

Act no. 651 of 8 June 2017

Act on Measures to Prevent Money Laundering and Financing of Terrorism (The Money Laundering Act)¹⁾

We, MARGRETHE THE SECOND, Queen of Denmark by the grace of God, hereby make known:

The Danish Parliament has passed, and we by our assent ratified, the following act:

Part 1

Scope and definitions etc.

Section 1. This Act applies to the following undertakings and persons:

- 1) Banks.
- 2) Mortgage credit institutions.
- 3) Investment firms.
- 4) Life insurance companies and multi-employer occupational pension funds.
- 5) Savings undertakings.
- 6) Payment services providers and electronic money issuers.
- 7) Insurance brokers, when they act in respect of life insurance or other investment-related insurance.
- 8) Other undertakings and persons that commercially carry out one or more of the activities listed in appendix 1, cf. subsection (4) on this, however.
- 9) Branches, distributors and agents of foreign companies in this country, carrying out activities in accordance with nos. 1-7, 10 and 11.
- 10) Investment management companies and managers of alternative investment funds, provided these companies have direct customer contact.

11) Danish UCITS and alternative investment funds, provided these companies have direct customer contact.

12) Operators in a regulated market, authorised to act as an auction platform in Denmark in accordance with the European Commission's regulation 2010/1031/EU of November 12, 2010 on the process in regards to time-frame and administration of auctions of greenhouse gas emission quotas and other aspects of such auctions, pursuant to directive 2003/87/EC of the European Parliament and Council regarding a scheme for the trade of greenhouse gas emissions within the Union.

13) Actors allowed to bid directly in auctions subject to the European Commission's regulation 2010/1031/EU of November 12, 2010 on the process in regards to time-frame and administration of auctions of greenhouse gas emission quotas and other aspects of such auctions, pursuant to directive 2003/87/EC of the European Parliament and Council regarding a scheme for the trade of greenhouse gas emissions within the Union, who are not already covered by nos. 1 and 3.

14) Attorneys,

a) when providing assistance by advising, or conducting transactions for, their clients regarding

i) the buying and selling of real estate or companies,

ii) the management of their clients' money, securities or other assets

iii) the opening or management of bank accounts or custody accounts,

iv) the acquisition of the capital necessary for the creation, operation or management of companies
or

v) the creation, operation or management of companies, foundations etc., or

b) when acting on a client's behalf and at said client's expense, they carry out a financial transaction or a real estate transaction.

15) Auditors and audit firms approved under the Danish Act on Approved Auditors and Audit Firms.

16) Realtors and real estate companies.

17) Undertakings and persons who otherwise commercially supply the same services as the groups of persons mentioned in nos. 14-16, including auditors not authorised in accordance with the Danish Act on Approved Auditors and Audit Firms, tax advisors and external accountants.

18) Providers of services for undertakings, cf. section 2, no. 12.

19) Currency exchangers, cf. subsection (4) on this, however.

20) Gambling providers, cf. subsection (5) on this, however.

21) Danmarks Nationalbank, insofar as it carries out activities corresponding to those of institutions mentioned in no. 1.

Subsection (2). section 5 applies to businesses not covered by subsection (1).

Subsection (3). section 6 applies to undertakings and individuals who, as part of their enterprise, are engaged in the processing and distribution of banknotes and coins to the public, including persons and undertakings whose activity consists of exchanging banknotes and coins of different currencies.

Subsection (4). The Danish Financial Supervisory Authority (FSA) can, wholly or partially, exempt undertakings and persons covered by subsection (1) nos. 8 and 19 from being subject to the act, should they only conduct financial activity to a limited extent.

Subsection (5). The Minister of Taxation can, wholly or partially, exempt gambling - excluding casinos - from being covered by the act, should it be deemed to entail a limited risk of money laundering or the financing of terrorism.

Definitions

Section 2. For the purpose of this Act the following shall mean:

1) Daily management: Persons responsible for a legal person's daily management, including operations, sales and other results.

2) Financial transaction: A transaction involving cash or cash equivalents or other financial assets.

3) Business relationship: A customer relationship established by the undertaking or person covered by the act, which at its time of establishment is expected to be of a certain duration, and which may include the establishment of customer accounts, customer deposits, initiation of transactions and other activities, including advisory tasks for the customer.

4) Correspondent relationship:

a) Delivery of financial services from one financial institution (the correspondent) to another financial institution (the respondent), including the opening of current or other liability account, as well as other services such as cash management, international transfers of funds etc.

b) A relationship between an undertaking covered by section 1, subsection (1), nos. 1-13 or 19 (the correspondent) and another undertaking covered by section 1, subsection (1), nos. 1-13 or 19 (the respondent), where similar services are provided, including relationship established for securities transactions or transfer of funds.

- 5) Customer Relationship: A business relationship with a customer or the execution of a single transaction for a client, including in connection with gambling.
- 6) Close family member to a politically exposed person: A politically exposed person's spouse, civil partner, cohabitant or parents as well as children and their spouses, civil partners or cohabitants.
- 7) Close associate to a politically exposed person:
- a) A natural person who is the beneficial owner of an undertaking or other legal entity along with one or more politically exposed persons.
 - b) A natural person who, in other ways than those mentioned in litra a, has a close business relationship with one or more politically exposed persons.
 - c) A natural person who is the sole beneficial owner of an undertaking or other legal entity which is known to have been created for the benefit of a politically exposed person.
- 8) Politically exposed person: A natural person who has or has had any of the following public functions:
- a) Head of State, Head of Government, Minister, Deputy Minister or Assistant Minister.
 - b) Member of Parliament or a member of a similar legislative body.
 - c) Member of a political party's governing body.
 - d) Justice of the Supreme Court, member of the Constitutional Court and other senior court instances, whose decisions are only subject to appeal in exceptional circumstances.
 - e) Member of the Court of Auditors and the supreme governing body of a central bank.
 - f) Ambassador, chargé d'affaires or high-ranking officer in the armed forces.
 - g) Member of a state-owned company's administrative, managerial or supervisory body.
 - h) Director General, Vice President and member of the board or a person with similar functions in an international organisation.
- 9) Beneficial owner: The person or persons who ultimately own or control the customer, or the natural person on whose behalf a transaction or activity is conducted, including:
- a) The natural person or persons in a company, undertaking, association etc. who ultimately, whether directly or indirectly, own or control a sufficient share of ownership or voting rights, or who exercise control by other means, apart from the owners of companies whose shares of ownership

are traded in a regulated market or equivalent which is subject to disclosure in accordance with EU law or equivalent international standards.

b) The daily management, if no person has been identified under litra a, or if there is doubt as to whether the person or persons identified is/are the beneficial owner(s).

c) The natural person or persons in a legal arrangement, including a foundation, trust etc. who ultimately, whether directly or indirectly, control or otherwise have powers similar to ownership, including:

i) The board of directors.

ii) Specially favoured persons or, insofar as the individuals who benefit from grants have yet to be identified, the group of persons in whose main interest the legal arrangement has been set up or operates.

iii) Founder, custodian and patron, if such exists.

10) Transaction: One or more actions whereby one or more assets is transferred or assigned.

11) Shell bank: An undertaking conducting activities similar to undertakings covered by section 1, subsection (1) nos. 1-11 and 19 which has no physical presence in the country it has as its place of residence, is not managed or administrated in the country in question and which is not part of a regulated financial group.

12) Provider of services to undertakings: Anyone not covered by section 1, subsection (1), nos. 14-16, when commercially providing the following activities:

a) Formation of companies, undertakings or other legal persons.

b) Acting as, or arranging for another person to act as, a member of management in an undertaking, or who partakes in a partnership or a similar position in other undertakings.

c) Provides a business address, or other address, which is similarly intended as a contact address, and related services available to an undertaking.

d) Acting as, or arranging for another person to act as, the trustee or administrator of a foundation, trust or a similar legal arrangement.

e) Acting as, or arranging for another person to act as, the nominee for third parties, unless this concerns a company whose ownership shares etc. are traded in a regulated market or equivalent, which is subject to disclosure in accordance with EU law or equivalent international standards.

Section 3. In the context of this Act, by money laundering is meant:

- 1) To unlawfully receive or obtain for oneself or others a share in profits or means obtained through criminal offence.
- 2) To unlawfully conceal, store, transport, assist in the disposal of or otherwise subsequently serve to ensure the economic profits or means obtained through criminal offence.
- 3) Attempt at or participation in such actions.

Subsection (2). Subsection (1) also covers arrangements made by anyone who committed the offence from which the profits or means stem.

Section 4. In the context of this Act, by financing of terrorism is meant financing of terrorism as defined in section 114b of the criminal code, in regards to actions covered by section 114 of the criminal code.

Cash prohibition

Section 5. Business owners not covered by section 1, subsection (1) may not receive cash payments of DKK 50,000 or more, regardless of whether payment takes place at once or as several payments which appear to be linked.

Counterfeit money

Section 6. Undertakings and persons who, as part of their activities, are engaged in the processing and distribution of banknotes and coins to the public, including persons and undertakings whose activities consist of exchanging banknotes and coins of different currencies, have an obligation to remove all banknotes or coins which they know or have reason to believe are counterfeit from circulation. Banknotes and coins withdrawn from circulation in accordance with subsection (1) must immediately be handed over to the police.

Subsection (2). Subsection (1) does not apply to banknotes and coins in Euros, cf. article 6, subsection (1) of the Council's Regulation 2009/44/EC of December 18, 2008 amending Regulation 2001/1338/EC laying down measures necessary for the protection of the euro against counterfeiting, which contains a similar commitment in regards to Euro banknotes and Euro coins.

Part 2

Risk assessment and management

Section 7. Undertakings and persons covered by this Act must identify and assess the risk that the undertaking or person can be misused for money laundering or financing of terrorism. The risk assessment must be carried out based on the undertaking's or person's business model and include the assessment of risk factors associated with customers, products, services and transactions as well as

delivery channels and countries or geographical areas where business activities are carried out. The risk assessment must be documented and updated regularly.

Subsection (2). The daily management of undertakings covered by section 1, subsection (1), nos. 1-8, 10, 11 and 19 must designate a staff member who is authorised to make decisions on behalf of the undertaking in accordance with section 8, subsection (2), section 18, subsection (3) and section 19, subsection (1), no. 3. This person may be a member of the undertaking's daily management. The person must have sufficient knowledge of the undertaking's risk in regards to money laundering and financing of terrorism to make decisions which might affect the undertaking's risk exposure.

Subsection (3). The Minister of Industry, Business and Financial Affairs and the Minister of Taxation may, within their respective remits, lay down rules on exemptions from the requirements of subsection (1). The Minister of Industry, Business and Financial Affairs may establish rules on exemption from the requirements of subsection (1) in relation to lawyers, cf. section 1, subsection (1) no. 14. The Minister of Industry, Business and Financial Affairs may lay down rules on exemptions from the requirements in subsection (2).

Section 8. Undertakings and persons covered by this Act must have adequate written policies, procedures and controls, which must include risk management, procedures on customer due diligence, obligations to investigate, register and report, record-keeping, screening of employees as well as internal control for the efficient prevention, mitigation and management of the risks of money laundering and financing of terrorism. Policies, controls and procedures must be developed on the basis of the risk assessment carried out according to section 7, taking into account the undertaking's size.

Subsection (2). Policies, controls and procedures developed in accordance with subsection (1) must be approved by the person designated under section 7, subsection (2).

Subsection (3). The daily management of undertakings which are covered by section 1, subsection (1), nos. 1-7 and which, in accordance with other legislation, is required to have a compliance function must appoint a responsible compliance officer at management level, who shall verify and assess whether the procedures under subsection (1) and the measures taken to remedy any deficiencies are effective.

Subsection (4). Boards of directors of undertakings which are covered by section 1, subsection (1), nos. 1-7 and which have an internal audit function must ensure that the internal audit function assesses whether the undertaking's policies, procedures and controls, cf. requirements of this Act and regulations issued pursuant hereto, are organised and function in an adequate manner.

Subsection (5). Where deemed appropriate, undertakings must designate a member of the board of management as responsible for the undertaking's implementation of the requirements of this Act and the regulations issued pursuant hereto.

Subsection (6). Undertakings and persons covered by this Act must ensure that employees, including management, have received adequate training in the requirements of this Act and the regulations issued pursuant hereto, as well as relevant data protection requirements.

Section 9. In addition to the requirements of section 8, groups must have adequate written policies for data protection as well as written policies and procedures for the exchange of information exchanged with the aim of combating money laundering and financing of terrorism within the group.

Subsection (2). In addition to the requirements of section 8, undertakings which are part of a group must comply with the group's policies and procedures.

Part 3

Customer due diligence

General requirements

Section 10. Undertakings and persons covered by this Act must carry out customer due diligence procedures, cf. sections 11-21, when

1) they establish a business relationship, a customer's relevant circumstances change or at other appropriate times,

2) carrying out a single transaction of

a) 15,000 euros or more, regardless of whether the transaction is made as one or as several transactions which are or appear to be linked,

b) more than 1,000 euros in the form of a money transfer, regardless of whether the transaction is made as one or as several transactions which are or appear to be linked, or

c) 500 euros or more in the form of currency exchange, regardless of whether the transaction is made as one or as several transactions which are or appear to be linked,

3) they in connection with providing gambling, receive bets, pay out winnings or both of at least 2,000 euros, regardless of whether the transaction is made as one or as several transactions which are or appear to be linked,

4) there is a suspicion of money laundering or financing of terrorism, regardless of whether the conditions in nos. 2 and 3 are not fulfilled, or

5) there is doubt as to whether previously obtained customer identification data are correct or sufficient.

Section 11. Customer due diligence include the following:

1) The undertaking or person must obtain the customer's identity information.

- a) If the customer is a natural person, the identity information must include name and CPR number or similar, should the person in question not have a CPR number. Should the applicant not have a CPR number or similar, the identity information must include date of birth.
 - b) If the customer is a legal entity, identity information must include name and CVR number or similar, should the legal entity not have a CVR number.
- 2) The undertaking or person must verify the customer's identity information on the basis of documents, data or information obtained from a reliable and independent source.
 - 3) The undertaking or person must obtain the identity information of the beneficial owner(s) and implement reasonable measures to verify the beneficial owners' identity, so that the undertaking or person knows with certainty who the beneficial owner(s) are. If the customer is a legal entity, reasonable measures must be taken to clarify the legal entity's ownership and control structure.
 - 4) The undertaking or the person must assess and, where applicable, obtain information about the purpose and intended nature of the business relationship.
 - 5) Undertaking and persons must on an ongoing basis monitor an established business relationship. Transactions carried out as part of a business relationship should be supervised to ensure that transactions are consistent with the undertaking's or person's knowledge of the customer and the customer's business and risk profile, if necessary including the source of funds. Documents, data or information about the customer must be updated on an ongoing basis.

Subsection (2). Should a person claim to act on behalf of a customer or should there be doubts as to whether a person is acting on his/her own behalf, undertakings and persons must also identify the person and his/her identity must be verified using a reliable and independent source. Undertakings and persons must also ensure that natural persons or legal persons acting on behalf of a customer are authorised to do so, unless the person in question is a lawyer appointed in this country or in another EU or EEA country.

Subsection (3). Undertakings and persons must implement all customer due diligence requirements, cf. subsections (1) and (2). The extent of the customer due diligence procedures can, however, be decided based on a risk assessment. In the assessment, information on the business relationship's purpose, scope, regularity and duration must be included. The assessment must, as a minimum, include the factors set out in appendices 2 and 3.

Subsection (4). The undertaking or person must be able to demonstrate to the authority which supervises the entity's compliance with the Act, that the knowledge of the customer is sufficient in regards to the risk of money laundering and financing of terrorism.

Section 12. Undertakings which provide life and pension insurance must, beyond the requirements of section 11, obtain information about the name of the beneficiary of the insurance policy. In case this is an unnamed person or multiple persons, sufficient information must be procured to identify the beneficiary or beneficiaries at the time of payment.

Subsection (2). The identity information of the beneficiary or beneficiaries must be verified on the basis of documents, data or information obtained from a reliable and independent source before payment is made according to the insurance policy.

Section 13. In assisting customers with single activities that do not include a transaction, the requirements of section 11 can be deviated from, based on a risk assessment.

Section 14. Undertakings and persons must verify the customers' and the beneficial owners' identity information before establishing a business relationship with the customer or before a transaction is carried out, cf. subsections (2)-(4) on this, however.

Subsection (2). Verification of the customer's or the beneficial owners' identity information may, regardless of subsection (1), be carried out during the establishment of the business relationship where deemed necessary in order to avoid interrupting the normal course of business, and the risk of money laundering or financing of terrorism is limited. The verification of identity information in such cases must be carried out as soon as possible after initial contact.

Subsection (3). Undertakings and persons may, regardless of subsection (1), create an account, a deposit or similar for the customer, which allows transactions in securities without verification of the identity information, cf. section 11, subsection (1), nos. 2 and 3, 1st clause, being completed, provided that adequate safeguards are in place to ensure that transactions are not carried out until the requirements are met.

Subsection (4). A temporary gambling account may be created for the customer, without the verification of the customer's identity information being completed. The verification of identity information must in such cases be completed as soon as possible and no later than 30 days after the registration of the customer.

Subsection (5). If the requirements of section 11, subsection (1), nos. 1-4, as well as subsections (2) and (3) cannot be met, an established business relationship must be terminated or dismantled, and no more transactions can be carried out. At the same time, it must be examined whether reporting in accordance with section 26 should be made.

Subsection (6). Subsection (5) does not apply to lawyers when ascertaining a client's legal position or defending or representing said client during or in connection with legal proceedings, including advice on initiating or avoiding legal proceedings. When assisting a lawyer in the situations mentioned in the 1st clause, persons and undertakings mentioned in section 1, subsection (1), nos. 14-17, are exempted from the requirement of subsection (2) to the same extent as the lawyer they assist.

Section 15. Should an undertaking or person become aware that the information obtained pursuant to this Part is inadequate and cannot be updated, the undertaking or person must take appropriate measures to address the risk of money laundering and financing of terrorism, including considering whether the business relationship should be terminated, cf. section 14, subsection (5).

Section 16. Before establishing a business relationship or executing a single transaction for natural persons, undertakings and persons covered by this Act must inform the customer about the rules governing the processing of personal data with a view to preventing money laundering and financing of terrorism.

Subsection (2). Personal data obtained under this Act or regulations issued pursuant hereto may only be processed with a view to preventing money laundering and financing of terrorism. Processing of such personal data for any other purpose, including commercial purposes, must not take place.

Enhanced due diligence

Section 17. Beyond the requirements in sections 11 and 12, undertakings and persons covered by this Act must apply enhanced customer due diligence procedures where increased risk of money laundering or financing of terrorism is assessed. The undertaking or person must in this assessment take into consideration the high-risk factors presented in appendix 3 of the Act, as well as other high-risk factors deemed relevant.

Subsection (2). Undertakings and persons must apply enhanced customer due diligence procedures, if the customer is resident in a country on the European Commission's list of countries where the risk of money laundering or financing of terrorism is assessed to be increased, cf. subsection (3) on this, however.

Subsection (3). The requirement of subsection (2) may, based on a risk assessment, be disregarded for a branch or a majority-owned subsidiary of a legal entity, provided the legal entity is established in an EU or EEA country and subject to requirements arising from the European Parliament's and Council's directive 2015/849/EU of May 20, 2015 on the prevention of use of the financial system for money laundering or financing of terrorism, and that the branch or majority-owned subsidiary complies with the Group's policies and procedures, cf. section 9, subsection (2).

Section 18. Undertakings and persons covered by this Act must have procedures for assessing whether the customer, the customer's beneficial owner, the beneficiary of a life insurance policy or the beneficiary's beneficial owner is a politically exposed person, cf. section 2, no. 8, or a family member or close associate to a politically exposed person, cf. section 2, nos. 6 and 7.

Subsection (2). If the customer is a person covered by subsection (1), the undertaking or person must take appropriate measures to verify the origin of the funds and assets covered by the business relationship or transaction.

Subsection (3). Establishing and maintaining a business relationship with a person covered by subsection (1) must be approved by the person designated in accordance with section 7, subsection (2).

Subsection (4). Enhanced monitoring must be conducted of a business relationship with a politically exposed person, cf. section 2, no. 8, or a family member or close associate to a politically exposed person, cf. section 2, nos. 6 and 7.

Subsection (5). Should the beneficiary or the beneficial owner of the beneficiary of an insurance policy be a person covered by subsection (1), the undertaking or person must, based on a risk assessment, ensure that the circumstances of the insurance relationship are clarified and that the person designated in accordance with section 7, subsection (2) is advised about the payment being made according to the insurance policy and in case of a full or partial transfer of the policy.

Subsection (6). Should a politically exposed person cease to perform the assignment in question, undertakings and persons must, for at least 12 months thereafter, assess whether the person poses an increased risk of money laundering and financing of terrorism, and apply enhanced customer due diligence procedures, cf. section 17, subsection (1), until the person is not considered to pose an increased risk of money laundering or financing of terrorism.

Subsection (7). The Minister of Industry, Business and Financial Affairs keeps and publishes a list of names of persons covered by section 2, no. 8.

Subsection (8). The Minister of Industry, Business and Financial Affairs may lay down rules regarding the list referred to in subsection (7), including rules concerning reporting, publication etc.

Section 19. Before the establishment of a cross-border correspondent relationship with respondents from countries outside the European Union with which the Union has not entered into an agreement regarding the financial area, the correspondent must, beyond the customer due diligence procedures pursuant to section 11

- 1) gather sufficient information about the respondent to understand what the respondent's business consists of and, based on publicly available information, assess the respondent's reputation and the quality of the supervision the respondent is subject to in the country in question,
- 2) obtain sufficient information to ensure that the respondent has effective control procedures in order to comply with said country's rules on combating money laundering and financing of terrorism,
- 3) obtain approval for the establishment of the correspondent relationship from the person designated under section 7, subsection (2), and
- 4) document the correspondent's respectively respondent's responsibility in fulfilling the provisions of this Act.

Subsection (2). Should a respondent's client have direct access to dispose of funds held in an account with the correspondent, the correspondent must ensure that the respondent conducts customer due diligence procedures and that the respondent is able to disclose customer due diligence information at the request of the correspondent.

Section 20. Undertakings and persons covered by the Act may not enter into or maintain a correspondent relationship with a shell bank.

Subsection (2). Undertaking and persons covered by this Act must take reasonable measures to avoid establishing correspondent relationships with undertakings where publicly available information reveals that the respondent allows shell banks to use the respondent's accounts.

Simplified due diligence

Section 21. Undertakings and persons covered by this Act can, in regards to the requirements in sections 11 and 12 apply simplified customer due diligence procedures in cases where there is considered to be a low risk of money laundering and financing of terrorism. Undertakings and persons should assess whether the business relationship or transaction involves a limited risk before applying simplified customer due diligence procedures. In its risk assessment, the undertaking or person must take into account the low-risk factors stipulated in appendix 2 of this Act, as well as other low-risk factors likely to be relevant.

Subsection (2). The FSA may lay down regulations that certain requirements for customer due diligence procedures under sections 10 to 21 do not apply to issuers of electronic money in areas where there is assessed to be a low risk of money laundering and financing of terrorism.

Part 4

Third party reliance

Section 22. Undertakings and persons covered by this Act may entrust third parties to obtain information according to section 11, subsection (1), nos. 1-4, if the information is provided by:

- 1) An undertaking or person covered by section 1, subsection (1)
- 2) a similar undertaking or person established in an EU or EEA country or a similar undertaking or person in other countries which are subject to requirements to combat money laundering and financing of terrorism equivalent to the requirements arising from the European Parliament's and Council's directive 2015/849/EU of May 20 2015 on preventive measures against the use of the financial system for money laundering or financing of terrorism, and the undertaking or person is subject to supervision by an authority, or
- 3) a member organisation or association of undertakings and persons mentioned in nos. 1 and 2, provided this is subject to requirements to combat money laundering and financing of terrorism equivalent to the requirements arising from the European Parliament's and Council's directive 2015/849/EU of May 20 2015 on preventive measures against the use of the financial system for money laundering or financing of terrorism, and the member organisation or association is subject to supervision by an authority

Subsection (2). Undertakings and persons covered by this Act must gather sufficient information about a third party to be able to claim that said third party meets the requirements for customer due diligence procedures and record-keeping equivalent to the requirements arising from the European Parliament's and

Council's directive 2015/849/EU of May 20 2015 on preventive measures against use of the financial system for money laundering or financing of terrorism.

Subsection (3). Undertakings and persons covered by this Act must ensure that the third party commits to, upon request from the undertaking or person, immediately forward a copy of identity and verification information about the customer or the beneficial owner, as well as other relevant documentation.

Subsection (4). Regardless of subsections (1)-(3), the undertaking or person in question is responsible for compliance with the obligations in this Act.

Subsection (5). Subsection (1) does not apply to third parties established in countries listed on the European Commission's list of countries where there is deemed to be a high risk of money laundering or financing of terrorism. However, this does not apply to branches and majority-owned subsidiaries established in countries mentioned in the 1st clause by committed entities established in an EU or EEA country if these branches and majority-owned subsidiaries fully comply with the group's policies and procedures in accordance with section 9, subsection (2).

Section 23. Undertakings covered by this Act, which are part of a group, can leave it to another undertaking in the group to meet the requirements of section 11, subsection (1), nos. 1-4, provided the group uses customer due diligence procedures, rules on record-keeping and programs for combating money laundering and financing of terrorism in accordance with the requirements arising from the European Parliament's and Council's directive 2015/849/EU of May 20 2015 on the prevention of the use of the financial system for money laundering or financing of terrorism, and that an authority supervises at the group level to ensure that requirements are complied with.

Section 24. Undertakings and persons covered by this Act may choose to contractually outsource tasks, which they must carry out in order to comply with this Act, to a supplier. However, it is a precondition that these undertakings or persons, before entering into the outsourcing agreement, ensures that the supplier has the necessary ability and capacity to perform the task in a satisfactory manner and that the supplier has the necessary permits to undertake the task.

Subsection (2). The undertaking or person must during the agreement regularly verify that the supplier performs the task in accordance with the requirements, and on the basis hereof, the soundness of the outsourcing agreement must be regularly evaluated.

Subsection (3). The obligation to designate a person with authority, cf. section 7, subsection (2), cannot be outsourced in accordance with subsection (1).

Subsection (4). Regardless of whether outsourcing takes place, the undertaking or person who outsources is responsible for fulfilling its obligations under this Act.

Part 5

Obligation to investigate, register, report and record-keeping

Section 25. Undertakings and persons covered by this Act must investigate the background and purpose of all complex and unusually large transactions as well as all unusual patterns of transactions and activities that have no apparent economic or demonstrable lawful purpose, in order to determine whether there is suspicion or reasonable grounds to believe that these are or have been connected to money laundering or financing of terrorism. Undertakings and persons must, where appropriate, expand the monitoring of the customer with the aim of determining whether the transactions or activities appear suspicious.

Subsection (2). The results of an investigation must be registered and recorded, cf. section 30.

Subsection (3). A registered person has no right of access to the personal data relating to him/her, which will be processed in accordance with subsections (1) and (2).

Section 26. Undertakings and persons must immediately report to the Public Prosecutor for Serious Economic and International Crime, should the undertaking or person know, suspect or have reasonable grounds to believe that a transaction, assets or an activity is or has been connected to money laundering or the financing of terrorism. The same applies to any suspicion which has arisen in connection with the customer's attempt to make a transaction or an inquiry from a potential customer with the desire to complete a transaction or activity.

Subsection (2). In case of suspicion as mentioned in subsection (1), members of the Danish Bar and Law Society may inform the secretariat of the Danish Bar and Law Society who must, after an assessment of whether a duty to report exists in accordance with subsection (1), immediately forward the unedited report to the Public Prosecutor for Serious Economic and International Crime.

Subsection (3). Undertakings and persons must refrain from carrying out transactions until reporting in accordance with section 1 has been made, provided they have knowledge of, or reasonable grounds for assuming, that the transaction is connected to money laundering, and the transaction has not already been completed. Upon reporting under subsection (2), the transaction must be suspended until the Danish Bar and Law Society has forwarded the report to the Public Prosecutor for Serious Economic and International Crime or notified the member that the report will not be forwarded following a concrete assessment. Should refraining from completing the transaction not be possible, or should the undertaking or person believe that such refraining might harm the investigation, the report must instead be submitted immediately after the transaction has been completed.

Subsection (4). Undertakings and persons must refrain from carrying out transactions until reporting under subsection (1) has been made and they have obtained approval from the Public Prosecutor for Serious Economic and International Crime, if they have knowledge, suspicion or reasonable grounds for assuming that the transaction concerns financing of terrorism. The State Prosecutor for Serious Economic and International Crime decides as soon as possible and no later than the end of the banking day following the one where the report was received, whether seizure must take place.

Subsection (5). A registered person has no right of access to the personal data relating to him/her, which will be processed in accordance with subsections (1) and (2).

Subsection (6). The FSA may lay down more specific rules on the technical compliance with the duty to report to the Public Prosecutor for Serious Economic and International Crime, cf. subsection (1).

Section 27. Lawyers are exempted from the section 26 duty to report based on information they receive from, or obtain about, a client in connection with the lawyer assessing the client's legal position or defending or representing said client during or in connection with legal proceedings, including advisory on initiating or avoiding legal proceedings. This also applies to cases brought before the Danish National Tax Tribunal, as well as cases brought before a court of arbitration. The exceptions apply regardless of whether the information is received prior to, during or after the trial or proceedings, or in connection with the client's legal position being assessed.

Subsection (2). Auditors mentioned in section 1, subsection (1) no. 15, are exempted from the duty in section 26 to report based on information they receive from, or obtain about, a client when representing said client in the National Tax Tribunal. The exemption in subsection (1) applies, regardless of whether the information is obtained prior to, during or after proceedings.

Subsection (3). When assisting a lawyer prior to, during and after legal proceedings or assisting in asserting a client's legal position, undertakings and persons mentioned in section 1, subsection (1), nos. 14-17, are exempted from the duty to report to the same extent as the lawyer they assist, cf. subsection (1).

Subsection (4). Subsections (1)-(3) shall not apply if the undertaking or person knows or should have known that the client is seeking assistance with a view to conducting money laundering or financing of terrorism.

Section 28. Should a supervisory authority under this Act or the customs and tax administration gain knowledge of facts which give reason to suspect a connection with money laundering or financing of terrorism covered by the duty to report in section 26, subsection (1), the authority must report to the Public Prosecutor for Serious Economic and International Crime.

Section 29. The State Prosecutor for Serious Economic and International Crime may, insofar as investigative considerations etc. does not argue against it, give the reporting undertaking, person or authority, who has submitted a report pursuant to section 26, subsection (1) and section 28 information on the status of the case, including whether a charge has been made, whether a final decision has been made or whether the case has been closed.

Subsection (2). Received information as mentioned in subsection (1) may not be disclosed to unauthorised persons.

Section 30. Undertakings and persons covered by this Act must record the following information:

- 1) Information obtained in connection with the fulfilment of the requirements in Part 3, including identity and verification information as well as a copy of the presented identification documents.

- 2) Documentation and records of transactions carried out as part of a business relationship or a single transaction.
- 3) Documents and records concerning investigations conducted pursuant to section 25, subsections (1) and (2).

Subsection (2). Information, documents and records referred to in subsection (1) must be kept for at least five years after the business relationship is terminated or the single transaction conducted. Personal data must be deleted five years after the business relationship is terminated or a single transaction conducted, unless otherwise stated in other legislation.

Part 6

Cross-border activities etc.

Section 31. Undertakings operating in another EU or EEA country must ensure that the established undertaking complies with national regulation in the country in question regarding money laundering and financing of terrorism.

Subsection (2). Undertakings with branches or majority-owned subsidiaries established in a country which is not an EU or EEA country where the requirements for combating money laundering and financing of terrorism are less stringent than the requirements of this Act, must ensure that the branch or majority-owned subsidiary meets the requirements made of the undertaking under this Act and the data protection requirements, to the extent this is not contrary to the national legislation of the country where the branch or the majority-owned subsidiary is established.

Subsection (3). Should the national legislation of a country which is not an EU or EEA country prevent fulfilment of the requirements of this Act, cf. subsection (2), the undertaking must take further measures to ensure that the risk of money laundering and financing of terrorism in the branch or subsidiary is countered in another way. Should the legislation of the country in question not allow compliance with the requirements of this Act, the company must notify the authority responsible for ensuring the undertaking's compliance with this Act, cf. section 11, about this.

Section 32. Undertakings which are part of a group must exchange information with other undertakings in the group about funds suspected of being the profits of criminal activity or of being associated with financing of terrorism, and of which a report has been submitted in accordance with section 26, subsection (1) or (2). Undertakings in a group must not exchange personal information pursuant to the 1st clause beyond what is necessary to meet this requirement.

Section 33. The FSA may lay down rules that payment services providers and issuers of electronic money registered in an EU or EEA country, and which are established in this country otherwise than through a branch, are obliged to appoint a person with responsibility for ensuring that the undertaking or person complies with the provisions of this Act. The FSA may lay down rules requiring the person to be present in this country, and define the tasks the person must perform on behalf of the undertaking.

Section 34. The FSA may lay down rules on measures in relation to countries and territories with a view to fulfilling the requirements or recommendations of the Financial Action Task Force.

Part 7

Employees

Section 35. Undertakings and persons covered by section 1, subsection (1), nos. 5, 8 and 11, with regard to alternative investment funds, as well as nos. 13-20, must have a system where, through a special, independent and autonomous channel, their employees may report violations or potential violations of this Act and regulations issued pursuant hereto. It must be possible to make reports to the system anonymously.

Subsection (2). The scheme in subsection (1) can be established through a collective agreement.

Subsection (3). Subsection (1) only applies to undertakings and persons who employ more than five employees. The scheme referred to in subsection (1) must be established no later than 3 months after the undertaking or person has hired its sixth employee.

Subsection (4). The supervisory authority may in special cases, where the authority believes it is futile to set up a system, make exemptions from the requirement in subsection (1).

Section 36. Undertakings and persons covered by section 1, subsection (1), nos. 5, 8 and 11, with regard to alternative investment funds, as well as nos. 13-20 cannot expose an employee to adverse treatment or adverse consequences as a result of the employee reporting the undertaking or person's violation or potential violation of this Act and the regulations issued pursuant hereto to a supervisory authority or to a system within the undertaking.

Subsection (2). Undertakings and persons covered by this Act cannot expose an employee to adverse treatment or adverse consequences as a result of the employee making an internal report of suspected money laundering or financing of terrorism or report to the Public Prosecutor for Serious Economic and International Crime in accordance with section 26, subsection (1) or (2).

Subsection (3). Employees whose rights are violated by non-compliance with subsection (1) or (2) may be awarded compensation in accordance with the principles of the Act on Equal Treatment of Men and Women as regards Access to Employment etc. The compensation is determined taking into account the employee's length of service as well as the general circumstances of the case.

Subsection (4). Subsections (1)-(3) cannot by agreement be deviated from to the detriment of the employee.

Part 8

Duty of confidentiality and liability

Section 37. The reports and information which undertakings and persons covered by this Act divulge in good faith pursuant to section 26, subsections (1) and (2), as well as the suspension of transactions pursuant to section 26, subsections (3) and (4), does not impose any liability on the undertaking or person, its employees or management. Disclosure of information relating thereto cannot be regarded as a breach of the duty of secrecy.

Section 38. Undertakings and persons covered by this Act as well as the management and employees of said undertakings and persons as well as auditors or others who perform or have performed special tasks for the undertaking or person are obliged to keep secret that a report has been submitted in accordance with section 26, subsections (1) and (2), or that this is being considered, or that an investigation has or will be launched in accordance with section 25, subsection (1).

Subsection (2). Information that a report has been submitted in accordance with section 26, subsections (1) and (2), or that this is being considered, or that an investigation has or will be launched in accordance with section 25, subsection (1) can, upon request, be disclosed to the authorities and organisations which supervise compliance with this Act, or for law enforcement purposes.

Subsection (3). Information that a report has been submitted in accordance with section 26, subsection (1) and (2), or that this is being considered, or that an investigation has or will be launched according to section 25, subsection (1), can be passed between undertakings in groups covered by section 1, subsection (1) nos. 1-13 or 19, and other undertakings in the group, who are established in, or residents of, an EU or EEA country.

Subsection (4). Undertakings covered by subsection (3) may disclose information that a report has been submitted in accordance with section 26, subsections (1) and (2), or that this is being considered, or that an investigation has or will be launched according to section 25, subsection (1), to branches and majority-owned subsidiaries located in third countries, provided that these branches and majority-owned subsidiaries comply with group policies and procedures, including procedures for the exchange of information within the group, and that the group's policies and procedures meet the requirements of the European Parliament's and Council's directive 2015/849/EU of May 20 2015 on the prevention of the use of the financial system for money laundering or financing of terrorism.

Subsection (5). Information that a report has been submitted in accordance with section 26, subsections (1) and (2), or that this is being considered, or that an investigation has or will be launched according to section 25, subsection (1), can be passed between undertakings and persons covered by section 1, subsection (1), nos. 14, 15 and 17, and similar undertakings which are established or resident in an EU or EEA country or in a third country which meets the requirements of the European Parliament's and Council's directive 2015/849/EU of May 20 2015 on the prevention of the use of the financial system for money laundering or financing of terrorism, provided both the person who discloses the information, and the person to whom the information is disclosed, share a joint ownership, management or control in regards to compliance with rules on the prevention of money laundering and financing of terrorism.

Subsection (6). Information that a report has been submitted in accordance with section 26, subsections (1) and (2), or that this is being considered, or that an investigation has or will be launched according to

section 25, subsection (1), can be passed between undertakings and persons covered by section 1, subsection (1), nos. 1-15, 17, 19 and 21, provided that

- 1) the information relates to the same customer and the same transaction,
- 2) the recipient of the information is subject to requirements in regards to combating money laundering and financing of terrorism which correspond to the requirements of European Parliament and Council's Directive 2015/849/EU of May 20 2015 on the prevention of the use of the financial system for money laundering or financing of terrorism, and
- 3) the recipient is subject to obligations with regard to confidentiality and protection of personal data.

Subsection (7). Subsections (5) and (6) shall not apply to undertakings and persons covered by section 1, subsection (1) no. 17, which provide the same services as real estate agents or real estate undertakings.

Subsection (8). The duty of confidentiality in subsection (1) does not prevent lawyers, auditors, external accountants and tax advisors from advising their clients against carrying out illegal activities.

Part 9

Transfer of funds

Section 39. The European Parliament's and Council's Regulation 2015/847/EU of May 20 2015 on information accompanying transfers of funds does not apply within Denmark or to and from the Faroe Islands and Greenland in connection with the purchase of goods and services when

- 1) the amount does not exceed an amount corresponding to the value of 1,000 euros,
- 2) the payment service provider of the payee is subject to this Act, or equivalent rules of the Faroe Islands or Greenland and
- 3) the payment service provider of the payee by means of a unique reference number can identify the legal or natural person with whom the payee has an agreement to supply goods or services.

Subsection (2). The rules which apply to transfers of funds within Denmark according to the European Parliament's and Council's Regulation 2015/847/EU of May 20 2015 on information accompanying transfers of funds equally apply to or from the Faroe Islands and Greenland.

Part 10

Currency exchange providers

Section 40. Currency exchange may only be conducted in this country by undertakings authorised as currency exchange providers or by banks, Danmarks Nationalbank or public authorities.

Section 41. The FSA can approve authorisation to provide currency exchange , cf. section 1, subsection (1), no. 19, provided that

- 1) the undertaking has its head office and residency in Denmark,
- 2) the members of the undertaking's board and management or, where currency exchange is conducted by a one-man business, the owner or, where the undertaking operates as a legal entity with no board or management, the person or persons holding managerial responsibility for the undertaking meet the requirements of section 45,
- 3) the owners of qualifying interest in the undertaking, cf. section 5, subsection (3), in the Financial Business Act, are not assumed to discourage prudent and sound management of the undertaking,
- 4) the undertaking has adequate control measures and business procedures, including on the prevention of money laundering and financing of terrorism, cf. section 8, subsection (1), in all relevant areas and
- 5) the undertakings has not previously been convicted of a criminal offence and such offence implies an imminent risk of abuse of the authorisation cf. section 78, subsection (2) of the criminal code.

Section 42. An application for authorisation to provide currency exchange must contain the information necessary for the FSA to make an assessment of whether the conditions in section 41 are met. The application must contain at least the following:

- 1) Information about the undertaking's legal structure with a copy of the deed of foundation as well as articles of association, where the preparation of these documents are required according to legislation.
- 2) The address of the undertaking's headquarters.
- 3) A description of the undertaking's business model.
- 4) A budget forecast for the three next financial years from the application date and the latest audited financial statement, insofar as such has been created.
- 5) Information on members of the undertaking's board and management or, where currency exchange is provided by a one-man business, the owner or, where the undertaking operates as a legal entity with no board of directors or board of management, the person or persons holding managerial responsibility for the undertaking, documenting that the requirements under section 45 are met.
- 6) Information about owners of qualifying interest in the undertaking, cf. section 5, subsection (3) of the Financial Business Act, or, where the currency exchange is provided by a one-man business, the owner, the size of their holdings and documentation of the owners' ability to ensure a reasonable and sound management of the undertaking.

7) Information about the undertaking's business processes and internal control mechanisms, including administrative, risk management-related and accounting procedures, including, but not limited to:

- a) The undertaking's IT security policy, including a detailed risk assessment of the planned activities, and a description of the preventive measures which the undertaking has taken to address the identified risks, including fraud and misuse of sensitive personal data.
- b) The undertaking's business process for the prevention of money laundering and financing of terrorism, including a detailed risk assessment of the planned activities and the preventive measures which the undertaking will take to address the identified risks.

Section 43. Undertakings authorised to provide currency exchange must notify the FSA if there is a change in regards to the information which the FSA has received and taken into account in granting an authorisation. The notification must be made within two weeks after the change.

Section 44. Undertakings authorised to provide currency exchange must, no later than April 1 each year, submit a declaration that the undertaking fulfils the conditions for obtaining authorisation under sections 40 and 41, as well as an overview of the undertaking's management and any owners of qualifying interests, cf. section 5, subsection (3) of the Financial Business Act. The declaration must be signed by the undertaking's board and management. Should the undertaking be operated as a legal entity with no board of directors or board of management, the declaration must be signed by the person or persons who hold managerial responsibility for the undertaking or, should the currency exchange be provided by a one-man business, the owner.

Section 45. A member of the board of directors or the board of management or, where the currency exchange is provided by a one-man business, the owner, or, where the currency exchange undertaking is operated as a legal entity with no board of directors or board of management, the person or persons who hold managerial responsibility of the undertaking must

- 1) have sufficient knowledge, competences and experience to fulfil the duties or hold the position,
- 2) have a sufficiently good reputation and be able to act with honesty, integrity and sufficient autonomy in performing the duties or holding the position,
- 3) not be subject to criminal liability for violation of the criminal code, financial legislation or other relevant legislation, provided the violation involves a risk that he/she cannot fulfil his/her duties or hold his/her post in a reassuring manner,
- 4) must not have requested, or be undergoing, reconstruction or bankruptcy proceedings or debt relief and
- 5) must not have demonstrated behaviour which gives reason to believe that the person in question will not fulfil his/her duties or hold the position or office in an adequate manner.

Subsection (2). A member of the board in a currency exchange undertaking or, where the currency exchange is provided by a one-man business, the owner or, where the currency exchange undertaking operates as a legal entity with no board of directors or board of management, the person or persons who hold managerial responsibility must notify the FSA of matters referred to in subsection (1) in connection with entry into the undertaking's management or, where the currency exchange is provided by a one-man business, in connection with the application for authorisation, cf. section 41. In addition, the FSA must be notified about matters referred to in subsection (1), nos. 2-5, should circumstances subsequently change. The notification must be made no later than two weeks after the change.

Section 46. The FSA may revoke an undertaking's license to provide currency exchange, should the undertaking

- 1) not make use of the authorisation within a period of 12 months from when the authorisation was granted, expressly waive their right to make use of the authorisation or cease to provide currency exchange for a period spanning more than 6 months,
- 2) have obtained the authorisation based on false information which was assigned weight when the authorisation was granted, or by other fraudulent means,
- 3) no longer meet the conditions for the granting of the authorisation, or
- 4) not comply with the regulations of this Act.

Part 11

Supervision etc.

The Financial Supervisory Authority (FSA)

Section 47. The FSA ensures that undertakings and persons covered by section 1, subsection (1), nos. 1-13 and 19, comply with the act, regulations issued pursuant hereto, the European Parliament's and Council's Regulation 2015/847/EU of May 20 2015 on information accompanying transfer of funds, and EU Regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

Subsection (2). The FSA's board of directors participates in the supervision pursuant to subsection (1), with the authority granted to the Board through section 345 of the Financial Business Act.

Subsection (3). The FSA must cooperate with the competent authorities of EU or EEA countries on contributing to supervisory activities, on-site inspections or inspections in this country in regards to undertakings and persons covered by section 1, subsection (1), no. 9, which are under the supervision of another EU or EEA country or a Danish undertaking or person covered by section 1, subsection (1) nos. 1-13, which is subject to Danish supervision, but operates in other EU or EEA countries.

Subsection (4). The FSA may lay down rules on provisional measures against both agents of payment institutions and online financial institutions, including distributors based in another EU or EEA country, who do not comply with the regulations of this Act, regulation issued pursuant hereto, the European Parliament's and Council's Regulation 2015/847/EU of May 20 2015 on information accompanying transfer of funds, where applicable, and EU Regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

Section 48. Undertakings and persons covered by section 1, subsection (1), no. 8 must be registered with the FSA to pursue the activities listed in appendix 1.

Subsection (2). The FSA must refrain from performing registration under subsection (1) if a member of the undertaking's top or senior management or the person is convicted of an offence and such offence implies an imminent risk of abuse of his position or profession, cf. section 78, subsection (2) of the criminal code.

Subsection (3). The FSA must also refrain from registering an undertaking, should the undertaking be convicted of an offence and such offence implies an imminent risk of abuse of the registration, cf. section 78, subsection (2) of the criminal code, or should a beneficial owner be convicted of an offence and such offence implies an imminent risk of abuse of said person's controlling influence.

Subsection (4). In the FSA's assessment in accordance with subsections (2) and (3), section 78, subsection (3) of the criminal code will similarly be applied.

Subsection (5). The FSA may revoke the registration of an undertaking or any other legal entity under subsection (1), should a member of the undertaking's top or senior management or the person subsequently become covered by subsection (2), or should the undertaking or a beneficial owner subsequently become covered by subsection (3).

Section 49. Undertakings and persons mentioned in section 1, subsection (1), nos. 1-13 and 19, as well as their suppliers and subcontractors, must give the FSA the information necessary for the FSA to conduct its activities.

Subsection (2). The FSA may at any time, as long as adequate proof of identity is presented, without a court order, gain access to undertakings and persons covered by subsection (1) for the purpose of obtaining information, including through inspections.

Subsection (3). The FSA may, so long as adequate proof of identity is presented, without a court order, access a supplier or subcontractor for the purpose of obtaining information about the outsourced activity. The FSA's physical access to the supplier's premises must be included as a requirement in the outsourcing contract concluded between the outsourcing undertaking and the supplier. Should an outsourcing contract not contain the requirement for the FSA's physical access to the supplier, the FSA may demand that the outsourced activity is either handled by the outsourcing undertaking itself or outsourced to another supplier within a deadline specified by the FSA.

Subsection (4). The FSA may demand access to all information, including financial statements and accounting records, printouts of books, other business papers and electronically stored data deemed necessary for the FSA to make a decision on whether a person or undertaking is subject to the provisions of this Act.

Subsection (5). The FSA may request information under subsections (1) and (4) for the use of the authorities and bodies referred to in section 56, subsection (3).

Section 50. The supervisory authority of an EU or EEA country may by prior agreement with the FSA conduct an inspection of the branches, agents and distributors of foreign undertakings based in this country, which are covered by section 1, subsection (1), no. 9. The FSA may participate in the inspection as mentioned in 1st clause. Should an undertaking or person covered by 1st clause resist the inspection of a competent foreign authority, the inspection can only be conducted with the FSA's involvement.

Subsection (2). The FSA may ask the competent authorities of an EU or EEA country to help ensure compliance with the Act and the regulations issued pursuant hereto for undertakings and persons covered by section 1, subsection (1) nos. 1-13 based in another EU or EEA country by monitoring, on-site inspections or inspections in another EU or EEA country.

Section 51. The FSA may, within a deadline set by the FSA, order undertakings and persons mentioned in section 1, subsection (1), nos. 1-13 and 19 to take the necessary measures in case of violation of the provisions of this Act, the regulations issued pursuant hereto, the European Parliament's and Council's Regulation 2015/847/EU of May 20 2015 on information accompanying transfers of funds, or EU Regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

Section 52. The FSA may, for undertakings and persons covered by section 1, subsection (1), no. 8, establish detailed rules on reporting, registration and publication, including which information is to be registered and which matters informants or others may submit and register electronically via the FSA's IT system by using a digital or similar electronic signature, as well as on the use of this system.

Section 53. The Minister of Industry, Business and Financial Affairs may, for undertakings mentioned in section 1, subsection (1) and nos. 1-13 and 19, lay down rules on said undertakings' duty to publish information about the FSA's assessment of the undertaking as well as rules which allow the FSA to publish said information before the undertaking does.

Section 54. Should an undertaking or person covered by section 1, subsection (1) nos. 1-13 and 19 disclose information about the undertaking or person, and should this information become public knowledge, the Danish FSA may demand that the undertaking or person publishes correcting information within a deadline set by the FSA, provided the information is deemed misleading by the FSA and provided that the FSA believes that the information may have adverse effects on the undertaking's or person's customers, depositors, other creditors, the financial markets on which the shares of the undertaking or the securities issued by the undertaking are traded, or financial stability in general.

Subsection (2). Should the undertaking or person covered by section 1, subsection (1) nos. 1-13 and 19 not rectify the information in accordance with the FSA's order and within the FSA's deadline, the FSA may publish the order issued under subsection (1).

Section 55. Responses under section 47, subsections (1) and (2), or section 51 or by the FSA by delegation from the Financial Supervisory Board shall be published by the FSA on the FSA's website, cf. subsection (5) on this, however. Decisions to submit cases to police for investigation, cf. section 47, subsection (2), are published as a summary, cf. subsection (5) on this, however. The publication must include the legal or natural person's name, cf. subsection (2) on this, however.

Subsection (2). Publication in accordance with subsection (1) which includes a natural person's name may only take place in case of serious, repeated or systematic violations of section 10, nos. 1, 2, 4 and 5, section 11, subsection (1) and (2) and subsection (3) 1, 3 and 4th clause, section 14, subsection (1) and subsection (2) 2nd clause and subsection (3) and (5), section 17, subsection (1) and (2), section 18, section 21, subsection (1), 2nd clause, section 25, subsection (1), section 26, subsections (1) and (3) and subsection (4) 1st clause, and section 30.

Subsection (3). The undertaking must disclose the same information as is covered by subsection (1) on its website, should it have one, in a place where it naturally belongs. Publication must take place as soon as possible, and no later than 3 business days after the undertaking has received notification of the response, or no later than the time of publication warranted under The Securities Trading Act. Coinciding with the announcement, the undertaking must insert a link which allows direct access to the response on the front page of the undertaking's website, should it have one, in a visible way, and from the link and any connected text it must be evident that the link leads to a response from the FSA. Should the undertaking decide to comment on the response, this must happen in continuation of it, and the comments must be clearly separated from the response. Removal of the information and the link from the front page of the undertaking's website must follow the same principles used by the undertaking for other announcements, but cannot take place before the link and the information have been on the website for 3 months, and not before the next general meeting or meeting of the board of representatives. The undertaking's obligation to disclose information on the undertaking's website only applies to legal entities. Should the response announced in accordance with subsection (1), 1st clause be brought before The Commercial Appeals Board or the courts, this must be stated in the FSA's announcement and the subsequent decision of the Commercial Appeals Board or courts must also be published on the FSA's website as soon as possible.

Subsection (4). Should the FSA have referred a case to police for investigation, and should a judgment of conviction be made or a fine decided upon, the FSA must publish the ruling, fine or a summary thereof, cf. subsection (5) on this, however. Should the ruling not be final, or should it be appealed or resumed, this must be evident from the announcement. The undertaking's announcement must be made on the undertaking's website at a place where it naturally belongs, as soon as possible, and no later than 10 business days after the ruling or acceptance of a fine, or no later than the date of publication warranted under The Securities Trading Act. Coinciding with the announcement, the undertaking must insert a link which allows direct access to the verdict, acceptance of a fine or summary on the front page of the undertaking's website in a visible way, and from the link and any connected text it must be evident that the link leads to a verdict or an acceptance of a fine. Should the undertaking decide to comment on the ruling,

acceptance of a fine or summary, this must be done in continuation of it, and the comments must be clearly separated from the judgment, acceptance of a fine or summary. Removal of the information from the front page of the undertaking's website must follow the same principles used by the undertaking for other announcements, but cannot take place before the link and the information have been on the website for 3 months, and not before the next general meeting or meeting of the board of representatives. The undertaking must notify the FSA of the announcement, as well as forward a copy of the verdict or the acceptance of fine. The FSA must then publish the verdict, the acceptance of fine or a summary thereof on its website. The undertaking's obligation to disclose information on the undertaking's website only applies to legal entities.

Subsection (5). Announcement pursuant to subsections (1)-(4) cannot happen, however, if it cause disproportionate damage to the undertaking or if investigative considerations go against publication. The announcement cannot contain confidential information about customers or information covered by the provisions of The Public Records Act on omission of information on private matters and operational or business conditions etc. The announcement cannot contain confidential information originating from an EU or EEA country, unless the authority which provided the information has given their explicit permission.

Subsection (6). Should publication be refrained from under subsection (5), 1st clause, publication must take place in accordance with subsections (1)-(4) when the considerations which necessitated the omission no longer apply. After 2 years from the date of the response or decision to refer the matter to police for investigation, publication shall not take place regardless of 1st clause. Publication should only take place if actions or charges have not been dismissed according to the Administration of Justice Act.

Subsection (7). In cases where the FSA published a decision to transfer a case to police for investigation under subsection (1), 2nd clause, and a decision is made to dismiss actions or charges or an acquittal is passed, the FSA must at the request of the natural or legal person to which the case relates, publish information hereof. The natural or legal person must submit a copy of the decision to dismiss actions or charges, or a copy of the ruling, to the FSA at the same time as the request for publication is made. Should the decision to dismiss actions or charges or the ruling not be final, this must be evident from the announcement. Should the FSA receive evidence that the matter is concluded by a final dismissal of actions or charges or passing of a final acquittal, the FSA must remove all information about the decision to refer the case to police for investigation as well as any subsequent rulings from the FSA's website.

Section 56. With liability under sections 152-152e of the criminal code, the FSA's employees are obliged to keep secret the confidential information which they acquire through their supervisory activities. The same applies to persons performing services as part of the FSA's activities, as well as to experts acting on the FSA's behalf. This continues to apply after the termination of the employment or contract.

Subsection (2). The consent of whomever the duty of confidentiality aims to protect does not entitle any person referred to in subsection (1) to disclose confidential information.

Subsection (3). Subsection (1) shall not prevent the disclosure of confidential information to:

1) Supervisory authorities pursuant to this Act.

- 2) Members of collaborative forum, cf. section 74.
- 3) Other public authorities, including the prosecution and police, in connection with the investigation and prosecution of potential criminal offences covered by the criminal code, this Act or other supervisory legislation.
- 4) The Customs and Tax Administration when disclosure happens for the use of said administration's investigation of possible violations of legislation on customs and taxation.
- 5) The relevant minister as part of his/her general supervision.
- 6) Administrative authorities and courts processing decisions made by the FSA.
- 7) The Parliamentary Ombudsman.
- 8) A parliamentary commission set up by the Parliament.
- 9) Commissions of inquiry established by law or under the act on commissions of inquiry.
- 10) The government auditors and the National Audit Office.
- 11) The bankruptcy court, other authorities involved in the financial undertaking's liquidation, bankruptcy or similar proceedings, curator and persons responsible for the statutory audit of a financial business' accounts, provided that the recipients of the information need said information to carry out their tasks.
- 12) Finansiell Stabilitet A/S, provided that Finansiell Stabilitet A/S needs the information in order to carry out its duties.
- 13) Committees and groups etc. established by the Minister of Industry, Business and Financial Affairs which aim to discuss and coordinate efforts to ensure financial stability.
- 14) The Faroe Islands' minister for financial affairs as part of the responsibility for economic stability in the Faroe Islands and for the crisis management of financial undertakings in the Faroe Islands.
- 15) Greenland's minister for industry and labour as part of the responsibility for economic stability in Greenland and for the crisis management of financial undertakings in Greenland.
- 16) Faroese supervisory authorities in the financial area, provided that the recipients are subject to a statutory duty of confidentiality at least equal to the duty of confidentiality under subsection (1) and that the recipients need the information to perform their tasks, cf. subsection (6) on this, however.
- 17) The Business Authority, in its capacity of being the supervisory authority for compliance with corporate legislation, when disclosure takes place in order to strengthen the stability and integrity of the financial

system, cf. subsection (6) on this however, the Business Authority, The Auditors' Supervisory Authority (Revisortilsynet) and the Auditors Board (Revisornævnet) in their capacity of being the supervisory authorities for the statutory audit of the accounts of financial businesses, cf. subsection (6) on this however, and the Business Authority when the information relates to a foundation or association covered by sections 207, 214, 214a or 222 of the Financial Business Act. Disclosure pursuant to the 1st clause can only take place provided that the recipient needs the information to perform their tasks.

18) Supervisory authorities in an EU or EEA country, responsible for supervising the compliance of persons and undertakings with legislation on preventive measures against money laundering and the financing of terrorism, the European Parliament's and Council's Regulation 2015/847/EU of May 20 2015 on information accompanying transfers of funds, and EU regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies, provided that the recipients of the information need said information to perform their tasks.

19) Financial supervisory authorities in countries outside the EU or EEA, responsible for supervising the compliance of persons and undertakings with legislation on preventive measures against money laundering and financing of terrorism.

Subsection (4). Disclosure under subsection (3), no. 19, can only be on the basis of an international collaborative agreement and only provided that the recipients are subject to a statutory duty of confidentiality at least equivalent to the duty of confidentiality under subsection (1), and have a significant need for the information to perform their duties.

Subsection (5). Anyone who, under subsection (3), nos. 1-17, receives confidential information from the FSA, is, in regard to this information, subject to the duty of confidentiality as referred to in subsection (1).

Subsection (6). Disclosure in accordance with subsection (3), nos. 1, 2, 8, 9, 11, 16, 18 and 19 of confidential information originating from an EU or EEA country or financial supervisory authorities in countries outside the EU or EEA, can only take place, if the authorities who disclosed the information have given their explicit permission, and may only be used for the purpose which the permission concerns.

Subsection (7). Confidential information received by the FSA may only be used in conjunction with supervisory duties to impose sanctions, or if the supervisory authority's decision is appealed to a higher administrative authority or brought before the courts.

The Business Authority

Section 57. The Business Authority ensures that undertakings and persons covered by section 1, subsection (1), nos. 15-18 comply with this Act, regulations issued pursuant hereto and EU regulations issued by the European Parliament and Council containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

Subsection (2). Members of management and beneficial owners of undertakings as well as persons covered by section 1, subsection (1), no. 17, must not be convicted of a criminal offence, where such offence implies an imminent risk of abuse of either position or controlling influence.

Subsection (3). The Business Authority may use external assistance for supervision in accordance with subsection (1).

Section 58. Undertakings and persons covered by section 1, subsection (1), no. 18 must be registered with the Business Authority to be able to exercise this Activity.

Subsection (2). The Business Authority must refrain from registration under subsection (1), should a member of an undertaking's top or senior management or the person be convicted of an offence and such offence implies an imminent risk of abuse of position or profession, cf. section 78, subsection (2) of the criminal code, or have requested, or be undergoing, reorganisation or bankruptcy proceedings or debt relief.

Subsection (3). The Business Authority must also refrain from registering an undertaking, provided that

1) the undertaking is convicted of an offence and such offence implies an imminent risk of abuse of the registration, cf. section 78, subsection (2) of the criminal code.

2) the undertaking has requested, or is undergoing, reconstruction proceedings or bankruptcy proceedings, or

3) a beneficial owner has been convicted of an offence and such offence implies an imminent risk of abuse of said person's controlling influence.

Subsection (4). In the Business Authority's assessment under subsection (2), no. 1, and subsection (3), no. 1, section 78, subsection (3), of the criminal code similarly applies.

Subsection (5). Members of an undertaking's top or senior management must provide the Business Authority with information on matters of the kind referred to in subsection (2), no later than two weeks after a decision has been made on their entry into the undertaking's management. A beneficial owner of an undertaking must provide the Business Authority with information of the kind referred to in subsection (3), no. 3 no later than 2 weeks after the acquisition of the undertaking.

Subsection (6). The Business Authority may withdraw the registration of an undertaking or person under subsection (1), should a member of the undertaking's top or senior management or the person subsequently become covered by subsection (2), or should the undertaking subsequently become covered by subsection (3), nos. 1 and 2, or should a beneficial owner subsequently become covered by subsection (3), no. 3, or should the undertaking or person not be, or cease to be, covered by section 1, subsection (1), no. 18.

Subsection (7). Undertakings and persons, a member of an undertaking's top or senior management as well as a beneficial owner of an undertaking must provide the Business Authority with information about

subsequent changes to matters referred to in subsections (2) and (3), no later than 2 weeks after the change.

Section 59. Undertakings and persons mentioned in section 1, subsection (1), nos. 15-18, must provide the Business Authority with the information necessary for the authority's activities.

Subsection (2). Should the purpose require it, the Business Authority may, so long as adequate proof of identity is presented, without a court order gain access to undertakings and persons covered by section 1, subsection (1), nos. 15-18, for the purpose of obtaining information, including through inspection.

Section 60. The Business Authority may, within a deadline determined by the Business Authority, order undertakings and persons mentioned in section 1, subsection (1), nos. 15-18, to take the necessary measures in case of violation of the provisions of this Act, regulations issued pursuant hereto, or the European Parliament's and Council's regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

Section 61. The Business Authority may, for undertakings and persons mentioned in section 1, subsection (1), no. 18, establish more detailed rules on reporting, registration and publication, including which information is to be registered and which matters informants or others may submit and register electronically through the authority's IT system by using a digital or similar electronic signature, as well as on the use of this system.

Section 62. Responses in accordance with sections 57 and 60 must be made public by the Business Authority on the Business Authority's website, cf. subsection (5) on this, however. Decisions to refer cases to police for investigation are made public as summaries, cf. subsection (5) on this, however. The publication must include the legal or natural person's name, cf. subsection (2) on this, however.

Subsection (2). Publication pursuant to subsection (1) which includes a natural person's name may only take place should the person in a serious, repeated or systematic manner have violated section 10, nos. 1, 2, 4 and 5, section 11, subsections (1) and (2) and subsection (3), 1, 3 and 4th clause, section 14, subsection (1), subsection (2), 2nd clause, subsection (3) and 5, section 17, subsection (1) and (2), section 18, section 21, subsection (1), 2nd clause, section 25, subsection (1), section 26, subsections (1) and (3) and subsection (4), 1st clause and section 30.

Subsection (3). Should the response which is made public in accordance with subsection (1), 1st clause be appealed to The Commercial Appeals Board or the courts, this must be evident from the Business Authority's announcement and the subsequent decision of the Commercial Appeals Board or courts must also be published on the Business Authority's website as soon as possible.

Subsection (4). Should the Business Authority have referred a case to police for investigation, and should a judgment of conviction or acceptance of a fine have been decided upon, the Business Authority must make public the verdict, fine or a summary thereof, cf. subsection (5) on this, however. Should the ruling not be final, or should it be appealed or resumed, this must be evident from the announcement.

Subsection (5). Announcement pursuant to subsections (1)-(4) cannot happen, however, should it cause disproportionate damage to the undertaking or if investigative considerations go against publication. The announcement cannot contain confidential information about customers or information covered by the provisions of The Public Records Act on omission of information on private matters and operational or business conditions etc. The announcement cannot contain confidential information originating from an EU or EEA country, unless the authority which provided the information has given their explicit permission.

Subsection (6). Should publication be refrained from under subsection (5), 1st clause, publication must take place in accordance with subsections (1)-(4) when the considerations which necessitated the omission no longer apply. After 2 years from the date of the response or decision to refer the matter to police investigation, publication shall not take place regardless of the 1st clause. Publication should only take place if actions or charges have not been dismissed according to the Administration of Justice Act.

Subsection (7). In cases where the Business Authority has published a decision to refer a case to police for investigation under subsection (1), 2nd clause, and a decision has been made to dismiss the actions or charges or final acquittal has been passed, the Business Authority must, at the request of the natural or legal person to whom the case relates, publish this information. The natural or legal person must submit a copy of the decision to dismiss actions or charges or a copy of the ruling to the Business Authority along with the request for publication. Should the decision to dismiss actions or charges or the ruling not be final, this must be evident from the announcement. Should the Business Authority receive documentation that the case has been closed by a final dismissal of actions or charges or the passing of a final acquittal, the Business Authority must remove all information about the decision to refer the matter to police for investigation as well as any subsequent rulings in the case from the Business Authority's website.

Subsection (8). The Business Authority must, upon request from any natural or legal person who is acquitted, publish the outcome of the appeal or retrial. The natural or legal person must, at the time when the request for publication is made, submit a copy of the ruling on the appeal or retrial. Should the outcome of the appeal or retrial differ from the result of the ruling published under subsection (4), 1st clause, the Business Authority may decide to remove said ruling from the Business Authority's website.

Section 63. With liability under sections 152-152e of the criminal code, the Business Authority's employees are obliged to keep secret the confidential information which they acquire through their supervisory activities. The same applies to persons performing services as part of the Business Authority's activities, as well as to experts acting on the Business Authority's behalf. This continues to apply after the termination of the employment or contract.

Subsection (2). The consent of whomever the duty of confidentiality aims to protect does not entitle any person referred to in subsection (1) to disclose confidential information.

Subsection (3). Subsection (1) shall not prevent the disclosure of confidential information to:

- 1) Supervisory authorities pursuant to this Act.
- 2) Members of collaborative forum, cf. section 74.

- 3) Other public authorities, including the prosecution and police, in connection with the investigation and prosecution of potential criminal offences covered by the criminal code, this Act or other supervisory legislation.
- 4) The relevant minister as part of his/her general supervision.
- 5) Administrative authorities and courts processing decisions made by the Business Authority.
- 6) The Parliamentary Ombudsman.
- 7) A parliamentary commission set up by the Parliament.
- 8) Commissions of inquiry established by law or under the act on commissions of inquiry.
- 9) The government auditors and the National Audit Office.
- 10) The bankruptcy court, other authorities or persons involved in liquidation, bankruptcy or similar proceedings regarding an undertaking covered by this Act, provided that the recipients of the information need said information to carry out their tasks.
- 11) Committees and groups etc. established by the Minister of Industry, Business and Financial Affairs with the aim of discussing and coordinating efforts to prevent money laundering and financing of terrorism.
- 12) Faroese and Greenlandic supervisory authorities in the field of preventing money laundering and financing of terrorism, provided that the recipients are subject to a statutory duty of confidentiality at least equal to the duty of confidentiality under subsection (1), and that the recipients need said information to fulfil their duties.
- 13) Supervisory authorities in an EU or EEA country, responsible for supervising the compliance of persons and undertakings with legislation on preventive measures against money laundering and financing of terrorism, provided that the recipients of the information need said information to fulfil their duties.
- 14) Supervisory authorities in countries outside the EU or EEA, responsible for supervising the compliance of persons and undertakings with legislation on preventive measures against money laundering and financing of terrorism.

Subsection (4). Disclosure in accordance with subsection (3), no. 14, can only be based on an international collaborative agreement and requires the recipients to be subject to a statutory duty of confidentiality at least equivalent to the duty of confidentiality under subsection (1), just as they must have a need for said information to perform their duties.

Subsection (5). Anyone who receives confidential information from the Business Authority under subsection (3), nos. 1-12 is, with regard to this information, subject to the duty of confidentiality under subsection (1).

Subsection (6). Disclosure of confidential information originating from an EU or EEA country or regulators in countries outside the EU or EEA in accordance with subsection (3), nos. 1, 2, 7, 8, 10, 12, 13 and 14, can only take place if the authorities who disclosed the information have given their explicit permission, and may only be used for the purpose to which the permission relates.

Subsection (7). Confidential information received by the Business Authority may only be used in connection with supervisory duties to impose sanctions or if the authority's decision is appealed to a higher administrative authority or brought before the courts.

The Bar and Law Society Board (Advokatrådet)

Section 64. The Bar and Law Society's board ensures that lawyers covered by section 1, subsection (1), no. 14, comply with the law and the regulations issued pursuant hereto, as well as the European Parliament's and Council's regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

Subsection (2). The Bar and Law Society's board may, within a deadline determined by the board, order lawyers under subsection (1) to take the necessary measures in case of violation of the provisions of this Act, the regulations issued pursuant hereto, or the European Parliament's and Council's regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

The Gambling Authority

Section 65. The Gambling Authority ensures that providers of gambling covered by section 1, subsection (1), no. 20, comply with the law, the regulations issued pursuant hereto as well as regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

Subsection (2). Providers of gambling must provide the Gambling Authority with the information necessary for the authority to fulfil its duties.

Subsection (3). The Gambling Authority may, as long as adequate proof of identity is presented, without a court order gain access to providers of gambling in order to obtain information, including through inspections.

Subsection (4). Providers of gambling, where the gambling system is not located in Denmark, must provide the Gambling Authority with access to the gambling system via remote access or similar.

Subsection (5). The Gambling Authority must cooperate with the competent authorities in another EU or EEA country when providers of gambling under the supervision of another EU or EEA country, provide gambling in this country, or when providers of gambling covered by section 1, subsection (1), no. 20, provide gambling in other EU or EEA countries.

Subsection (6). Regulators in another EU or EEA country may by prior agreement with the Gambling Authority carry out inspections in shops located in Denmark, from where gambling is offered on behalf of gambling providers established in said country. The Gambling Authority may participate in the inspection as mentioned in the 1st clause. Should a shop mentioned in the 1st clause resist supervision from a competent foreign authority, the inspection can only be conducted with the involvement of the Gambling Authority.

Section 66. The Gambling Authority may, within a deadline set by the Gambling Authority, order providers of gambling covered by section 1, subsection (1), no. 20, to take the necessary measures in case of violation of the provisions in this Act, regulations issued pursuant hereto, or the European Parliament's and Council's regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

Section 67. The Minister of Taxation may, for providers of gambling, establish more detailed rules on reporting and publication, including what information must be reported, and which matters informants or others may submit and register electronically through the Gambling Authority's IT system by using a digital or similar electronic signature as well as on the use of this system.

Section 68. Responses in accordance with section 65, subsection (1) and section 66 must be published by the Gambling Authority on the Gambling Authority's website, cf. subsection (5) on this, however. Decisions to refer cases to the police for investigation are made public as summaries, cf. subsection (5) on this, however. The publication must include the legal or natural person's name, cf. subsection (2) on this, however.

Subsection (2). Publication pursuant to subsection (1) that includes a natural person, may only be made in case of the person's serious, repeated or systematic violations of section 10, nos. 1, 3, 4 and 5, section 11, subsections (1) and (2) and subsection (3), 1, 3 and 4th clause, section 14, subsection (1) and subsection (2), 2nd clause, subsection (4), no. 2 and subsection (5), section 17, subsections (1) and (2), section 18, section 21, subsection (1), 2nd clause, section 25, subsection (1), section 26, subsections (1) and (3) and subsection (4), 1st clause and section 30.

Subsection (3). Should the response which is published in accordance with subsection (1), 1st clause be brought before The National Tax Tribunal or the courts, this must be evident from the Gambling Authority's publication and the subsequent decision of the National Tax Tribunal or courts must also be made public on the Gambling Authority's website as soon as possible.

Subsection (4). Should the Gambling Authority have referred a case to the police for investigation, and should a judgment of conviction or decision to fine be passed, the Gambling Authority must publish the ruling, fine or a summary thereof, cf. subsection (5) on this, however. Should the ruling not be final, or should it be appealed or resumed, this must be evident from the announcement.

Subsection (5). Publication pursuant to subsections (1)-(4) cannot happen, however, should it cause disproportionate damage to the undertaking or should investigative considerations go against publication. The announcement cannot contain confidential information about customers or information covered by the

provisions of The Public Records Act on omission of information on private matters and operational or business conditions etc. The announcement cannot contain confidential information originating from an EU or EEA country, unless the authority which provided the information has given their explicit permission.

Subsection (6). Should publication be refrained from pursuant to subsection (5), 1st clause, publication must take place in accordance with subsections (1)-(4) when the considerations which necessitated the omission no longer apply. After 2 years from the date of the response or decision to refer the matter to the police for investigation, publication shall not take place regardless of no. 1. Publication should only take place if actions or charges have not been dismissed according to the Administration of Justice Act.

Subsection (7). In cases where the Gambling Authority has made public a decision to refer a case to the police for investigation under subsection (1), 2nd clause, and where the decision is made to dismiss actions or charges or where final acquittal is passed, the Gambling Authority must, at the request of the natural or legal person to which the case relates, make public such information. The natural or legal person must submit a copy of the decision to dismiss actions or charges or a copy of the ruling to the Gambling Authority at the time when the request for publication is made. Should the decision to dismiss actions or charges or the ruling not be final, this must be evident from the announcement. Should the Gambling Authority receive documentation that the case is ended by dismissal of actions or charges or through final acquittal being passed, the Gambling Authority must remove all information about the decision to refer the matter to the police for investigation and any subsequent rulings from the Gambling Authority's website.

Section 69. With liability under sections 152-152e of the criminal code, the Gambling Authority's employees are obliged to keep secret the confidential information which they acquire through their supervisory activities. The same applies to persons performing services as part of the Gambling Authority's activities, as well as to experts acting on the Gambling Authority's behalf. This continues to apply after the termination of the employment or contract.

Subsection (2). The consent of whomever the duty of confidentiality aims to protect does not entitle any person referred to in subsection (1) to disclose confidential information.

Subsection (3). Subsection (1) shall not prevent the disclosure of confidential information to:

- 1) Supervisory authorities pursuant to this Act.
- 2) Members of the collaborative forum, cf. section 74.
- 3) Other public authorities, including the prosecution and police, in connection with the investigation and prosecution of potential criminal offences covered by the criminal code, this Act or other supervisory legislation.
- 4) The relevant minister as part of his/her general supervision.
- 5) Administrative authorities and courts processing decisions made by the Gambling Authority.

- 6) The Parliamentary Ombudsman.
- 7) A parliamentary commission set up by the Parliament.
- 8) Commissions of inquiry established by law or under the act on commissions of inquiry.
- 9) The government auditors and the National Audit Office.
- 10) The bankruptcy court, other authorities involved in the gambling provider's liquidation, bankruptcy or similar proceedings, curator and persons responsible for the statutory audit of a gambling providers' accounts, provided that the recipients of the information need said information to carry out their tasks.
- 11) Committees and groups etc. established by the Minister of Industry, Business and Financial Affairs or the Minister of Taxation.
- 12) Supervisory authorities in other countries within the EU or EEA, responsible for supervising the compliance of providers of gambling with legislation on preventive measures against money laundering and financing of terrorism and regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies, provided that the recipients of information need said information to fulfil their duties.
- 13) Supervisory authorities in countries outside the EU or EEA, responsible for supervising the compliance of providers of gambling with legislation on preventive measures against money laundering and financing of terrorism.

Subsection (4). Disclosure in accordance with subsection (3), no. 13, may only take place on the basis of an international collaborative agreement and only if the recipients are subject to a statutory duty of confidentiality at least equivalent to the duty of confidentiality under subsection (1), and have a significant need for the information in order to fulfil their duties.

Subsection (5). Anyone who receives confidential information from the Gambling Authority in accordance with subsection (3), nos. 1-11 is, with regard to this information, subject to the duty of confidentiality under subsection (1).

Subsection (6). Disclosure of confidential information in accordance with subsection (3), nos. 1, 2, 7, 8, 10, 12 and 13 originating from an EU or EEA country or from financial supervisory authorities in countries outside the EU or EEA, can only occur provided the authorities who disclosed the information have given their explicit permission, and may only be used for the purpose to which the permission relates.

Subsection (7). Confidential information received by the Gambling Authority may be used only in connection with the supervisory duty to impose sanctions, or if the authority's decision is appealed to a higher administrative authority or brought before the courts.

Communication and collaborative forum

Section 70. The Minister of Industry, Business and Financial Affairs may lay down rules which require written communications to and from the FSA and to and from the Business Authority on matters covered by this Act or regulations issued pursuant hereto to be digital.

Subsection (2). The Minister of Industry, Business and Financial Affairs may lay down more specific rules on digital communications, including the use of specific IT systems, particular digital formats and digital signatures etc.

Section 71. A digital message is considered received when it is available to the addressee of the message.

Section 72. Should it be a requirement of this Act or regulations issued pursuant hereto that a document issued by someone other than the FSA or the Business Authority is signed, this requirement may be met by using a technique ensuring unequivocal identification of the issuer of the document, cf. subsection (2) on this, however. Such documents are equated to documents with a personal signature.

Subsection (2). The Minister of Industry, Business and Financial Affairs may lay down more precise rules on deviation from the signature requirement. This includes determining that the requirement for personal signature cannot be disregarded for certain types of documents.

Section 73. The Minister of Taxation may, in relation to the Gambling Authority and providers of gambling, cf. section 1, subsection (1), no. 20, establish rules on digital communications, as mentioned in section 70, and on signature forms and the disregarding of signature requirements as mentioned in section 72.

Section 74. The Minister of Industry, Business and Financial Affairs will establish a forum with the participation of supervisory authorities under this Act and the Public Prosecutor for Serious Economic and International Crime. This forum will coordinate the authorities' risk assessments and general measures against money laundering and financing of terrorism.

Subsection (2). The Minister of Industry, Business and Financial Affairs may decide to expand the circle of representatives with representatives of other authorities.

Part 13

Parties and provisions regarding appeals

Section 75. As a party is considered the undertaking or person targeted by a supervisory authority's decision made under this Act or regulations issued pursuant hereto, the European Parliament's and Council's regulation 2015/847/EU of May 20 2015 on information accompanying transfers of funds, as well as regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies.

Section 76. Decisions made by the FSA and the Business Authority in accordance with this Act and regulations issued pursuant hereto, the European Parliament's and Council's Regulation 2015/847/EU of May 20 2015 on information accompanying transfers of funds, as well as regulations containing rules on financial sanctions against countries, persons, groups, legal entities or bodies may, by whoever the decision targets, be brought before the Commercial Appeals Board no later than 4 weeks from when the decision was made known to said party.

Section 77. Decisions made by the Gambling Authority under this Act may, by whoever the decision targets, be brought before the National Tax Tribunal in accordance with part 10 of the Act on Gambling. Part 11 of the Act on Gambling shall equally apply.

Part 14

Penalties

Section 78. Violation of section 55, subsection (3), 1-4th clause and subsection (4), 3-7th clause, is punishable by fine. Intentional or grossly negligent violation of section 5, section 6, subsection (1), 2nd clause, section 7, subsection (1) and (2), section 8, subsections (1)-(4) and 6, sections 9 and 10, section 11, subsection (1) and (2) and subsection (3), 1, 3 and 4th clause, section 12, section 14, subsection (1), subsection (2), 2nd clause, subsection (3), subsection (4), 2nd clause and subsection (5), sections 15 and 16, section 17, subsections (1) and (2), sections 18-20, section 21, subsection (1), 2nd clause, section 22, subsections (2) and (3), section 24, subsection (1), 2nd clause, subsections (2) and (3), section 25, subsections (1) and (2), section 26, subsections (1) and (3) and subsection (4), 1st clause, section 29, subsection (2), sections 30 and 31, section 35, subsection (1), section 36, subsections (1) and (2), section 38, subsection (1), sections 40, 43 and 44, section 45, subsection (2), section 48, subsection (1), section 49, subsection (1), section 57, subsection (2), section 58, subsection (1), section 59, subsection (1) and section 65, subsection (2) as well as articles 4-8, 10-12 and 16 of the European Parliament's and Council's Regulation 2015/847/EU of May 20 2015 on information accompanying transfer of funds, as well as article 6, subsection (1) of the council's Regulation 2001/1338/EC of June 28 2001 on establishment of the measures necessary to protect the Euro against counterfeiting, as amended by regulation 2009/44/EC, cf. council regulation 2001/1339/EC of June 28 2001 extending the effects of regulation 2001/1338/EC on establishment of the measures necessary to protect the Euro against counterfeiting to also include those member states which have not adopted the euro as the single currency is punishable by fine, unless more severe punishment is prescribed by the provisions of the criminal code.

Subsection (2). In case of particularly gross or extensive intentional violations of section 5, section 9, subsection (2), section 10, section 11, subsection (1) and (2) and subsection (3), 2-3th clause, section 12, section 14, subsection (1), subsection (2), 2nd clause and subsections (3) and (5), section 17, subsections (1) and (2), sections 18-20, section 21, subsection (1), 2nd clause, section 25, subsection (1), section 26, subsection (1) and (3) and subsection (4), 1st clause, and sections 30, 31 and 40 as well as article 4-8, 10-12 and 16 of the European Parliament's and Council's regulation 2015/847/EU of May 20 2015 on information accompanying transfer of funds, the penalty may rise to imprisonment for up to six months.

This text is to be regarded as an unofficial translation based on the latest official Act no. 651 of 8 June 2017. Only the Danish document has legal validity.

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Subsection (3). Undertakings etc. (legal persons) may be sanctioned under the rules of the Criminal Code Part 5.

Subsection (4). The period of limitation for breach of the act or regulations issued pursuant hereto is 5 years.

Subsection (5). In regulations issued pursuant to this Act, penalties in the form of fines may be prescribed for violation of regulations issued pursuant hereto.

Section 79. An undertaking or a person who fails to comply with an order given in accordance with section 51, section 54, subsection (1), or sections 60 or 66 is punishable by fine.

Section 80. Should an undertaking or person neglect to fulfil the duties and obligations imposed on them pursuant to section 49, subsections (1) and (4), the FSA may, as a means of coercion, impose on the person, undertaking, or the persons responsible in the undertaking daily or weekly fines.

Subsection (2). Should an undertaking or person neglect to fulfil the duties and obligations imposed on them pursuant to section 58, subsections (5) and (7), the Business Authority may, as a means of coercion, impose on the person, undertaking, or the persons responsible in the undertaking daily or weekly fines.

Subsection (3). Should an undertaking or person neglect to fulfil the duties and obligations imposed on them pursuant to section 65, subsection (2), the Gambling Authority may, as a means of coercion, impose on the person, undertaking, or the persons responsible in the undertaking daily or weekly fines.

Subsection (4). In connection with the Minister of Industry, Business and Financial Affairs' issuing of regulations according to section 18, subsection (8) regarding the list referred to in section 18, subsection (7), provisions may be established that the Minister of Industry, Business and Financial Affairs may, as a means of coercion, impose on legal entities, organisations etc. daily or weekly fines, should they neglect to fulfil their reporting duties.

Part 15

Entry into force, changes to other legislation and territorial validity

Section 81. The Act comes into force on June 26, 2017, cf. subsection (2) on this, however.

Subsection (2). Section 82, no. 7 comes into force on January 3 2018.

Subsection (3). Law on preventive measures against money laundering and financing of terrorism, cf. consolidated act no. 1022 of August 13 2013, is repealed.

Subsection (4). Undertakings which provide currency exchange services and are registered with the Danish Business Authority on June 26, 2017, may, regardless of section 40, provisionally continue their activities in this country without authorisation. Such undertakings must, however, submit an application to the FSA

for authorisation pursuant to section 42, to be received by the Danish FSA no later than December 31, 2017. The undertakings may continue their activities in this country without authorisation, until the FSA has made a decision on their application. Should the undertaking fail to submit an application for authorisation to provide currency exchange services to the FSA, ensuring that it is received no later than December 31, 2017, currency exchange services must cease on December 31, 2017.

Subsection (5). The FSA may, for undertakings covered by the transitional arrangement in subsection (4), revoke the registration, provided a member of the undertaking's top or daily management has been convicted of a criminal offence and such offence implies an imminent risk of abuse of his position or profession, cf. section 78, subsection (2) of the criminal code, or provided the undertaking or a beneficial owner is convicted of a criminal offence and such offence implies an imminent risk of abuse of his position or profession, cf. section 78, subsection (2) of the criminal code.

Subsection (6). The FSA may, for undertakings covered by the transitional arrangement in subsection (4), withdraw the registration provided the undertaking has requested reconstruction proceedings or bankruptcy proceedings, or is undergoing reconstruction proceedings or bankruptcy proceedings.

Section 82. In the Financial Business Act, cf. consolidated act no. 174 of January 31, 2017, as amended i.a. through section 1 of Act no. 403 of April 28, 2014 and section 2 of Act no. 532 of April 29 2015 and most recently through section 45 of Act no. 426 of May 3, 2017, and as amended by motion passed by parliament on May 30, 2017 on an act amending the Danish Financial Business Act, the Act on Financial Advisors and Housing Credit Intermediaries as well as various other acts (Implementation of the directive on markets for financial instruments (MiFID II) and changes due to regulations on markets for financial instruments (MiFIR) etc.), the following amendments are made:

1. In section 61a, subsection (1), no. 5, the words »sections 4 and 5 of the act on prevention of money laundering and financing of terrorism« are changed to »sections 3 and 4 of the act on prevention of money laundering and financing of terrorism«.

2. In section 343 x, subsection (1), no. 3, the words »of profits« are omitted.

3. Section 360, subsection (2) is repealed.

Subsections (3) and (4) consequently become subsections (2) and (3).

4. In section 361, subsection (1) no. 13, »no. 12« is changed to »no. 8« and »of profits« is omitted.

5. Section 361, subsection (1), no. 18, is repealed.

Nos. 19-35 then become nos. 18-34.

6. In section 361, subsection (1) is inserted as no. 35:

»35) Currency exchange providers, cf. act on prevention of money laundering and financing of terrorism, shall pay DKK 12,600.«

7. Section 361, subsection (6) is phrased as follows:

»Subsection (6). The following natural and legal persons covered by the act on prevention of money laundering and financing of terrorism must pay an annual basic fee to the FSA:

1) Undertakings and persons covered by section 1, subsection (1), no. 8 of the law on prevention of money laundering and financing of terrorism must pay an annual basic fee to the FSA for the amount of DKK 4,100.

2) Currency exchange providers shall pay DKK 26,000. «

8. In section 368, subsection (1), »section 360, subsection (4)« is changed to »section 360, subsection (3)«.

Section 83. To the Act on Gambling, cf. consolidated act no. 1494 of December 6, 2016, the following amendments are made:

1. Section 41, subsection (3) is repealed.

2. After section 42 is inserted:

»Section 42 a. In addition to the supervision pursuant to the provisions of this Act, fees charged in accordance with section 42 cover the Gambling Authority's supervision, imposed on the Gambling Authority by the act on prevention of money laundering and financing of terrorism.«

3. Section 60, subsections (2) and (3) are repealed.

Section 84. In the Payment Services and Electronic Money Act, cf. consolidated act no. 613 of April 24, 2015 as amended by act no. 1410 of December 4, 2015, section 27 of Act no. 375 of April 27, 2016 and section 7 of Act no. 1549 of December 13, 2016, the following amendments are made:

1. In section 7, subsection (3), no. 10, the words »dividends« and »about payer« are omitted.

2. In section 23, subsection (2), no. 2, the word »dividend« is omitted.

3. In section 34, subsection (2), the word »of money« is omitted.

4. In section 35, subsection (2), the words »of money« is omitted.

5. In section 56, »Section 2« is changed to »Section 5« and »of profits« is omitted.

6. In section 90, subsection (1) no. 5 and subsection (3), no. 3, the words »of profits« are omitted.

Section 85. The Act does not apply to the Faroe Islands and Greenland but may by Royal Decree enter into force fully or partially for the Faroe Islands and Greenland with the changes dictated by Faroese and Greenland conditions.

Given at Christiansborg Palace, June 8, 2017

Under Our Royal Hand and Seal

MARGRETHE R.

/ Brian Mikkelsen

Appendix 1

Appendix 1, cf. section 1, subsection (1), no. 8

- 1) The reception of deposits and other repayable means.
- 2) Lending activities, including
 - a) consumer credits
 - b) mortgage loans
 - c) factoring and discounting,
 - d) trade credits (incl. forfaiting)
- 3) Financial leasing.
- 4) Issuing and administration of other means of payment (e.g. traveller's checks and bills of exchange), to the extent that the activity is not subject to the Payment Services and Electronic Money Act.
- 5) Deposits and guarantees.
- 6) Transactions at clients' expense regarding
 - a) money market instruments (checks, bills of exchange, certificates of deposit, etc.)
 - b) the foreign exchange market,
 - c) financial futures and options,

- d) currency and interest instruments,
 - e) securities.
- 7) Participation in issuing securities and services related hereto.
- 8) Advisory for undertakings regarding capital structure, industrial strategy and related matters as well as advisory and services relating to mergers and acquisitions.
- 9) Money broking.
- 10) Asset management and advisory.
- 11) Safekeeping and administration of securities.
- 12) Safe deposit box.

Appendix 2

The following factors and types of documentation characterise situations which potentially pose a limited risk:

- 1) Client risk factors:
- a) Listed undertakings subject to duty to disclose (either under stock exchange rules or laws or enforcement measures), obliging them to ensure appropriate transparency in relation to beneficial ownership.
 - b) Public administrations or undertakings.
- 2) Risk factors related to products, services, transactions or delivery channels:
- a) Life insurance policies where the annual premium is low.
 - b) Pension schemes if there is no early surrender clause and the policy cannot be used as collateral.
 - c) Pension schemes or the like, which pay out pensions to employees, and where contributions are made by way of deduction from wages and the rules of the scheme in question do not permit the conveyance of a member's rights under the scheme.
 - d) Financial products or services which provide appropriately defined and limited services to certain types of customers with the aim of promoting financial inclusion.

e) Products where the risk of money laundering and financing of terrorism are controlled by other factors, i.e. expenditure ceilings or transparency in relation to ownership (e.g. some forms of electronic money).

3) Geographical risk factors:

a) EU or EEA countries.

b) Third countries with effective mechanisms to combat money laundering and financing of terrorism.

c) Third countries, which credible sources have identified as countries with a limited extent of corruption or other criminal activity.

d) Third countries which, on the basis of credible sources such as mutual evaluations, reports on detailed assessment or publicly available follow-up reports, have requirements to combat money laundering and financing of terrorism which are consistent with the FATF recommendations of 2012 and which implement these requirements in an efficient manner.

Appendix 3

The following factors and types of documentation characterise situations which potentially pose an increased risk:

1) Client risk factors:

a) The business relationship exists under exceptional circumstances.

b) Legal persons or legal arrangements which are personal asset management undertakings.

c) Undertakings which have nominee shareholders or bearer shares.

d) Cash-based businesses.

e) The undertaking's ownership structure seems unusual or complex, given the undertaking's business activities.

2) Risk factors related to products, services, transactions or delivery channels:

a) Private banking

b) Products or transactions which might favour anonymity.

c) Business relationships or transactions with no face-to-face contact without security measures such as electronic signatures.

d) Payments from unknown or non-associated third parties.

e) New products and new business procedures, including new delivery mechanisms, and the use of new technologies or technologies in development for both new and existing products.

3) Geographical risk factors:

a) Countries which credible sources, i.e. mutual evaluations, reports on detailed assessment or publicly available follow-up reports, have identified as countries which do not have effective mechanisms to combating money laundering and financing of terrorism, cf. section 17, subsection (2) on this, however.

b) Countries which credible sources have identified as countries with a significant level of corruption or other criminal activity.

c) Countries subject to sanctions, embargoes or similar measures taken by, for example, the EU or UN.

d) Countries that finance or support terrorist activities, or which house known terrorist organisations.

Official notes

1) this Act contains provisions implementing parts of the European Parliament's and Council's Directive 2015/849/EU of May 20, 2015 on prevention of the use of the financial system for money laundering or financing of terrorism, amending the European Parliament's regulation 2012/648/EC and repealing the European Parliament's and Council's directive 2005/60/EC and the Commission's Directive 2006/70/EC, Official Journal of the European Union 2015 no. L 141, page 73. In the Act, certain provisions have been included from the Council's regulation 2001/1338/EC of June 28, 2001 establishing the measures needed to protect the Euro against counterfeiting, Official Journal of the European Union, 2001 no. L 181, page 6, Council Regulation 2001/1339/EC of June 28, 2001 extending the effects of Regulation 2001/1338/EC on the establishment of measures necessary to protect the euro against counterfeiting to include those member states which have not adopted the euro as the single currency, Official Journal of the European Union 2001 no. L 181, page 11, the European Commission's regulation 2010/1031/EU of November 12, 2010 on the process in regards to time-frame and administration of auctions of greenhouse gas emission quotas and other aspects of such auctions, pursuant to directive 2003/87/EC of the European Parliament and Council regarding a scheme for the trade of greenhouse gas emissions within the Union, Official Journal of the European Union 2010, no. L 302, page 1, and the European Parliament's and Council's regulation 2015/847/EU of May 20, 2015 on information accompanying transfer of funds, and on repealing regulation (EC) no. 1781/2006, Official Journal of the European Union 2015, no. L 141, page 2. According to Article 288 of the TFEU, a regulation comes into force immediately in all member states. The reproduction

This text is to be regarded as an unofficial translation based on the latest official Act no. 651 of 8 June 2017. Only the Danish document has legal validity.

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of these provisions in the law is thus only for practical reasons and has no implications for the regulations' immediate validity in Denmark.