

NEWS

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EU Inches Towards Uniform AML Rules and Supervision

By Gabriel Vedrenne

European finance ministers on Thursday formally asked EU officials to develop plans for a bloc-wide anti-money laundering supervisor and single rulebook, removing the latest obstacle from the path towards uniform AML oversight and enforcement throughout the 28-nation bloc.

In a 7-page resolution delivered after a meeting of the European Council in Brussels, ministers from the EU's 28 member states directed the Commission to explore the "possibilities, advantages and disadvantages" of granting a new, independent agency power to supersede national AML regulators and directly supervise "certain obliged entities" within the EU.

"Fighting money laundering and terrorist financing is a key priority for the European Union," Mika Lintila, Finland's finance minister, said in a statement accompanying the document. "I'm glad that we could agree on ambitious new priorities on anti-money laundering, which provide clear political guidance for the new Commission to take this work forward."

Calls for EU-level supervision of financial institutions have multiplied in the past two years amid a series of money-laundering scandals involving European banks, and concerns that national

regulators either failed to stop them or reacted tepidly after learning of them.

France, Germany and four other nations last month backed a plan outlining how such an agency could work in practice (<https://www.moneylaundering.com/news/france-and-germany-back-eu-wide-aml-agency-single-rulebook/>), but their proposal did not identify the types of firms that would qualify for direct, EU-level supervision, and under what circumstances.

The resolution agreed by all 28 EU national finance ministers Thursday does not give the Commission a deadline to submit a final plan.

Both omissions suggest there is “no real sense of urgency” for centralized AML regulation, Peter Oakes, former director of enforcement and AML at the Central Bank of Ireland, told *ACAMS moneylaundering.com*.

“The risk is that we could end up with another central bureaucratic project and national authorities losing powers and staff in favor of the new entity,” said Oakes, now an independent consultant in Dublin.

The resolution agreed by finance ministers Thursday also directs the Commission to consider ditching its current approach of issuing AML directives, which give countries a degree of flexibility in how they transpose EU standards into national law, and instead craft a single, bloc-wide set of AML rules (<https://www.moneylaundering.com/news/eu-officials-unveil-plans-for-uniform-aml-rules-bloc-wide-supervisor/>) with tighter deadlines for compliance.

“The discussion on a European supervisor must be accompanied by a discussion on the harmonization of laws,” German delegate Jorg Kukies argued during the meeting in Brussels. “Otherwise the future regulator should enforce 28 different laws, [and] it will not

work.”

The Commission is expected to publish a progress report on the reforms by June 2020.

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