

PRESS RELEASE

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Euro Banking Association publishes paper on identification of Politically Exposed Persons (PEPs)

The paper addresses inconsistencies and challenges in identifying and handling Politically Exposed Persons (PEPs), their family members and close associates across Europe.

The Euro Banking Association (EBA) announced today the publication of recommendations aimed at improving Know Your Customer (KYC) practices in the corporate-to-bank domain across Europe with regard to the identification and handling of Politically Exposed Persons (PEPs), their family members and close associates.

The new publication by the EBA Expert Group on KYC-related Topics (KYCEG) titled “EBA CBCS – Identification of Politically Exposed Persons (PEPs) in the corporate-to-bank KYC process” is part of the Common Baseline Classification Standard recommendations series and available for download on the EBA website.

The paper examines current procedures and due diligence processes related to PEPs and their associates, including the evaluation of Functional PEP Lists and the status of senior managers in State-Owned Enterprises (SOEs). It provides recommendations to support the implementation of automated KYC processes and enhance the ability to consistently monitor corporate customer data across Europe.

“The current regulatory landscape related to PEPs in Europe is fragmented and inconsistent, posing significant challenges for financial institutions operating across borders,” says **Thomas Egner, Secretary General, EBA**. “With our work, we do not propose changes to existing regulations, but rather seek to address these challenges by examining existing practices and recommending practical solutions to enhance KYC processes while promoting harmonisation.”

The publication focuses on several key areas, including:

- reviewing current methods and standards for identifying PEPs, their family members and close associates
- assessing the identification of senior managers in State-Owned Enterprises
- exploring the use of Functional PEP Lists and their potential benefits and challenges

- providing recommendations to support the implementation of automated KYC processes

The publication is shared with the EBA membership and the wider industry. The EBA will also continue its collaboration with industry stakeholders and regulatory bodies to promote a more harmonised approach to KYC practices across Europe.

[Click here to download](#) the “**EBA CBCS – Identification of Politically Exposed Persons (PEPs) in the corporate-to-bank KYC process**” with recommendations by the KYC Expert Group of the EBA on the processes for the identification of PEPs (published in March 2024).

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About the Euro Banking Association (EBA)

The Euro Banking Association (EBA) is a practitioners’ body for banks and other service providers supporting a pan-European vision for payments.

The mission of the EBA is to foster dialogue and experience exchange amongst payments industry practitioners towards a pan-European vision for payments. We pursue our mission through involving member organisations and relevant stakeholders in thought leadership on innovation, helping our members to understand and implement regulation and by supporting the development of market practices.

The EBA has more than 160 members from the European Union and across the world.

For additional information about the Euro Banking Association, please visit www.abe-eba.eu or follow us on [LinkedIn](#) and [X](#).

About the EBA Expert Group on KYC-related Topics (KYCEG)

The objective of the KYCEG is to support the discussions on a joint interpretation of regulatory KYC requirements at a pan-European level. Using a phased approach, the group has been developing a proposal for a pan-European common baseline classification standard for KYC data and documents in support of an implementation at the corporate-to-bank level. As part of this work, the Expert Group solicits views from relevant actors in the field of corporate-to-bank



KYC data exchange platforms, and also seeks an information exchange with relevant market regulators.