

| Indicators to classify the level of gravity of breaches  |
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| To classify the level of gravity of a breach, supervisors shall take into account all of the following indicators, to the extent that they apply:  |
| (a) the duration of the breach;  |
| (b) the repetition of the breach;  |
| (c) the conduct of the natural person or legal person that committed, permitted or did not prevent the breach;   |
| (d) the impact of the breach on the obliged entity, by assessing:  |
| i. whether the breach concerns the obliged entity and whether it has an impact at group level or any cross-border impact;  |
| ii. the extent to which the products and services are affected by the breach;  |
| iii. the approximate number of customers affected by the breach;   |
| iv. the extent to which the effectiveness of the AML/CFT systems, controls and policies are affected by the breach;  |
| (e) the impact of the breach on the exposure of the obliged entity, or of the group to which it belongs, to money laundering and terrorist financing risks;  |
| (f) the nature of the breach, by assessing whether the breach is related to internal policies, procedures and controls of the obliged entity, customer due diligence, reporting obligations or records retention;    |
| (g) whether the breach could have facilitated or otherwise led to criminal activities as defined in Article 2(1), point (3), of Regulation (EU) 2024/1624;   |
| (h) whether there is a structural failure within the obliged entity with regards to AML/CFT systems, controls or policies or a failure of the entity to put in place adequate AML/CFT systems, controls or policies; |
| (i) the actual or potential impact of the breach on the financial viability of the obliged entity or of the group of which the obliged entity is part;   |
| (j) the actual or potential impact of the breach:  |
| i. on the integrity, transparency and security of the financial system of a Member State or of the Union as a whole, or on the financial stability of a Member State or of the Union as a whole;                     |
| ii. on the orderly functioning of the financial markets;   |
| (k) the systematic nature of the breach;   |
| (l) any other indicator identified by the supervisors.   |