May 2018, amending Directive (EU) 2015/849 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 - 5th Directive -.

Additionally, the FATF Recommendations and Moneyval's observations in the periodic assessment procedures of the Andorran preventive system for money laundering and terrorist financing have been taken into account. In particular, the update to FATF Recommendation 15 on money laundering and terrorist financing preventive measures linked to new technologies, which took place after the approval of the 5th Directive, has been considered. This amendment widens the scope of the parties under obligation to include service providers related to all kind of virtual assets without limitation to service providers involved in the exchange between virtual assets and fiat currencies and custodial wallets.

This Law is divided into 24 articles that amend Law 14/2017, of June 22 on the prevention and fight against money laundering and terrorist financing, and six final provisions.

Among the amendments deriving from the 5th Directive, the following are particularly noteworthy:

- Inclusion of virtual assets service providers as parties under obligation. The Law defines the scope of virtual assets according to FATF criteria, which are wider than those set out in the 5th Directive. These services include exchanges between virtual assets and fiat currencies; exchanges between one or more forms of virtual assets; the transfer of virtual assets; safekeeping or administration of virtual assets or instruments enabling control over virtual assets; and the financial services related to an issuer's initial offer or sale of virtual assets.

- Regulation of access to beneficial ownership information in the Companies Register, the Associations Register and the Foundations Register, and elimination of the requirement that the applicant has to demonstrate a legitimate interest. By amending the Regulation of the Register of Trust and Similar Legal Arrangements Service Providers, the transposition of the

5th Directive is completed in this context, widening the access to the information recorded in this register, which until now was limited to competent authorities, parties under obligation, other persons demonstrating a legitimate interest and persons requesting information related to trust and similar legal arrangements holding or owning a controlling interest in a legal entity.

- Creation of the Register of Financial and Assimilated Accounts. Banking entities, payment service providers and electronic money service providers of the Principality of Andorra must report to this register the identification details of the holders or beneficial owners of payment accounts or bank accounts identified by IBAN, and safe-deposit box lease agreements. Access to this information is limited to the UIFAND and other national competent authorities in the prevention, detection, investigation and prosecution of money laundering, terrorist financing and other related criminal offences.

- Access to information on Andorran real estate is regulated. The UIFAND and other national competent authorities in the prevention, detection, investigation and prosecution of money laundering, terrorist financing and other related criminal offences may access notarial and cadastral information and documentation that identifies the owners of real estate in the Andorran territory.

The final provisions adapt the legislation on public and private limited companies, on business accounting, on associations and on foundations to regulate the obligation of beneficial owners to provide competent registries with all the information necessary to identify them.

Additionally, they are aimed at optimising administrative procedures, with the purpose of simplifying relations between the citizen and the administration, reducing the administrative burden on the parties, and improving the quality of information, with the aim of streamlining economic traffic between the different social agents in a regulatory environment characterised by legal certainty and respect for the principles of law.

Article 1. Amending article 2

The title of the article is amended, letter f) of paragraph 1 is added, letters a) and d) are amended and letters i), j) and k) of paragraph 2 of article 2 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing are added, as follows:

“Article 2. Parties under obligation

This Law shall apply to the following parties under obligation:

1. Financial parties under obligation, which are the natural or legal persons included in the following categories:

[...]

f) virtual asset service providers.

2. The following natural persons or legal entities, in the exercise of their professional activity:

a) auditors, external accountants and tax advisors, and any other person that undertakes to provide, directly or by means of other persons to which that other person is related, material aid, assistance or advice on tax matters as their main business or professional activity;

[...]

d) real estate agents carrying out activities related to buying and selling properties, and also real estate agents when acting as intermediaries in the letting of immovable property, but only in relation to transactions for which the monthly rent amounts to EUR 10,000 or more;

[...]

- i) persons trading or acting as intermediaries in the trade of works of art, including when this is carried out by art galleries and auction houses, where the value of the transaction or a series of linked transactions amounts to EUR 10,000 or more;
- j) persons storing, trading or acting as intermediaries in the trade of works of art when this is carried out in free zones, where the value of the transaction or a series of linked transactions amounts to EUR 10,000 or more.
- k) managers of free zones and operators established therein.”

Article 2. Amending article 3

Letter b) of paragraph 3, letters f) and i) of paragraph 6 and paragraph 14 are amended and paragraphs 20 and 21 of article 3 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing are added, as follows:

“Article 3. Definitions

[...]

3. [...]

b) in the case of trusts, all following persons:

i) the settlor(s);

ii) the trustee(s);

iii) the protector(s), if any;

iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity are 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 exercising ultimate control over the trust by means of direct or indirect ownership or by other means;

[...]

6. [...]

f) members of the Andorran Court of Auditors, of foreign courts of auditors, and members of the boards of central Banks or equivalent;

[...]

i) directors, deputy directors and members of the board or equivalent functions of an international organisation.

Each international organisation accredited in Andorra shall issue and keep up to date a list of prominent public functions at the international organisation which shall be at the disposal of the UIFAND.

[...]

14. Electronic money: as defined in paragraph 16 of article 3 of Law 8/2018, of 17 May, on payment services and electronic money. This definition does not include the following:

i) monetary value stored on instruments referred to in letter k) of article 2 (3) of Law 8/2018.

ii) monetary value stored that is used to execute transactions referred to in letter l) of article 2 (3) of Law 8/2018.

[...]

20. Virtual assets: any digital representation of value that can be digitally traded or transferred and can be used for payment or investment purposes.

21. Virtual asset service provided: any natural or legal person who as a business conducts one or more of the following activities or operations for or on behalf of another natural or legal person:

i) exchange between virtual assets and fiat currencies;

ii) exchange between one or more forms of virtual assets;

iii) transfer of virtual assets;

iv) safekeeping or administration of virtual assets or instruments enabling control over virtual assets;

v) participation in and provision of financial services related to an issuer's offer or initial sale of a virtual asset"

Article 3. Amending article 4

Letters g) and h) are added to paragraph 2, letter d) is amended and letters e) and f) of paragraph 3 are added, and a new paragraph 4 is added to article 4 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing, as follows:

Article 4. Risk assessment by the authorities

[...]

2. [...]

g) report, where applicable, to the appropriate national and international institutions and bodies, on the institutional structure and broad procedures of their AML/CFT regime, including, the UIFAND, the tax authorities and prosecutors, as well as the allocated human and financial resources to the extent that this information is available;

h) report, where applicable, to the appropriate national and international institutions and bodies on national efforts and resources (labour forces and budget) allocated to combat money laundering and terrorist financing.

[...]

3. [...]

d) data regarding the number of cross-border requests for information that were made, received, refused and answered, partially or fully, by the UIFAND and other competent authorities, broken down by country;

e) human resources allocated to the UIFAND and Andorran Financial Authority to fulfil their tasks;

f) number of on-site and off-site supervisory actions, the number of breaches identified through supervisory actions and sanctions and administrative measures adopted by the UIFAND and other competent authorities.

4. The UIFAND shall report the results of the risk assessment to the relevant international bodies. The UIFAND shall make publicly available on the UIFAND website a summary of the assessment that shall not contain classified information.

Article 4. Amending article 7

Article 7 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is amended, as follows:

Article 7. Prohibition of anonymous accounts, passbooks, safe-deposit boxes and payments carried out with prepaid cards.

Accounts, passbooks and safe-deposit boxes with fictitious name or anonymous are prohibited.

Payments carried out by using anonymous prepaid cards are not accepted in the Andorran territory.

Article 5. Amending article 8

Letter h) of article 8 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is added, as follows:

Article 8. Obligations to apply customer due diligence measures

[...]

h) in the case of virtual asset service providers, occasional transactions with a value of EUR 1,000 or more trigger the requirement to conduct customer due diligence measures."

Article 6. Amending article 9

Letters a) and b) of paragraph 1 of article 9 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is amended, as follows:

“Article 9. Scope of customer due diligence measures

1. [...]

a) identifying the customer and verifying the customer’s identity on the basis of documents, data or information obtained from a reliable and independent source, including, where available, electronic identification means as set out in the Law on electronic trust services in force.

b) identifying the beneficial owner and taking reasonable measures to verify that person’s identity, on basis of documents, data or information obtained from a reliable and independent source, so that the party under obligation is satisfied that it knows who the beneficial owner is. Additionally, as regards legal persons, trusts, companies, foundations and similar legal arrangements, taking reasonable measures to understand the ownership and control structure of the customer.

Where the beneficial owner identified is the person who acts as a senior managing official or with equivalent executive powers as referred to in subsection (iii) of letter a) of paragraph 3 of article 3 of this Law, parties under obligation shall take the necessary reasonable measures to verify the identity of this natural person and shall keep records of the actions taken and any difficulties encountered during the verification process;”

Article 7. Amending article 10

Paragraphs 1 and 5 of article 10 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is amended, as follows:

[...]

“Article 10. Verification of the identity of the customer and the beneficial owner

1. Parties under obligation shall verify the identity of the customer and the beneficial owner before establishing of a business relationship or carrying out of a transaction.

Whenever entering into a new business relationship with a company or other legal entity, or a trust or a legal arrangement having a structure or functions similar to a trust, which are obliged to obtain, keep and provide information regarding the beneficial owners, parties under obligation shall collect proof of registration or an excerpt of the Registry.

[...]

5. Parties under obligation shall apply the customer due diligence measures at appropriate times to existing customers on the basis of risk analysis, or when the relevant circumstances of a customer change, or when the obliged entity has any legal duty in the course of the relevant calendar year to contact the customer for the purpose of reviewing any relevant information relating to the beneficial owners or in application of the obligations set out in Law 19/2016, of November 30, on the automatic exchange of information in tax matters.“

Article 8. Amending article 11

Point 3) of paragraph 1 of article 11 of Law 14/2017, of June 22, on prevention and fight against money laundering and terrorist financing is amended, as follows:

“Article 11. Simplified customer due diligence measures

1. [...]

3) Geographical risk factors - registration, establishment, residence in:

a) European Union Member states;

b) countries having effective systems of fight against money laundering and terrorist financing;

c) countries identified by reliable and independent sources as having a low level of corruption or other criminal activity;

d) countries which, on the basis of reliable and independent sources such as mutual evaluations, detailed assessment reports or published follow-up reports, have requirements to combat money laundering and terrorist financing consistent with the FATF Recommendations and effectively implement those measures.

The UIFAND may issue guidelines on the adoption of simplified customer due diligence measures which are appropriate and proportionate to the nature and size of the parties under obligation.”

Article 9. Amendment of article 12

Letter a) of paragraph 1 and paragraph 2 of article 12 and letter g) of point 1) is added, and letter c) is amended and letter f) of point 2) of paragraph 1 of article 12 of Law 14/2017, of June 22, on prevention and fight against money laundering and terrorist financing is added, as follows:

“Article 12. Enhanced customer due diligence measures

1. [...]

a) cases referred to in article 12 bis to 17 of this Law;

[...]

1) Customer risk factors:

a) the business relationship is conducted in unusual circumstances;

b) customers that are resident in geographical areas of higher risk as set out in point 3);

c) legal persons or arrangements that are personal asset-holding vehicles;

d) companies that have nominee shareholders or shares in bearer form;

e) cash-intensive businesses;

f) the ownership structure of the company appears unusual or excessively complex given the nature of the company's business;

g) customers who are nationals of non European Union Member states and apply for residence rights or citizenship in Andorra in exchange for capital transfers, purchasing property or government bonds, or investing in Andorran corporate entities;

2) Product, service, transaction or delivery channel risk factors:

a) private banking;

b) products or transactions that might favour anonymity;

c) non-face-to-face business relationships or transactions, without certain safeguards, such as relevant means of electronic identification in accordance with Law 35/2014, of November 27, on electronic trust services;

d) payments received from unidentified persons or unassociated third parties;

e) new products and new business practices, including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products;

f) transactions related to oil, arms, precious metals, tobacco products, cultural artifacts and other items of archaeological, historical, cultural and religious importance, or of rare scientific value, as well as ivory and protected species.”

[...]

2. Parties under obligation shall examine, as far as reasonably possible, the background and purpose of all transactions that fulfil at least one of the following conditions:

a) they are complex transactions;

b) they are unusually large transactions;

c) they are conducted in an usual pattern;

d) they do not have an apparent economic or lawful purpose.

In particular, parties under obligation shall increase the degree and nature of monitoring of the business relationship, in order to determine whether those transactions or activities appear suspicious.”

Article 10. Addition of article 12 bis

Article 12 bis of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is added, as follows:

“Article 12 bis. High risk countries

1. With respect to business relationships or transactions involving high-risk third countries identified pursuant to the procedure in paragraph 1 of article 6 of this Law, parties under obligation shall:

- a) obtain additional information on the customer and on the beneficial owner(s);
- b) obtain additional information on the purpose and intended nature of the business relationship;
- c) obtain information on the source of funds and source of wealth of the customer and of the beneficial owner(s);
- d) obtain information on the reasons for the intended or performed transactions;
- e) obtain the approval from senior management for establishing or continuing the business relationship;
- f) conduct enhanced monitoring of the business relationship by increasing the number and timing of controls applied, and selecting patterns of transactions that need further examination.

Article 11. Amending article 18

Paragraph 5 of article 18 of Law 14/2017, of 22 June, on the prevention and fight against money laundering and terrorist financing is amended, as follows:

“Article 18. Performance by third parties

[...]

5. Parties under obligation shall obtain from the third party relied upon the necessary information concerning the customer due diligence requirements laid down in letters a), b) and c) of paragraph 1 of article 9 of this Law.

Likewise, parties under obligation shall take adequate steps to ensure that the third party provides, immediately, upon request, relevant copies of identification and verification of the identity documents and other relevant documentation on the identity of the customer or the beneficial owner, as well as the documents, information or data on the purpose and intended nature of the business relationship, including, where available, data obtained through relevant electronic identification means as set out in the Law on electronic trust services in force.”

Article 12. Amending article 19

Paragraphs 1, 3, 4 and 6 of article 19 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing are amended, as follows:

“Article 19. Obligation to obtain, hold and access information on beneficial owners

1. Corporate and other legal entities incorporated in the Principality of Andorra are required to obtain and hold adequate, accurate and current information on their beneficial ownership. Those entities are required to provide, in addition to information about their legal owner, information on the beneficial owner to parties under obligation when the parties under obligation are taking customer due diligence measures in accordance with chapter II of this Law.

The beneficial owners are obliged to provide corporate or other legal entities constituted in the Principality of Andorra with all the information necessary to comply with the requirements in the first paragraph, according to the legislation on Corporations, Associations and Foundations.

[...]

3. The Companies Register, the Associations Register and the Foundations Register shall require the information on the beneficial owners of the entities registered in the terms set out by the legislation. The information held is accurate and current.

The parties under obligation and, if appropriate and to the extent that this requirement does not interfere unnecessarily with their functions, competent authorities, shall report to the Registers any discrepancy that they find between the beneficial owner information recorded in the relevant Register and the information available to them.

In the case of reported discrepancies, the Register shall take appropriate actions to resolve the discrepancies in a timely manner and, if appropriate, include a specific mention in the meantime.

4. Information on beneficial owners held by the Companies Register, the Associations Register and the Foundations Register shall in all cases be accessible to:

- a) the UIFAND, tax authorities, Andorran Financial Authority, the Ministry of Finance, the legal authorities, the Public Prosecutor, the Police and any other competent authorities in the field of the prevention and fight against money laundering, related predicate offences and terrorist financing, tracing and seizure or confiscation of criminal assets, without any restriction;
- b) parties under obligation, within the framework of customer due diligence measures in accordance with chapter II;
- c) any other person not included in the previous letters.

The persons referred to in letter c) shall be permitted to access, at least, the name, surname, month and year of birth, nationality and country of residence of the beneficial owner, as well as the extent of their beneficial ownership status.

Access to information on beneficial ownership kept in the Companies Register, the Associations Register and the Foundations Register shall be in accordance with data protection rules and may be subject to online registration and to the payment of a fee. The fees charged for obtaining the information shall not exceed the administrative costs thereof, including costs of maintenance and development of the register.

[...]

6. An exemption to the access to all or part of the information on the beneficial owner to the persons referred to in paragraph 4, letters b) and c) is granted, when such access would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, extortion, harassment, violence or intimidation, or where the beneficial owner is a minor or otherwise legally incapable. This exemption shall not apply to financial parties under obligation, notaries and saigs¹.

The procedure to request limits on access to information is developed by regulations. Interested persons may appeal the decision denying the exemption in accordance with the Administrative Code.”

Article 13. Amending article 21

The existing wording of paragraph 1 is numbered and paragraph 2 of article 21 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is added, as follows:

“**Article 21.** Obligation to report to self-regulatory bodies and professional bodies

¹ bailiff, a specialist and independent executor who has the authority to execute judicial decisions under the control of the body that has issued such decisions

[...]

2. The self-regulatory body or professional bodies shall publish an annual report containing information on:

- a) measures taken by the competent authorities in the context of sanction proceedings under articles 69 to 78 of this Law, regarding the members they represent;
- b) the number of reports of breaches received as referred to in article 91 of this Law, where applicable;
- c) the number of suspicious transactions reports received and the number of reports forwarded to the UIFAND, where applicable;
- d) where applicable, the number and description of measures taken to monitor compliance by parties under obligation with their obligations under:
 - i) articles 7 to 17 (customer due diligence);
 - ii) articles 20, 21 and 22 (suspicious transaction reporting);
 - iii) article 37 (record keeping); and
 - iv) articles 40, 41 and 42 (internal procedures and training)."

Article 14. Amending article 25

Paragraph 1 is amended and paragraph 5 of article 25 Law 14/2017, of June 22, on prevention and fight against money laundering and terrorist financing is added, as follows:

“Article 25. Protection of parties under obligation

1. The UIFAND and any other administrative or judicial authority shall take all appropriate measures to protect the parties under obligation against any threat, retaliatory or hostile action arising from complying with the obligations imposed by this Law and in particular from adverse or discriminatory employment actions. In particular, the identity of the party under obligation and of the employees who have taken part in the suspicious transaction reports and in all administrative and legal proceedings originating from or related to the reports made, will be kept confidential.

[...]

5. Individuals who are exposed to threats, retaliatory or hostile actions, or adverse or discriminatory employment actions for reporting suspicions of money laundering or terrorist financing internally or to the UIFAND, are entitled to file a complaint before the UIFAND, which shall analyse it and, in the event it finds evidence of or verifies the existence of a criminal offence, report to the Public Prosecutor.

Article 15. Amending article 37

Paragraph 1 of article 37 of Law 14/2017 of 22 June on the prevention and fight against money laundering and terrorist financing is amended, as follows:

“Article 37. Record retention

1. Parties under obligation shall retain, for five years, all documents, data and information obtained under the application of this Law, receipts and registers of operations and transactions, account files and business correspondence, and the results of any analysis undertaken, including, where available, information obtained through electronic identification means as set out in the Law on electronic trust services.

This period of record keeping starts from the date of termination of the business relationship or the date of the occasional transaction.

These documents shall include information on the identity of the customer, the nature and date of the transaction, the source of funds, the currency, the amount of the transaction, and the purpose and intended nature of the business relationship with the customer.”

Article 16. Amending article 41

Paragraph 4 of article 41 of Law 14/2017, of June 22, on the prevention and fight against money laundering and the financing of terrorism is amended, as follows:

“Article 41. Internal controls in parties under obligation that are part of a group

[...]

4. Parties under obligation, where the law of the other country does not permit the implementation of the policies and procedures required under paragraph 1, shall ensure that branches and majority-owned subsidiaries in that country apply additional measures to effectively handle the risk of money laundering or terrorist financing, and inform the UIFAND. If the additional measures are not sufficient, the UIFAND shall exercise additional supervisory actions, including requiring that the group does not establish or that it terminates business relationships, and does not undertake transactions and, where necessary, requesting the group to close down its operations in the country concerned. The UIFAND shall inform the Andorran Financial Authority when any of the circumstances included in this paragraph occurs. The additional measures to be adopted by the parties under obligation referred to in this paragraph, including minimum measures, shall be developed by regulations. These regulatory measures, without prejudice of the measures that the UIFAND may require, may include:

- a) that the branch or majority-owned subsidiary terminates the business relationship that, where appropriate, creates the risk;
- b) that the branch or majority-owned subsidiary does not carry out the occasional transaction that, where appropriate, creates the risk;
- c) closing down some or all of the operations provided by their branch and majority-owned subsidiary established in the other country.”

Article 17. Amending article 68

Paragraphs 1, 3 and 5 of article 68 of Law 14/2017, of June 22, on the prevention and fight against money laundering and the financing of terrorism are amended, as follows:

“Article 68. Cooperation between financial intelligence units

1. The UIFAND shall exchange, spontaneously or upon request, any information that may be relevant for the processing or analysis of information by other FIUs or equivalent bodies related to money laundering, its predicate offences, or terrorist financing and the natural or legal person involved, regardless of the type of predicate offences and even if the type of predicate offences is not defined at the time of the exchange.

Requests shall contain the relevant facts, background information, reasons for the request and how the information sought will be used.

When the UIFAND receives a suspicious transaction report which concerns another state, it shall promptly forward it to the FIU of that state.

[...]

3. The exchange of information requires prior approval from the head of the UIFAND and is subject to the party receiving the information evidencing prior to receiving the information that it satisfies the following conditions:

- a) reciprocity in the exchange of information;
- b) the receiving state shall commit to not using the information for any other purpose than that sought by this Law; and
- c) the foreign services receiving the information are bound, under threat of criminal sanction, by the duty of professional secrecy.

The UIFAND may refuse to exchange information where there are reasonable grounds to assume that the communication of this information may jeopardise ongoing investigations or analysis. The refusal of information shall be appropriately explained.

[...]

5. Differences between national law definitions of predicate criminal offences shall not prevent the UIFAND from exchanging information or providing assistance to another FIU to the greatest extent possible under Andorran law, and shall not limit the use of information in the field of the prevention and fight against money laundering and terrorist financing.”

Article 18. Amending article 69

Paragraph 3 of article 69 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is added, as follows:

“Article 69. Infringers or liable parties

[...]

3. Natural or legal persons that fail to comply with the obligations established in paragraph 1 of article 19 of this Law.”

Article 19. Amending article 71

Paragraph 1 of article 71 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is amended, as follows:

“Article 71. Very serious infringements

[...]

1. Failure to comply with customer due diligence obligations relating to the identification or verification of customers or their beneficial owners.”

Article 20. Amending article 72

Paragraph 18 of article 72 is added and the following paragraphs of article 72 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing are renumbered, as follows:

“Article 72. Serious infringements

[...]

18. Failure to comply with the obligations established in paragraph 1 of article 19 of this Law.

19. The conducts specified in Article 71 of this Law, when they have not been committed in a serious, repeated or systematic manner.

20. The commission of more than three minor infringements within a period of one year.”

Article 21. Amending article 91

Paragraph 4 of article 91 of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is added, as follows:

“Article 91. Whistleblowing

[...]

4. Individuals who are exposed to threats, retaliation or hostile actions, or adverse or discriminatory employment actions for whistleblowing as referred to in this article, are entitled to file a complaint before the UIFAND, which shall analyse and, in the event of finding evidence or verifying the existence of a criminal offence, report it to the Public Prosecutor.

Article 22. Amending third additional provision

The current content of paragraph 1 is numbered and paragraph 2 of the third additional provision of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is added, as follows:

“Third additional provision. Persons who exercise functions of trustee or an equivalent position

1. The natural persons or legal entities that exercise functions of trustee or an equivalent position in legal structures similar to trusts, of professional or non-professional nature, are subject to the following measures:

a) they are to keep the following updated information on the trust:

i) the beneficial owners,

ii) the residence of the trustee or of the analogous figure,

iii) any assets held or managed by a financial or non-financial party under obligation.

b) they are to keep the documents, data and information within the framework of the procurement of the information required in the preceding letter, according to the terms established by Article 37 of this Law, and to communicate it to the competent authorities as soon as it were to be requested.

c) when they establish a business relationship or carry out an occasional transaction, they are to communicate their status to the financial institutions and to other non-financial parties under obligation, as well as the updated information with respect to:

i) the beneficial owners,

ii) the residence of the trustee or of the analogous figure,

iii) any assets held or managed by a financial or non-financial party under obligation.

2. The operation, provision of information and access to the Register of Trust and Similar Legal Arrangements Service Providers is developed by regulations.”

Article 23. Addition of the fourth additional provision

A fourth additional provision to Law 14/2017, of June 22, on prevention and fight against money laundering and terrorist financing is added, as follows:

“Fourth additional provision. Register of Financial and Assimilated Accounts

1. Banking entities, payment service providers and electronic money service providers operating in the Principality of Andorra shall report to the Register of Financial and Assimilated Accounts the identity of holders or beneficial owners of payment accounts or bank accounts identified by IBAN, and safe-deposit box lease agreements and their lease period, regardless of their commercial name. The reports shall not include accounts and safe-deposit boxes in branches abroad.

The reported information shall be registered in the Register of Financial and Assimilated Accounts of the Ministry of Finance, which is in charge of processing it in accordance with the data protection rules.

2. The UIFAND shall have direct, immediate and unfiltered access to the information recorded in the Register, without any restriction.

This information will also be accessible to the competent national authorities for the prevention, detection, investigation and prosecution of money laundering and other related criminal offences, in order to comply with obligations under this Law.

Access to information in the Registry shall identify the person/s or the account number in relation to which information is requested. Generic and proximity searching is not admissible. The access system shall maintain a detailed register of consultations, and, at least, shall record:

a) the user ID of the authority or public official accessing the Register and requesting information and, if applicable, the authority or public official that orders the request for information and the recipient of the results;

b) the type of data used to initiate the request;

c) the date and time of the request;

d) the reason or grounds for the request with express reference to the proceedings to which they relate;

e) the identifier of the results.

The scope of the access requirements established in this provision may be developed by regulations.

3. Reporting by banking entities, payment services providers and electronic money service providers will contain the following information, which shall be accessible through the Register of Financial and Assimilated Accounts:

a) in relation to the customer-account holder and safe-deposit box lessees and any person purporting to act on behalf of the customer:

i) in the case of natural persons; name and surname, date and place of birth, nationality, address, country or countries of residence, tax identification number or equivalent, passport number or equivalent.

ii) in the case of legal persons, trusts and other similar legal instruments: name, legal form, registered address, and, if different, the place of its principal establishment or business, tax identification number or equivalent;

b) in relation to the beneficial owner(s) of the bank account or safe-deposit box lease: name and surname, date and place of birth, nationality, address, country or countries of residence, tax identification number or equivalent, passport number or equivalent.

c) in relation to bank or payment accounts: the IBAN number and dates the account was opened and closed;

d) in relation to safe-deposit box leases: the number of the lease agreement or its internal identification number; the duration of the lease.

The reporting shall be done electronically in the terms and with the frequency established by the regulations and according to the template report attached to the regulations.”

Article 24. Addition of the fifth additional provision

A fifth additional provision to Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing is added, as follows:

“Fifth additional provision. Access to information on real estate in Andorra

The UIFAND may access, in the performance of their duties, notarial and cadastral information and documentation that identifies any natural or legal person or any trust or similar legal instrument owning real estate in the Andorran territory.

This information will also be accessible to the national authorities competent in the field of the prevention, detection, investigation and prosecution of money laundering and other criminal offences, in order to comply with the obligations imposed by this Law.”

First final provision. Amending Law 20/2007, of October 18, on public and private limited companies

1. Paragraph 4 of article 21 bis of Law 20/2007 of 18 October on public and private limited companies is added, as follows:

“Article 21 bis. Beneficial owners’ book

[...]

4. Beneficial owners are obliged to provide companies incorporated in the Principality of Andorra with all the information necessary to comply with the obligations referred to in this article.”

2. Paragraph 1 of article 74 of Law 20/2007, of October 18, on public and private limited companies is amended, as follows:

“Article 74. Deposit of accounts

1. The certificates of the resolution approving the annual accounts and of the resolution on the implementation of profits, together with a copy of the annual accounts and auditors' report, if applicable, must be presented in the place, period and form determined by regulation."

Second final provision. Amending Qualified Law on Associations, of December 29, of 2000
Paragraph 4 of article 28 bis of the Qualified Law on Associations, of December 29, of 2000 is added, as follows:

"Article 28 bis. Beneficial owners' book

[...]

4. Beneficial owners are obliged to provide associations established in the Principality of Andorra with all the information necessary to comply with the obligations referred to in this article."

Third final provision. Amending Law 11/2008, of June 12, on Foundations
Paragraph 5 of article 22 of Law 11/2008, of June 12, on Foundations is amended, as follows:

"Article 22. Accounting and books

[...]

5. The beneficial owners' book shall include those individuals that, according to the definition in article 3, point 3 of the Law on the prevention and fight against money laundering and terrorist financing, are deemed to be beneficial owners of the foundation, and at the very least the following:

- a) name and surname;
- b) birth date;
- c) nationality and country of residence of the beneficial owner;
- d) nature and extent of the beneficial interest held.

Beneficial owners are obliged to provide foundations established in the Principality of Andorra with all information necessary to comply with the obligations referred to in this article."

Fourth final provision. Amending Law 30/2007, of December 20, on the accounting of employers.

1. Paragraph 3 of article 17 of Law 30/2007, of December 20, on the accounting of entrepreneurs, is amended, as follows:

"Article 17. Structure

[...]

3. Entrepreneurs who, in accordance with the provisions of the previous paragraph, may draw up abridged models of the annual accounts, are not obliged to draw up the cash flow statement or the statement of changes in net worth."

2. Paragraph 3 of article 36 of Law 30/2007, of December 20, on the accounting of entrepreneurs, is amended, as follows:

"Article 36. Approval and deposit

[...]

3. The certifications of the resolution approving the annual accounts, together with a copy of the consolidated annual accounts and of the audit report, if applicable, must be presented for deposit at the Companies Registry in the place, within the period and in the manner determined by regulation. The Government, by means of regulations, must modulate the type of information and documentation to be deposited with the Companies Registry according to the size of the companies."

3. The additional provision of Law 30/2007, of December 20, on the accounting of entrepreneurs, is amended and shall be worded as follows:

"Disposició adicional

All entrepreneurs are obliged to deposit their annual accounts in the Accounts Deposit Register of the Companies Register, in the place, within the period and in the manner determined by regulation. Entrepreneurs who are public limited companies or limited liability companies are governed by their specific legislation."

Fifth final provision

The Government must approve, within three months from the date of entry into force of this Law, the necessary regulatory amendments for the effective application of section 2 of the first final provision and the fourth final provision.

Sixth final provision

This Law shall enter into force on the day following its publication, with the exception of Articles 12 and 23, which shall enter into force six months after its publication in the Official Gazette of the Principality of Andorra. The amendments introduced by paragraph 2 of the first final provision and by the fourth final provision are applicable in relation to financial years ending on or after 31 December 2020.

Casa de la Vall, 16th December 2021

Roser Suñé Pascuet

Síndica General

We the coprinces sanction and promulgate it and order its publication in the Official Gazette of the Principality of Andorra.

Coprince of Andorra Bishop of Urgell Joan Enric Vives Sicília

Coprince of Andorra President of the French Republic Emmanuel Macron