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Press release | 20.07.2021

Commission Anti-Money Laundering proposals major step forward

Anti-money laundering

Today, the European Commission will release its long-waited Anti-Money Laundering (AML) package. This package is a major step-forward and implements key long standing demands of the Greens/EFA Group and the European Parliament. The package proposes a regulation that will transfer existing and strengthened AML provisions from previous directives. The package proposes setting up an EU Anti-Money Laundering Authority that will significantly enhance the enforcement and harmonisation in the EU as the rules will be directly applicable across the EU without need for further transposition in national law. The Authority will be able to directly supervise the riskiest financial entities. The Greens/EFA Group welcomes the strong independence of its Executive Board, which will be the body responsible for supervisory decisions. The third regulation in the Commission's legislative package regulates the crypto-assets service providers, which extends to transfers in crypto-assets such as Bitcoin the information requirements on the originator and the beneficiary that are already commonplace for bank transfers.

Sven Giegold MEP, financial and economic policy spokesperson of the Greens/EFA Group, comments:

"The European Commission's proposals are a major step forward against money laundering. The project strengthens our European internal market against organised financial crime. Our years of campaigning for effective measures against money laundering are now paying off. The planned regulations would create a common legal basis and effective anti-money laundering supervision in Europe.

"The package is capable of creating the necessary uniform standards against money laundering in Europe, which will allow for fewer divergences between member states that can create loopholes and be exploited by criminals. With the new Anti-Money Laundering Authority we get effective supervision at the EU level. The new EU supervisor can directly investigate financial entities if there is a high risk of money laundering. We will argue during the negotiations that the new authority can put any obliged entity under direct EU supervision where risks of money laundering are persistently not effectively addressed on the national level.

"However, as has been the case with the previous anti-money laundering directives, good laws are only effective when they're implemented properly. The Commission must ensure that all existing anti-money laundering rules are applied to the letter and that the new proposed regulation will also be enforced. This new package should not be a reason for the Commission or member states to further delay the implementation of

existing rules. We need a zero-tolerance policy by the Commission towards member states that do not implement existing anti-money laundering rules. The Commission should open infringement cases against member states because of the widespread lack of effective implementation of the anti-money laundering rules."

More:

- On June 28, the European Court of Auditors published an alarming special report on the weak enforcement of anti-money laundering rules in the EU. The report found that EU bodies have limited tools to ensure the application of the AML/CFT legislation and that the current oversight framework is fragmented and poorly co-coordinated.
- The new package, by introducing harmonised rules that are directly applicable and creating a new EU Authority, addresses many weaknesses. However, the proposals are limited in the areas of the beneficial ownership threshold, the interconnectedness of registries at national level. It also falls short in setting up an EU Financial Intelligence Unit. The Authority will only coordinate some actions of national FIUs. The Greens/EFA Group call for the establishment of a European Criminal Office. The new authority will only be able to intervene directly in the financial sector, not in other areas such as jewellers or art dealers, where the risk of money laundering can be high.
- The envisaged governance structure of the Anti-Money Laundering Authority is a big step forward compared to the structure of other European Supervisory Authorities: The executive board is to be staffed exclusively with independent experts, six in total. This means that the common interests of the EU are given centre stage and the influence of member states is limited. This is important, because consistent action against money laundering is often inconvenient for the supervisory authorities at national level. Strong and coordinated measures against organised crime are crucial to protect the rule of law.

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Responsible MEPs



Sven Giegold

Member

Contact person



Alex Johnson

Press & Media Advisor EN (English language press)

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