

EU Council backs action plan for enhanced monitoring of banks

The Council of the European Union has given the green light for the adoption of an action plan to better tackle money laundering and terrorist financing.

The initiative sets out a number of short-term, non-legislative actions to address eight key objectives:

- identify the factors that contributed to the recent money laundering cases in EU banks, to better inform possible additional actions in the medium and long term;
- map relevant money laundering and terrorist financing risks and the best prudential supervisory practices to address them;
- enhance supervisory convergence and better take into account AML aspects in the prudential supervisory process;
- ensure effective cooperation between prudential and money laundering supervisors;
- clarify aspects related to the withdrawal of a bank's authorisation in case of serious breaches;
- improve supervision and exchange of information between relevant authorities;
- share best practices and find grounds for convergence among national authorities;
- improve the European supervisory authorities' capacity to make better use of existing powers and tools.

European rules on anti-money laundering and terrorist financing have been considerably strengthened in the past years, with two consecutive reforms being adopted since 2015. The latest revision of the AML directive, the fifth AMLD, was adopted in April 2018 and is due to be transposed at national level by January 2020. In September 2018, the Commission also presented a proposal to further strengthen the supervision of EU financial institutions and to better address money laundering and terrorist financing threats. This proposal is currently under discussion in the Council.