

**ANTI-MONEY LAUNDERING: A PRIORITY FOR THE EU**

In 2020 the institutions of the European Union (EU) reiterated their commitment to anti-money laundering and countering the financing of terrorism (AML/CFT) through various initiatives, most notably the following:

**EUROPEAN COMMISSION.** The European Commission has published a new methodology for identifying high-risk ML/TF countries and has updated its list of countries<sup>1</sup> based on this approach. It has also prepared an Action Plan for an EU-wide approach to AML/CFT, which rests on six pillars:

- 1 Making sure the existing rules are effectively implemented, ensuring the effective transposition and implementation of the directives and full use of the enhanced mandate of the European Banking Authority (EBA).
- 2 Establishing a single rulebook, turning certain parts of the current minimum requirements directive into directly applicable provisions set out in a European regulation.
- 3 Bringing about EU level AML/CFT supervision.
- 4 Establishing a support and cooperation mechanism for Financial Intelligence Units (FIUs) to support the analysis of suspicious cross-border transactions.
- 5 Enforcing Union-level criminal law provisions and strengthening supra-national judicial and police cooperation, along with public-private partnerships.
- 6 Strengthening the EU's position in the world by playing a leading role in implementing the international AML/CFT standards established by the Financial Action Task Force.

This plan has been submitted for public consultation, with the corresponding legislative proposals likely to be presented in 2021 Q1.

**EU COUNCIL.** In November 2020, ECOFIN published conclusions that welcomed the initiatives set out by the Commission in its Action Plan and established guidance

on the regulation, EU-level supervision and the cooperation and support mechanism for the Member States' FIUs. In particular, it set out which areas must be subject to uniform regulation and the establishment of an EU-level AML/CFT supervisor, with direct supervisory powers over certain high-risk obliged institutions, which would cooperate closely with national authorities.

**EBA.** In 2020 it began fulfilling its enhanced mandate to lead, coordinate and monitor AML/CFT efforts undertaken by all financial sector operators and the competent EU authorities. In addition to the initiatives undertaken through the AML CFT Standing Committee (see Section 7.2.1), the EBA has begun to develop guidelines on cooperation between prudential supervisors, AML/CFT supervisors and FIUs, pursuant to the mandate of Article 117(6) of Capital Requirements Directive V, and has published an opinion (EBA/Op/2020/18) on how to take money laundering and terrorist financing risks into account in the supervisory review and evaluation process (SREP). The Banco de España, along with SEPBLAC, has actively participated in the initiatives led by the EBA.

**EUROPEAN CENTRAL BANK (ECB).** 2020 saw the first regular exchange of information between the ECB and the national AML/CFT authorities pursuant to the January 2019 agreement.<sup>2</sup> The aim is to incorporate relevant information obtained from the AML/CFT supervisors into the SREP of significant institutions.

Meanwhile, on the supervisory cooperation front, in 2020 some EU Member States established AML/CFT colleges in accordance with the European Supervisory Authorities' joint guidelines on cooperation and information exchange for the purpose of Directive (EU) 2015/849 between competent authorities supervising credit and financial institutions.<sup>3</sup> There is a two-year transitional period to establish the colleges under these guidelines, in force since January 2020. Colleges for firms assessed as high risk for ML/TF purposes should be established first. In 2021 the Banco de España and SEPBLAC will jointly establish the first AML/CFT colleges for Spanish institutions.

1 Commission Delegated Regulation (EU) 2020/855 of 7 May 2020 amending Delegated Regulation (EU) 2016/1675 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council, as regards adding the Bahamas, Barbados, Botswana, Cambodia, Ghana, Jamaica, Mauritius, Mongolia, Myanmar/Burma, Nicaragua, Panama and Zimbabwe to the table in point I of the Annex and deleting Bosnia-Herzegovina, Ethiopia, Guyana, Lao People's Democratic Republic, Sri Lanka and Tunisia from this table.

2 [Multilateral agreement on the practical modalities for exchange of information pursuant to article 57a\(2\) of Directive \(EU\) 2015/849.](#)

3 Joint guidelines on cooperation and information exchange for the purpose of Directive (EU) 2015/849 between competent authorities supervising credit and financial institutions (JC/2019/81).