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EBA AML/CFT Newsletter



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Latest News

The EBA responds to the EU Commission's Call for Advice on the future EU AML/CFT framework

In September, we responded to the EU Commission's Call for Advice on 'defining the scope of application and the enacting terms of a regulation to be adopted in the field of preventing money laundering and terrorist financing'.



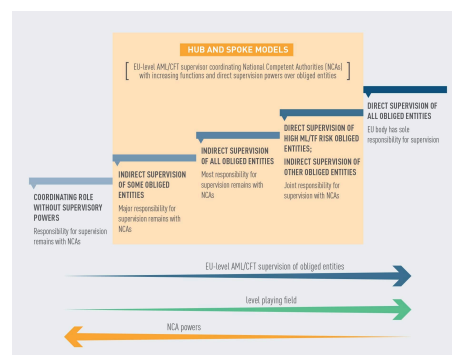
In our advice, we set out how the EU's legal framework should be amended to tackle vulnerabilities linked to divergent national approaches and gaps in the EU's AML/CFT defences. We recommend that the Commission establish a single rulebook with a robust set of common rules that support the implementation of a proportionate and effective risk-based EU AML/CFT regime.

[More](#)

The EBA responds to the EU Commission's consultation on an AML/CFT Action Plan

In August, we responded to the Commission's consultation on its AML/CFT Action Plan. We provided technical advice on a future EU-level AML/CFT supervisor, which we consider should combine an on-going role for national AML/CFT authorities with effective EU-level oversight in a 'hub and spoke' approach.

[More](#)



The EBA supports the EU Commission's proposal for a new Digital Finance Strategy for Europe

In June, we responded to the European Commission's consultation on a new Digital Finance Strategy for Europe. We identified a wide range of possible EU-level actions to support the scaling of innovative technology cross-border whilst ensuring high standards of consumer protection and AML/CFT.

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The EBA assesses the drivers, scale and impact of de-risking

Financial institutions have to put in place and maintain policies and procedures to comply with their legal obligations. These include policies and procedures to identify and manage risks associated with money laundering and terrorist financing. Where a financial institution considers that it cannot effectively manage those risks, it may decide to restrict access to or withdraw from providing a particular financial product or service, or servicing a particular customer or category of customers. This is referred to as 'de-risking'.

In June, we launched a call for input to understand the drivers, scale and impact of derisking. We also hosted a virtual panel in September on the impact of de-risking on civil society.

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More

FinCen Leaks

We have taken note of the publication of articles based on Suspicious Activity Reports that were submitted to the US Financial Crimes Enforcement Network (the so-called 'FinCen leaks'). We will be looking at the implications for supervisors and financial institutions in the EU.

The EBA works to understand the impact of the 'Luanda Leaks'

We are carrying out a fact-finding exercise to understand the nature and scale of the regulatory issues raised by the 'Luanda Leaks' and their impact on the integrity of the EU's financial system. We are particularly interested in the actions prudential and AML/CFT authorities have taken in response to those leaks.

The term 'Luanda Leaks' refers to a series of documents relating to the financial affairs of Ms Isabel dos Santos, the daughter of a former president of Angola. These documents suggest that Isabel dos Santos may have been using the EU financial system for money laundering purposes. The European Parliament has [asked](#) the EBA to investigate.

The EBA extends its Q&A tool to the AMLD

In July, we expanded the scope of our Questions and Answers (Q&A) process and tool to enable external stakeholders to submit questions on the Anti-Money-Laundering Directive and the legal instruments we have issued in its support. Submitted questions and our answers will be [published on our website](#).

This tool is open to all. You can submit your question [here](#).



Consultations

The EBA launches consultation on revised guidelines on internal governance



In July, we launched a public consultation on changes to our Guidelines on internal governance. Our proposed amendments reflect new provisions in the CRDV and IFD, and include guidance on the steps institutions should take to ensure that ML/TF risks are addressed as part of their internal governance arrangements and risk management frameworks.

The guidelines also highlight the need for institutions to put in place specific governance arrangements to ensure that they do not facilitate tax crimes, in partial fulfilment of the [EBA's 2020 Action plan on dividend arbitrage trading schemes](#) ("Cum-Ex/Cum-Cum") that we published earlier this year.

The public consultation is open until 31 October 2020.



Date 31/07/2020 - 31/10/2020



See also [Send your comments](#)

EBA and ESMA consult on revised fit and proper guidelines

In July, we launched a public consultation on changes to the joint EBA/ESMA Guidelines on the assessment of the suitability of members of the management body and key function holders of credit institutions, financial and mixed financial holding companies and investment firms. The revised guidelines set out how competent authorities and institutions should take into account ML/TF risks when assessing a person's fitness and propriety at application, and on an ongoing basis where they have reasonable grounds to suspect that an institution has been involved in ML/TF.

The public consultation is open until 31 October 2020.



Date 31/07/2020 - 31/10/2020



See also [Send your comments](#)

Understanding the uses and limitations of RegTech solutions

We are carrying out a survey of financial institutions to understand how they use RegTech solutions to comply with their legal and regulatory obligations, including in relation to AML/CFT. We will use responses to this survey to map activity in this area, identify barriers and risks related to the use of RegTech solutions and assess what we can do to facilitate the adoption and scaling up of RegTech solutions across the EU.

We are particularly interested in responses from financial institutions that are using, or are in the process of developing, RegTech solutions to monitor business relationships or transactions for AML/CFT purposes. We would also like to hear from ICT third party providers that are offering or developing such solutions.



Date 12/08/2020 - 30/09/2020



See also [Send your comments](#)

Risks in focus

Update on actions taken in response to COVID-19 and associated ML/TF risks

At the end of March, the EBA issued a statement on actions to mitigate financial crime risks in the context of the COVID-19 pandemic. We called on competent authorities to adapt the use of their supervisory tools temporarily to ensure ongoing compliance by credit and financial institutions with their AML/CFT [obligations](#).

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Coming up

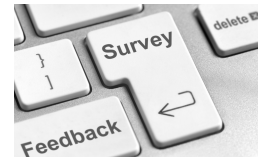


Finalising the Risk Factors Guidelines

Our consultation on changes to the Risk Factors Guidelines closed in July. We received 58 responses, and feedback from more than 100 participants at our public hearing in June.

We are now assessing the feedback we received.

Consultation responses can be accessed on our [website](#).



Digital platforms industry survey

In 2020/21, the EBA is analysing the use of digital platforms for the marketing, distribution and conclusion of contracts for banking, payments, e-money and credit products and services in the EU. This forms part of our thematic work on FinTech and our ongoing monitoring of the regulatory perimeter. In this context, we will be soon launching a survey of industry participants to understand how they are using, or expecting to use, digital platforms. As part of this wider industry outreach, we are interested in any ML/TF risks or opportunities identified. The EBA will publish in mid-2021 a report setting out the findings from its work on digital platforms.

You are receiving this newsletter because you have previously expressed an interest in the European Banking Authority's work to lead, coordinate and monitor the EU financial sector's fight against money-laundering and terrorist financing. | We will be publishing this newsletter four times per year. If you do not wish to receive the newsletter, please 'unsubscribe'. You can also find more information on the EBA's AML/CFT page.

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