

## **NEW AGREEMENT BETWEEN THE COMMISSION FOR THE PREVENTION OF MONEY LAUNDERING AND MONETARY OFFENCES AND THE BANCO DE ESPAÑA**

In Spain, the Commission for the Prevention of Money Laundering and Monetary Offences (CPMLMO) is responsible for steering and promoting the anti-money laundering and counter-terrorist financing (AML/CTF) activities. Its Executive Service, Sepblac, in addition to being the financial reporting unit, supervises compliance with AML/CTF obligations by regulated institutions.

However, the risk of money laundering and terrorist financing is not the exclusive concern of AML/CTF authorities, as it has an impact on other risks to which institutions are exposed, on their solvency and on financial stability as a whole. Therefore, Spanish legislation recognises the need for prudential supervisors and the CPMLMO to cooperate, providing for the possibility of entering into agreements to coordinate their actions. The transposition of the Capital Requirements Directive V reinforces the importance of this cooperation.

It should be noted that the Banco de España and Sepblac have been cooperating closely for many years. The first cooperation agreement was signed in 2005, with successive versions in 2008 and 2013. In March 2021, a [new agreement was signed between the CPMLMO and the Banco de España for the coordination of their respective supervision and inspection actions](#), which clarifies the Banco de España's role and deepens supervisory cooperation and coordination.

On the one hand, the signing of the agreement enables the Banco de España to carry out supervisory functions on

AML/CTF legislation compliance in coordination with Sepblac, which allows synergies to be exploited and contributes to institutional efficiency. The Banco de España's powers in this area are limited to the supervision of certain AML/CTF obligations (due diligence, internal control and reporting) in respect of those regulated institutions under its supervision. In addition, the agreement includes a specialisation principle for the Banco de España, indicating that in supervising compliance with the above-mentioned AML/CTF obligations, it will focus preferentially on the review of the policies and procedures established in the institutions. However, when in the course of its supervisory actions it identifies possible suspicious transactions, it will refer them to Sepblac.

On the other hand, the agreement furthers cooperation between the CPMLMO, Sepblac and the Banco de España. It includes coordination between the Secretariat of the CPMLMO, Sepblac and the Banco de España, both in planning and in inspection work, through the preparation of an annual plan with the inspections to be carried out by all supervisors, previously agreed upon in a coordinated manner and the approval of which corresponds to the CPMLMO; the development of common procedures and deadlines, as well as the possibility of carrying out joint inspections. A fluid exchange of information is also established between the Banco de España, Sepblac and the Secretariat of the CPMLMO. Also, it accommodates the creation of the Single Supervisory Mechanism and it adds provisions in order to structure the growing international cooperation activity.