



Anti-money laundering Action Plan

DG- FISMA

Background

- Goal: an answer to the weaknesses identified in July 2019
- Six pillars to tackle money laundering and terrorist financing from all angles.

→ Bold and coherent review of the AML framework, no quick fixes

Pillar I: Better implementation of rules

- Areas of action:
 - Infringement proceedings (4th and 5th AMLD + study by Council of Europe)
 - Interconnection of beneficial ownership registers
 - 3rd Supranational Risk Assessment (2021)
 - European Semester (country-specific recommendations)
 - Technical assistance through the Structural Reform Support Programme
 - EBA new powers

Timeline: immediate implementation

Pillar II: Harmonised rulebook

- Fragmentation creates weak links and barriers for the provision of cross-border services → Areas of action:
- Parts of the Directive → Regulation (e.g. list of obliged entities, CDD)
- Integration of latest updates to FATF standards (e.g. Virtual Asset Service Providers)
- Better interaction with other legislation (e.g. on information sharing)
- Build on good examples from Member States' additional rules (e.g. crowdfunding platforms, freezing powers for FIUs)

Timeline: Commission proposal in Q1 2021

Pillar III: EU-level supervision

- Starting point: supervision is not good enough (across all sectors) and national supervision not sufficient to protect the internal market
- Goal: integrate and supplement it, not replace it
- Questions:
 - What? (direct/indirect supervision; risk assessment)
 - Over whom? (financial sector only? Or non-financial sector as well? Sanctions?)
 - Who? (EBA or new body? And if new, centralised or decentralised?)

Timeline: Commission proposal in Q1 2021

Pillar IV: Coordination and support mechanism for FIUs

- Weaknesses: level of cooperation insufficient, despite volume of cross-border money laundering
- Goal: create a structure that can solve this (common templates and tools, common standards on feedback, support of joint analyses, training, host FIU.net)
- Questions:
 - What tasks?
 - Who? (New agency? New EU supervisor? Comitology Committee? Network?)

Timeline: Commission proposal in Q1 2021

Pillar V: Law enforcement and information sharing

- Need to ensure we investigate and prosecute money laundering and terrorism financing.
- New tools: criminalisation of ML, Directive on use of financial information, rules on asset recovery (including mutual recognition of freezing orders)
- New structures: EFEC, EPPO – but more can be done (e.g. with tax authorities)
- Public-Private Partnerships: need to improve feedback on typologies and trends and to provide legal certainty on other types of PPPs involving the sharing of personal data

Timeline: Commission guidance in Q1 2021 + request to EDPB regarding data protection

Pillar VI: the EU's global role

- Too weak EU role internationally. Not all MSs sit at FATF, EC and MSs don't always share the same position: reinforcing coordination
 - The FATF standards were not thought for a strange animal like the EU
 - Need for the EU to have its own policy re. non-EU countries
 - New methodology to identify high-risk third countries
 - List of jurisdictions that pose a threat to the EU's financial system
- policy will need to evolve together with the future EU AML/CFT system (more risk-based)

Timeline: New methodology and list of high-risk jurisdictions: together with Action Plan