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EBA AML/CFT Newsletter



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Latest News

EBA publishes first AML/CFT Q&As

In July, we expanded the scope of our Questions and Answers (Q&A) process and tool to enable external stakeholders to submit questions to the EBA about the interpretation and application of the Anti-Money-Laundering Directive and the legal instruments we have issued in its support. In October, we published [our first Q&As on EU Delegated Regulation 2019/758](#). These particular Q&As were about the minimum action and the type of additional measures credit and financial institutions must take to mitigate money laundering and terrorist financing risk in certain third countries.



EBA publishes Opinion on tackling ML/TF risks as part of the SREP context

In November, we fulfilled another objective of the 2018 EU Council Action Plan on AML/CFT, by issuing an [Opinion that sets out how prudential supervisors should consider money laundering and terrorist financing \(ML/TF\) risks in the context of the prudential Supervisory Review and Evaluation Process \(SREP\)](#). We stressed the need for prudential supervisors to develop a sufficient understanding of ML/TF risks to enable them to identify these risks and related prudential concerns and gave examples how to do so. We also expect prudential supervisors to cooperate effectively and in a timely manner with AML/CFT supervisors to exchange information on ML/TF risks and to assess the implication of those risks for the safety and soundness of the institutions they supervise.



The EBA will include more detailed guidance in the revised version of the SREP Guidelines, the Consultation Paper of which is planned to be published in Q2 2021.

EBA sets out how to mitigate ML/TF risks during bank failures

In December, we published an [Opinion on the interplay between the AMLD and the Deposit Guarantee Schemes Directive](#).



This Opinion follows on from advice we had given to the EU Commission earlier this year on AML/CFT and deposit guarantee schemes, and our [advice to the Commission on the future EU AML/CFT framework](#). It sets out how the EU's legal framework should be strengthened to ensure effective cooperation between AML/CFT and Deposit Guarantee Scheme authorities in the run up to, and during, bank failures where there are ML/TF concerns. It also sets out what authorities should do to reduce the risk of ML/TF during payouts.

EBA publishes first ever AML/CFT colleges report

In December, we published our [first report](#) on the functioning of AML/CFT colleges. This report summarises examples of good and poor practice that the EBA observed, and makes recommendations to competent authorities to contribute to the effective operation of AML/CFT colleges going forward.



Over the last year, competent authorities in the EU have begun to set up regular, formal meetings of the supervisory authorities that are responsible for the AML/CFT supervision of the same financial institution as required by the [ESAs' AML/CFT colleges Guidelines](#). 10 such colleges have been set up so far. The EBA is a member of all colleges and provides technical support to competent authorities as appropriate.

Risk assessments of competent authorities

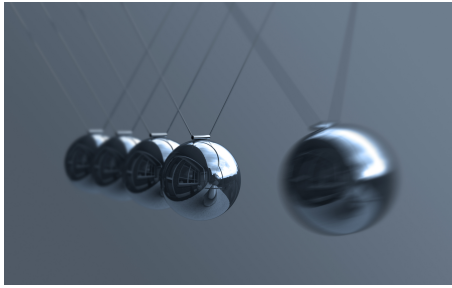
In December, we published the [methodology](#) we will use to carry out risk assessments, which is a new power we have received in January 2020 under Article 9a of our founding Regulation.



We will use 9a risk assessments to understand how well equipped competent authorities are to tackle emerging ML/TF risks, and to ensure that those risks are managed in a timely, effective and coordinated manner across the single market.

Risks in focus

The FinCen Files – implications for financial institutions and their AML/CFT supervisors



Over the last months, there have been a number of media reports relating to the unlawful disclosure of suspicious transaction reports (STRs) that were submitted to the US Department of the Treasury's Financial Crimes Enforcement Network (FinCen). FinCen is the US Financial Intelligence Unit (FIU) responsible for collecting and analysing reports from obliged entities, including financial institutions. As with other reports from multiple mainstream media that relate to ML/TF, and in line with the risk-based approach set out in Directive (EU) 2015/849 (AMLD), financial institutions and competent authorities responsible for supervising these institutions' compliance with their AML/CFT obligations in the EU should consider the impact of information contained in these reports on their work and take steps to address any ML/TF risks they have identified.

[More](#)

Coming up



AML/CFT training for supervisors

The EBA is providing training to EU supervisors that have recently joined national competent authorities or are new to AML/CFT. This event will introduce participants to the legal and institutional AML/CFT framework in the European Union, and provide an overview of the tools supervisors in the EU have at their disposal to prevent the use of the EU's financial system for ML/TF purposes. The training will take place on 15 February 2021 and is open to staff from EU competent authorities in the financial services sector.



Investigating the use of RegTech solutions in the AML/CFT context

We carried 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 are now looking to understand in more detail the obstacles that prevent the development, implementation and roll-out of effective and cost-efficient RegTech solutions. Findings from this study will inform our work on RegTech. They will also help us take forward our work on guidelines on remote customer identification, which the European Commission asked us to prepare in the context of its Digital Finance Strategy.

[More](#)

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