



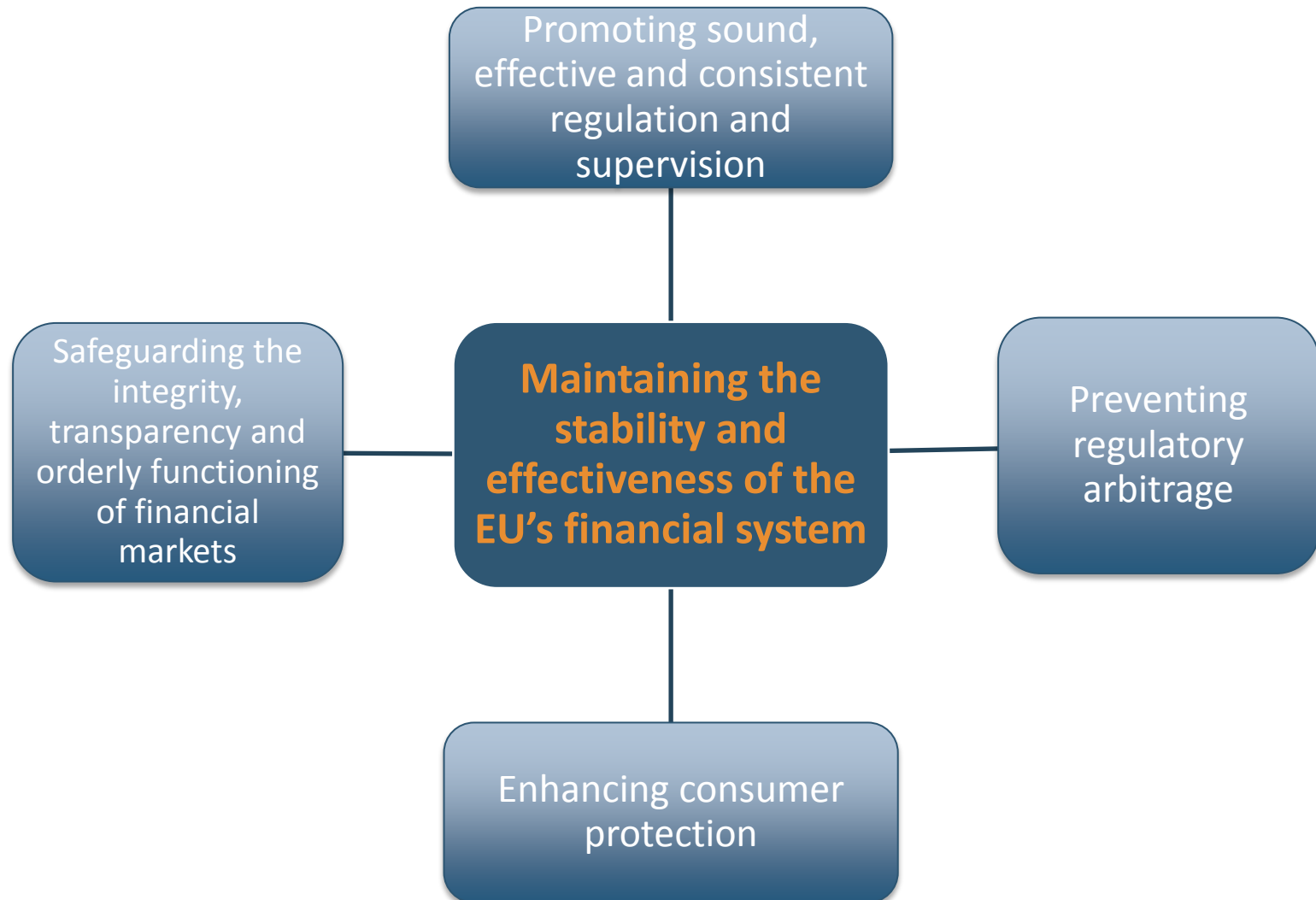
Creating a common understanding of the risk-based approach: the ESAs' draft Joint Guidelines

European Banking Authority

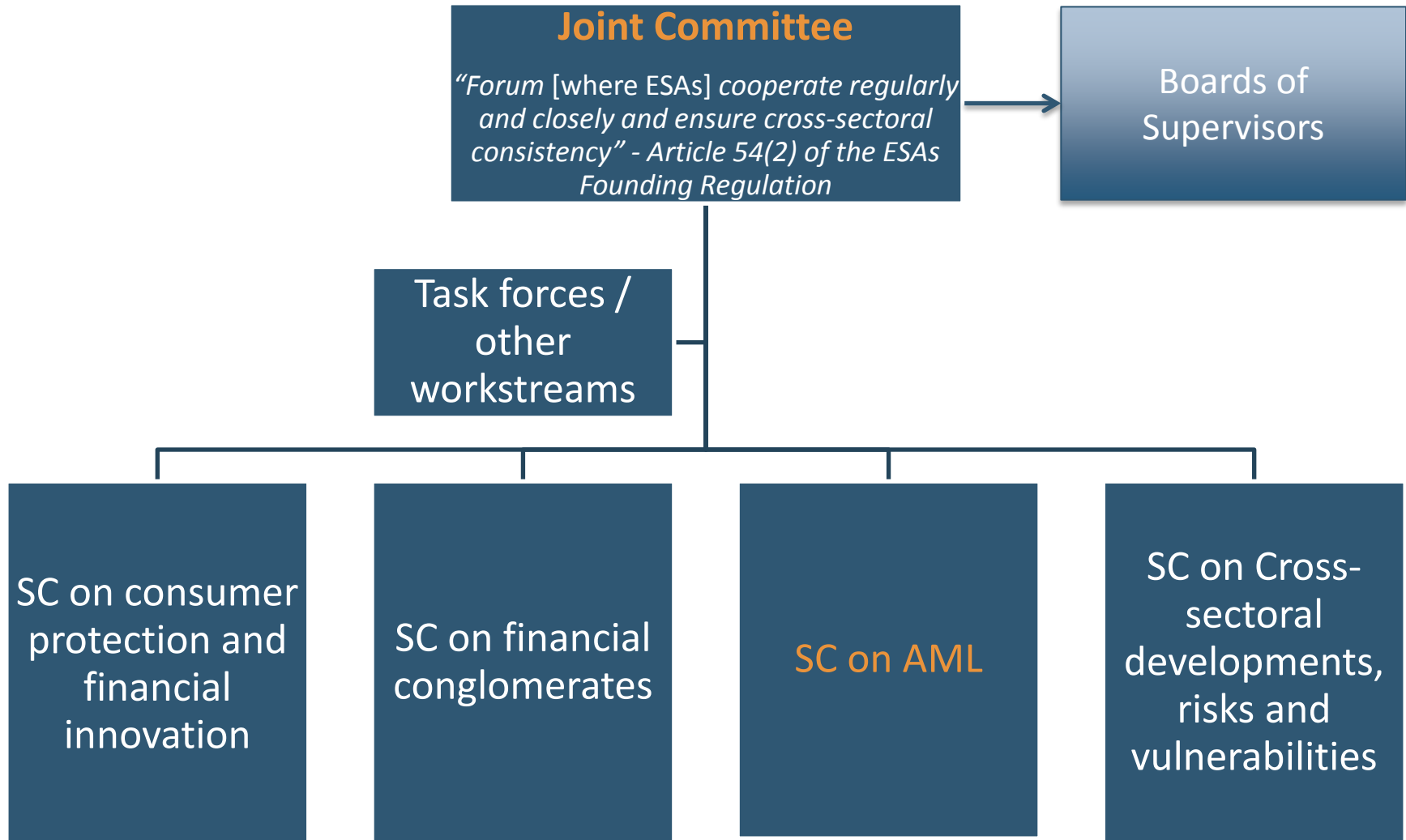
Public Hearing on Guidelines under Art 17, 18(4) and 48(10), AMLD

London | 15 December 2015

ESA objectives



The Joint Committee



Joint Technical Standards, Guidelines and Opinions

Technical standards

Legal mandate

Adopted by the
Commission

Directly applicable
in Member States

Guidelines

Legal mandate or
own initiative

Adopted by the
ESAs' Boards of
Supervisors

'Comply or explain'

Opinions

Legal mandate or
own initiative

Adopted by the
ESAs' Boards of
Supervisors

Non-binding

Joint mandates under EU AML legislation

AMLD

- Regulatory technical standards on third countries
- Regulatory technical standards on central contact points
- Guidelines on risk factors, SDD and EDD
- Guidelines on risk-based AML/CFT supervision
- Joint opinion on the ML/TF risk affecting the EU's financial sector

AMLR

- Guidelines on information on the payer and payee

Draft risk factors guidelines

A common understanding of what the risk-based approach to AML/CFT entails

Risk Factors

- Customers; countries or geographic areas; products, services and transactions; and delivery channels
- Both generic and sector-specific
- Non-exhaustive and not binding

Risk Assessment

- Weighting and categorising risk factors
- Obtaining a holistic view

SDD/EDD

- No exemptions, but opportunities for adjusting CDD measures on a risk-sensitive basis (in line with AMLD)
- Both 'generic' (applicable to all sectors) and sector-specific

A proportionate, risk-based and effective AML/CFT regime

Draft risk-based supervision guidelines



Summary

Through these guidelines, our aim is to

- foster a common understanding of the risk-based approach to AML/CFT for supervisors and firms
- establish consistent and effective supervisory practices across the EU
- set out clear regulatory expectations while recognising that ML/TF risk can and does vary
- give firms the tools they need to make informed, risk-based decisions on the effective and proportionate management of ML/TF risk

Consultation and outreach

- The consultation is open until 22 January 2016
- The draft AMLD Guidelines are at:
 - <http://www.eba.europa.eu/-/eba-eiopa-and-esma-consult-on-anti-money-laundering-and-counteracting-the-financing-of-terrorism>
 - <https://eiopa.europa.eu/Pages/Consultations/Joint-Public-Consultation-on-anti-money-laundering-and-counteracting-the-financing-of-terrorism.aspx>
 - <http://www.esma.europa.eu/news/EBA-EIOPA-and-ESMA-consult-anti-money-laundering-and-counteracting-financing-terrorism?t=326&o=home>



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