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RAPIDLEI WHITE PAPER

## Entity Identity and the EU AML Package

A 2027 Readiness Framework

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EU market focus. For heads of compliance, MLROs, COOs and risk leaders at obliged entities, and the teams responsible for entity data.

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## Executive summary

In 2024 the European Union replaced the core of its anti-money laundering framework. The centrepiece, the Anti-Money Laundering Regulation (AMLR), is a single rulebook that applies directly in all 27 Member States from 10 July 2027. It sits alongside a sixth AML Directive (AMLD6) that Member States transpose into national law, and the regulation that created the new EU Anti-Money Laundering Authority (AMLA) in Frankfurt, operational since 1 July 2025.

The deadline is fixed and the rules are known in outline. What most obliged entities have not yet done is map the package to the entity data they actually hold. AMLR does not introduce a new filing. It raises the standard for how obliged entities identify customers, verify beneficial owners and keep that information current, and it makes those rules identical across the bloc. The binding constraint on readiness is therefore data quality. The work that takes time is cleaning up fragmented entity records before the standard rises.

This paper sets out the three instruments and how they fit together, who AMLR binds and how AMLA will supervise, and the data problem at the centre of readiness. It then examines where the Legal Entity Identifier (LEI) fits. AMLR Article 22 names the LEI in the customer due diligence dataset for legal-entity customers, to be collected "where available". It means that an entity holding a valid, active LEI hands every counterparty the exact identifier the regulation points to, which makes onboarding faster and cleaner.

We place AMLR within the wider trajectory of EU regulation, where the LEI moves from explicit mandate in some regimes to named-where-available in others, and close with a readiness framework that treats entity identification as managed infrastructure rather than a periodic administrative task.

### 1. The package, and the structural change

A common error in coverage of the EU reforms is to treat "AMLA", "AMLR" and "AMLD6" as interchangeable. They are three distinct 2024 instruments that do different jobs, and the distinction matters for who must do what, and when.

#### 10 July 2027

The date AMLR applies, directly and identically, in all 27 Member States. The obligations are not yet live.

AMLR, the regulation. Regulation (EU) 2024/1624 is the single rulebook. Because it is a regulation rather than a directive, it is directly applicable: there is no national transposition step, and the same text binds a bank in Dublin and a payments firm in Tallinn. It entered into force on 9 July 2024 and applies from 10

July 2027. It governs customer due diligence, beneficial ownership and reporting.

AMLD6, the directive. Directive (EU) 2024/1640 handles what is better left to national systems: beneficial ownership registers, the powers of financial intelligence units, and how national supervisors are organised. Member States must transpose it by 10 July 2027, with some registry-access provisions phased through to 2029.

The AMLA Regulation. Regulation (EU) 2024/1620 created the Authority for Anti-Money Laundering and Countering the Financing of Terrorism, AMLA, seated in Frankfurt and operational since 1 July 2025. AMLA will directly supervise a small group of the highest-risk, most cross-border institutions and will coordinate national supervisors for everyone else.

### Anatomy of the EU AML package

Three 2024 instruments that work together. Conflating them is the most common error in AML coverage.

AMLR	AMLD6	AMLA
Regulation (EU) 2024/1624	Directive (EU) 2024/1640	Regulation (EU) 2024/1620
<b>THE SINGLE RULEBOOK</b>	<b>NATIONAL IMPLEMENTATION</b>	<b>THE SUPERVISOR</b>
Directly applicable in all 27 Member States. No national transposition.	Transposed into each Member State's national law.	EU Authority for Anti-Money Laundering, based in Frankfurt.
Covers customer due diligence, beneficial ownership, reporting.	Beneficial ownership registers, financial intelligence units, national supervision.	Coordinates national supervisors and directly supervises around 40 of the highest-risk firms.
Names the LEI in Article 22 (collected where available).		
<b>Applies 10 July 2027</b>	<b>Transpose by 10 July 2027</b>	<b>Operational 1 July 2025 Direct supervision from 2028</b>

Source: Regulation (EU) 2024/1624; Directive (EU) 2024/1640; Regulation (EU) 2024/1620; AMLA. Verified June 2026.

Figure 1. The three instruments of the EU AML package.

The structural change is the shift from directive to regulation. Under the previous framework, a directive set the standard and each Member State transposed it into national law, which produced 27 broadly similar but materially different regimes. That divergence was a long-standing source of cost for cross-border firms and of arbitrage for those who wished to exploit it. A directly applicable regulation narrows that gap sharply. For an institution operating in more than one Member State, the destination is one set of obligations rather than several, interpreted by one central authority rather than many.

The timeline below sets out the dates that matter. The point to hold is that the obligations are not yet live. They apply from 10 July 2027, which is both a hard deadline and a defined runway.

## The EU AML Package: key dates

When AMLR, AMLD6 and AMLA take effect. AMLR obligations apply from 10 July 2027.



Source: Regulation (EU) 2024/1624; Directive (EU) 2024/1640; Regulation (EU) 2024/1620; AMLA. Verified June 2026.

Figure 2. Key dates for AMLR, AMLD6 and AMLA.

## 2. Who AMLR binds, and how supervision works

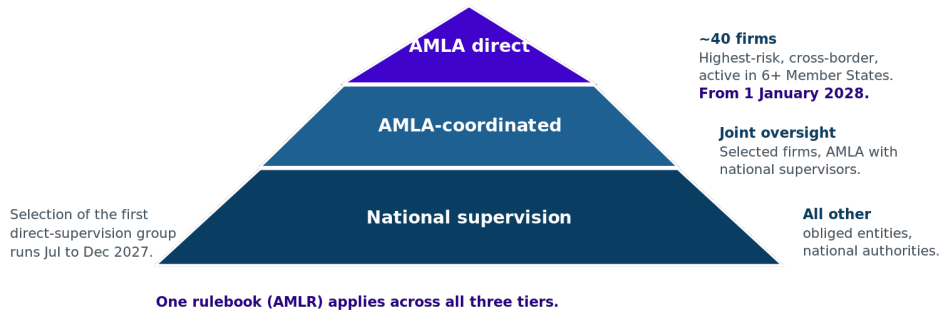
AMLR widens the population of obliged entities compared with the fourth and fifth AML Directives. The core remains credit institutions and financial institutions, alongside the established designated non-financial businesses and professions: auditors, accountants and tax advisers, notaries and other independent legal professionals in defined situations, trust and company service providers, estate agents and letting agents, and gambling services.

The notable additions bring new sectors into scope. Crypto-asset service providers (CASPs) become obliged entities in their own right, aligned with the Markets in Crypto-Assets Regulation (MiCA). Crowdfunding service providers and crowdfunding intermediaries are covered. So are traders in high-value goods, such as dealers in precious metals and stones above the relevant thresholds. Professional football clubs and football agents come into scope, with their provisions applying from 10 July 2029 and with exemptions for the smallest.

Supervision operates on two tiers. From 1 January 2028, AMLA will directly supervise a first group of selected obliged entities. That group is capped at around 40 entities, each operating in at least six Member States and assessed as carrying a high money-laundering or terrorist-financing risk. The selection process runs from July to December 2027, building on identification data that national supervisors must collect by 15 August 2026, with a provisional list of eligible entities expected by the end of September 2026. The pool is reviewed every three years. Every other obliged entity continues to be supervised nationally, with AMLA coordinating.

## How AMLA supervises

A two-tier model. The single AMLR rulebook applies to every obliged entity, whoever supervises it.



Source: Regulation (EU) 2024/1620; AMLA selection process. Verified June 2026.

Figure 3. AMLA's two-tier supervision model.

The implication is easy to misread, so it is worth stating plainly. AMLA will not directly supervise most firms. The selected group of roughly 40 represents the largest cross-border institutions. But supervision and obligation are different things. Every obliged entity is bound by AMLR's rules from 10 July 2027 regardless of who supervises it. The single rulebook applies across all three tiers. A firm that will continue under national supervision does not face a lighter version of AMLR; it faces the same rulebook, enforced closer to home.

Every obliged entity is bound by AMLR's rules from 10 July 2027, regardless of who supervises it.

### 3. The data problem at the centre of readiness

Most compliance teams already know the framework was rewritten. Fewer have translated that into a view of the entity data they hold and where it falls short of the new standard. That translation is where the work sits, and it is the argument of this paper.

AMLR does not ask obliged entities to file something new on 10 July 2027. It raises the quality bar on activities they already perform: identifying customers, verifying beneficial owners, screening, and keeping records current. The detail will be filled in by regulatory technical standards that AMLA is mandated to draft, including standards on the customer due diligence information that must be collected. But the substance of readiness does not depend on that detail. An obliged entity whose customer records are incomplete, inconsistent across systems, or stale will struggle against any reasonable standard. One whose entity data is clean, structured and current will adapt to the specifics as they land.

Data clean-up takes longer than most teams expect.

For firms that manage entities at scale, whether a bank onboarding corporate clients, an asset manager running many funds, or a corporate group with subsidiaries across jurisdictions, the difficulty compounds. Entity data is typically fragmented: held in different systems, sourced from different registries, and in the case of identifiers such as the LEI, often spread across multiple issuers or tracked manually. Fragmentation is manageable when nothing depends on it. It becomes a liability when a rising regulatory standard, a fixed deadline and a central supervisor arrive together.

The practical readiness questions are straightforward. Which of our entities and our customers' entities are correctly and currently identified? Where is beneficial ownership information missing or out of date against the AMLR threshold? Which identifiers have lapsed or are about to? These are data questions, and data clean-up takes longer than most teams expect, which is the case for starting before the technical standards are final rather than after.

#### 4. Where the LEI fits

The Legal Entity Identifier is the 20-character ISO 17442 code that identifies a legal entity uniquely and globally. AMLR is specific about its place. Under Article 22, the information an obliged entity must obtain to identify a legal-entity customer includes, "where available", the entity's registration number, tax identification number and Legal Entity Identifier. The LEI appears in the equivalent dataset for trustees of express trusts, again "where available", and for other organisations with legal capacity under national law, where applicable.

This is a meaningful step. The accurate position is that the LEI is named in the EU's single AML rulebook, as part of the customer due diligence dataset for legal entities. As GLEIF put it on the package's entry into force, "the new AML Regulation references the LEI as part of identifying and verifying customers and beneficial owners for legal persons", and the new measures "require the disclosure of their LEI, where available".

#### Where the LEI sits in AMLR customer due diligence

AMLR Article 22: information an obliged entity must collect to identify a legal-entity customer.

<p><b>Article 22(1)(b): identifying a legal entity</b></p> <ul style="list-style-type: none"> <li>• Legal form and name</li> <li>• Registered / official office address, country of creation</li> <li>• Names of legal representatives</li> <li>• Registration number <b>(where available)</b></li> <li>• Tax identification number <b>(where available)</b></li> </ul> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p><b>NAMED IN THE TEXT</b></p> <p><b>Legal Entity Identifier (LEI)</b>      <b>where available</b></p> </div> <ul style="list-style-type: none"> <li>• Nominee shareholders / directors, where applicable</li> </ul>	<p><b>Why the LEI matters here</b></p> <ul style="list-style-type: none"> <li>✓ <b>Named in the rulebook</b> The LEI sits in the binding Article 22 dataset.</li> <li>✓ <b>Collected by the obliged entity</b> whenever a customer holds one.</li> <li>✓ <b>A faster, cleaner check</b> An active LEI hands every counterparty the exact identifier AMLR points to.</li> </ul> <hr/> <p>Collected "where available", so the LEI is the identifier the regulation reaches for whenever a customer has one.</p>
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An entity that holds a valid, active LEI hands every counterparty the precise, machine-readable identifier the regulation references, which speeds their due diligence.

Source: Regulation (EU) 2024/1624, Article 22(1). Verified June 2026.

Figure 4. Where the LEI sits in the Article 22 dataset.

What AMLR does not do is equally important, and stating it correctly protects the credibility of everything else. AMLR does not require any company to obtain an LEI. It does not block onboarding where a customer has none. The duty is on the obliged entity to collect the LEI if the customer has one. That creates a clear operational pull rather than a mandate. A counterparty that already holds a valid, active LEI hands the obliged entity the precise, machine-readable identifier the regulation points to, which makes their due diligence faster, cleaner and less manual. For an entity that is itself a customer of many counterparties, holding an active LEI across its structure removes a recurring point of friction from every counterparty's onboarding. The benefit is mutual, but it is realised by the party that holds the identifier as much as by the party that collects it.

### Beneficial ownership: a supporting role

AMLR tightens beneficial ownership identification. From 10 July 2027 a beneficial owner is identified at 25% or more of ownership interest, held directly or indirectly (Article 52). A lower threshold can apply in higher-risk sectors, but this is not a free Member State option, and it is easy to misstate. Under Article 52(2), Member States identify categories of corporate entities exposed to higher money-laundering and terrorist-financing risk and notify the Commission. By 10 July 2029 the Commission assesses those risks and may adopt delegated acts setting a lower threshold for the relevant categories. That lower threshold is fixed at a maximum of 15%, unless the Commission concludes on a risk basis that a higher figure, in any case below 25%, is more proportionate. So the 15% level is a ceiling set centrally through a delegated-act process due to be assessed by 2029, not a floor that Member States may apply at will from 2027. Obligated entities must identify and verify beneficial owners, including by consulting the central registers maintained under AMLD6, and must report discrepancies they find against those registers.

The 25% test is more involved than a single percentage suggests, because ownership can be indirect and must be traced through intermediate entities. The worked example below shows how a direct holding and an indirect holding through a holding company are each assessed, and how a 20% indirect holding falls below the 25% line. It would be caught only if a lower threshold of 15% were set for that sector through the Commission delegated-act process described above.

### The 25% beneficial ownership test, worked through

A beneficial owner holds 25% or more, directly or indirectly. Indirect holdings multiply down the chain.

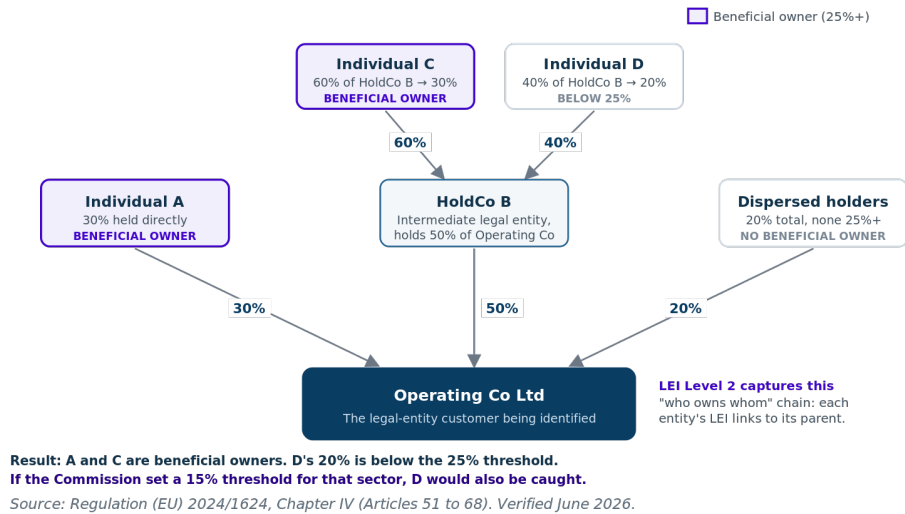


Figure 5. The 25% beneficial-ownership test, worked through.

The LEI's role here is supporting, not statutory. The LEI's Level 2 data records "who owns whom", mapping each entity to its direct and ultimate parent, and GLEIF's work with Open Ownership has integrated LEIs into beneficial ownership datasets following the Beneficial Ownership Data Standard. This supports the data-quality and relationship layer that beneficial ownership verification depends on. It does not satisfy the statutory obligation, which runs through the registers and the verification steps AMLR sets out. The LEI supports beneficial ownership transparency; it does not discharge the duty.

## 5. The LEI across the EU regulatory stack

AMLR is not the first EU regulation to reference the LEI, and reading it in isolation understates the picture. Across the EU framework the LEI appears at different strengths, and the trajectory is towards wider and firmer use.

In several regimes the LEI is an explicit requirement. Transaction reporting under MiFID II and MiFIR, derivatives reporting under EMIR, securities financing reporting under SFTR, and the identification of ICT third-party providers under the Digital Operational Resilience Act (DORA) all require the LEI for the relevant legal entities. In these regimes a legal entity cannot meet the obligation without one.

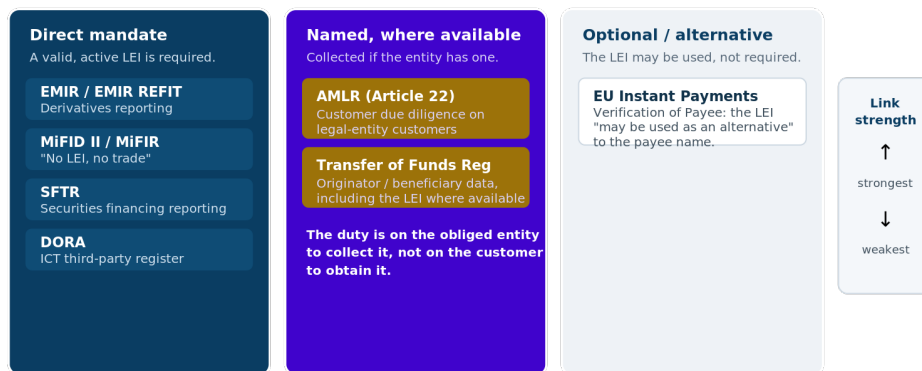
In a second group the LEI is named conditionally. AMLR names it in the Article 22 customer due diligence dataset "where available". The recast Transfer of Funds Regulation (Regulation (EU) 2023/1113) requires that fund and crypto transfers carry originator and beneficiary information "including, where available, the LEI". These provisions stop short of a mandate to obtain the identifier, but they write it into the operative text.

In a third group the LEI is optional or emerging, used where parties choose to and increasingly expected. The pattern across all three is consistent: as EU regulation pushes towards reliable, machine-readable entity identification, the LEI is the identifier the framework reaches for.

The investment is reusable, which changes the business case from a compliance cost to shared infrastructure.

### Where the LEI sits across EU regulation

The strength of the LEI link varies by instrument. AMLR names the LEI, to be collected where available.



Source: EMIR, MiFIR, SFTR, DORA, AMLR (2024/1624), TFR (2023/1113), EU Instant Payments Regulation. Verified June 2026.

Figure 6. The strength of the LEI link across EU regulation.

The strategic implication for an obliged entity is that the LEI is becoming a common key across multiple regimes rather than a single-regulation requirement. An institution that already maintains LEIs across its own entities and captures them for counterparties is not solving for AMLR alone. It is building the entity-identification layer that EMIR, MiFIR, SFTR, DORA, the Transfer of Funds Regulation and now AMLR all draw on. The investment is reusable, which changes the business case from a compliance cost to shared infrastructure.

## 6. The forward arc: verifiable identity

AMLR allows identity verification using electronic identification means that meet the "substantial" or "high" assurance levels under the eIDAS framework, together with qualified trust services. This is the direction that the verifiable LEI, the vLEI, is built for.

The vLEI extends the ISO 17442 LEI into a cryptographically verifiable organisational identity credential, built on the KERI protocol, that can prove both an entity's identity and the authority of a person acting for it. To be precise, the vLEI is not referenced in AMLR and is not a requirement. It is the emerging next step in digital, verifiable entity verification, and it aligns conceptually with AMLR's allowance for high-assurance electronic identification. We flag it here as the direction of travel, not as a compliance obligation, and obliged entities should treat it as worth tracking rather than acting on for AMLR readiness today.

## 7. From obligation to operating model

The conclusion of the data argument in Section 3 is that entity identification should be run as managed infrastructure, not as a periodic administrative task. For the LEI specifically, that reframing has three practical consequences.

First, lapse is an operational risk. An LEI must be renewed annually, and a lapsed LEI is publicly visible in the Global LEI Index. For a firm with a portfolio of entities or funds, a single missed renewal can surface at the worst moment, in a counterparty's onboarding check, a reporting submission, or a settlement process. Managing renewals proactively across the whole portfolio, rather than entity by entity, removes a recurring and avoidable failure mode.

Second, fragmentation undermines oversight. LEIs tracked on spreadsheets or spread across several issuers give no single view of status, renewal dates or gaps. Consolidating issuance and renewal into one managed view turns a scattered set of records into something a compliance team can actually supervise, with the same portfolio-level visibility expected of any other managed asset class.

Third, the cost case is real and documented. GLEIF, citing analysis by McKinsey, has estimated that broad LEI adoption could save the global banking sector between 2 and 4 billion US dollars annually in client onboarding costs, by replacing repeated, manual entity verification with a single standard identifier. The saving is a function of doing entity identification once, well, and reusing it, which is precisely the operating model AMLR's data demands reward.

### USD 2-4bn

Estimated annual saving in bank client onboarding from broad LEI adoption (GLEIF, citing McKinsey, 2019).

### A readiness framework for 10 July 2027

The following steps are independent of the technical standards still to come, which is why they can begin now.

1. Inventory every entity. List every legal entity in scope: the firm itself, subsidiaries, funds, special purpose vehicles and branches, plus the customer entities you onboard. Record which hold an LEI and which do not.
2. Check status and lapse dates. Identify any LEI that has lapsed or will lapse before 2027 and bring it current. A lapsed status in the Global LEI Index is visible to counterparties and regulators.

3. Consolidate issuance and renewal. Move LEIs tracked on spreadsheets or held across multiple issuers into a single managed view so that nothing renews late and status is visible at portfolio level.
4. Review beneficial ownership data. Confirm your records identify beneficial owners on the AMLR basis, applying the 25% test through direct and indirect holdings, and track whether any sector in which you operate becomes subject to a lower threshold (a maximum of 15%) under the Commission delegated-act process due to be assessed by 10 July 2029.
5. Map obliged-entity status. If you are newly in scope, for example as a CASP or a crowdfunding platform, begin building the customer due diligence and monitoring capability now rather than against the deadline.
6. Brief the board. Frame AMLR as a data-quality and operational-resilience programme to be completed ahead of 10 July 2027, with entity identification as a measurable workstream.

## Conclusion

AMLR is not yet in force, and the interval before it applies is the opportunity. The obligations apply from 10 July 2027, which gives obliged entities a defined runway to get entity identification and beneficial ownership data in order before the standard rises and a central authority begins to enforce it. The structural change from directive to regulation means the destination is a single, uniform rulebook. The work that takes time is the data clean-up underneath it.

Clean, current LEIs across an entity structure are one of the simplest pieces of that readiness to put in place, and one of the most visible if neglected. The LEI is named in AMLR, it is the common identifier across a widening set of EU regimes, and holding it well is reusable infrastructure rather than a single compliance cost. The firms that treat entity identity as managed infrastructure now will carry the least risk into 2027.

## Next steps

Talk to the RapidLEI compliance team. If AMLR readiness is on your agenda, we can review the LEIs across your entities and client book, flag lapses and gaps, and map them to your 2027 timeline. Start the conversation at [rapidlei.com/contact](https://rapidlei.com/contact).

Read the AMLR regulatory spotlight. For a concise, linkable reference on how AMLR, AMLD6 and AMLA fit together, and exactly where the LEI sits in each, see the AMLR spotlight at [rapidlei.com/lei-regulations/amlr](https://rapidlei.com/lei-regulations/amlr).

To register or renew an LEI directly, or to manage identifiers at scale across a group or a client book with EnterpriseLEI, visit [rapidlei.com](https://rapidlei.com).

## Appendix A: Key figures

Item	Value	Basis
AMLR application date	10 July 2027 (football clubs and agents from 10 July 2029)	Regulation (EU) 2024/1624
AMLD6 transposition deadline	10 July 2027 (some registry access phased to 2029)	Directive (EU) 2024/1640
AMLA operational since	1 July 2025	Regulation (EU) 2024/1620
AMLA direct supervision begins	1 January 2028	AMLA
First direct-supervision pool	~40 entities, each active in 6+ Member States	AMLA
EU-wide cash payment limit	EUR 10,000 (Member States may set lower)	AMLR Article 80
CDD trigger, occasional cash transaction	EUR 3,000 or more	AMLR
CDD trigger, occasional fund transfer (non-CASP)	EUR 1,000 or more	AMLR / Reg (EU) 2023/1113
CDD trigger, CASP occasional transaction	EUR 1,000 or more	AMLR
Beneficial ownership threshold	25% of ownership interest, direct or indirect. Commission may set a lower threshold (maximum 15%) for higher-risk sectors by delegated act, assessment due by 10 July 2029	AMLR Article 52

## Appendix B: The instruments

Instrument	Reference	In force	Applies / transposition
AMLR (single rulebook)	Regulation (EU) 2024/1624	9 July 2024	Applies 10 July 2027
AMLD6 (directive)	Directive (EU) 2024/1640	9 July 2024	Transpose by 10 July 2027

Instrument	Reference	In force	Applies / transposition
AMLA Regulation	Regulation (EU) 2024/1620	26 June 2024	Applies from 1 July 2025

## Sources

- Regulation (EU) 2024/1624 (AMLR): <https://eur-lex.europa.eu/eli/reg/2024/1624/oj/eng>
- Directive (EU) 2024/1640 (AMLD6): <https://eur-lex.europa.eu/eli/dir/2024/1640/oj/eng>
- Regulation (EU) 2024/1620 (AMLA): <https://eur-lex.europa.eu/eli/reg/2024/1620/oj/eng>
- Regulation (EU) 2023/1113 (Transfer of Funds Regulation): <https://eur-lex.europa.eu/eli/reg/2023/1113/oj/eng>
- AMLA, the Authority: [https://www.amla.europa.eu/about-amla\\_en](https://www.amla.europa.eu/about-amla_en)
- AMLA, 2027 selection for direct supervision: [https://www.amla.europa.eu/aml-takes-next-step-toward-2027-selection-entities-direct-supervision\\_en](https://www.amla.europa.eu/aml-takes-next-step-toward-2027-selection-entities-direct-supervision_en)
- GLEIF blog, EU AML reforms and the LEI (Clare Rowley, 9 July 2024): <https://www.gleif.org/en/newsroom/blog/entry-into-force-of-the-eu-s-latest-package-of-aml-reforms-is-a-key-legislative-piece-of-the-puzzle-to-creating-a-secure-eficie>
- GLEIF / Open Ownership, beneficial ownership data: <https://www.gleif.org/en/newsroom/blog/how-a-collaboration-between-open-ownership-and-gleif-will-promote-greater-transparency-in-corporate-ownership-and-control-in-sup>
- GLEIF / McKinsey, LEI banking onboarding savings (USD 2-4bn per annum, 29 October 2019): <https://www.gleif.org/en/newsroom/press-releases/research-reveals-that-wide-adoption-of-legal-entity-identifiers-could-save-banks-an-estimated-2-4-billion-per-annum-in-client-onboarding-efficiencies>
- European Commission, AML/CFT package overview: [https://finance.ec.europa.eu/financial-crime/anti-money-laundering-and-counteracting-financing-terrorism-eu-level\\_en](https://finance.ec.europa.eu/financial-crime/anti-money-laundering-and-counteracting-financing-terrorism-eu-level_en)

