

Enhanced AML supervision: What can you expect?



Tone from the top: Opinion on AML / CFT risks in prudential supervision



Communication on implementation of the EU's AML / CFT framework

Prudential supervisors should be aware of, and act upon ML/TF risks which may pose prudential risks to the institutions they supervise



Prudential supervisors should endeavor to mutually exchange information and cooperate with AML/CFT authorities concerning individual and group entities both domestically and across borders



ML/TF will also be considered in the prudential supervisory process (SREP)



European Banking Authority issued Opinion to send a clear signal that

- ML / TF risks must be factored into the prudential supervisory process
- Prudential supervisors must cooperate closely with AML/CFT supervisors for this purpose, while respecting the specific tasks of both supervisors, what will finally be coordinated by EBA.

European Commission adopted a **Communication and four reports** stressing out the need for all-encompassing implementation of the EU AML directives and to raise awareness among obliged entities.

Supranational Risk Assessment Report (SNRA) targets:

- Identification of BOs;
- Anonymous products;
- New unregulated products;
- Implementation of AMLD IV and AMLD V



Financial Intelligence Units report showing failures

- Cooperation with third countries;
- Dialogue with obliged entities;
- Compliance with the EU's data protection framework



Interconnection of national centralized automated mechanisms on bank accounts

- Assessment of IT solutions ;
- compliance with the EU's data protection framework



Report on publicly known AML cases involving EU banks

- Supervisors only intervened after risks be materialized;
- Repeated compliance and governance failures;
- Fragmented regulatory and supervisory approaches

