

European Supervisory Authorities: powers, governance and funding

2017/0230(COD) - 12/09/2018 - Supplementary legislative basic document

The purpose of this proposal for a Regulation is to **amend the proposal for a revision of the Regulations establishing the European Supervisory Authorities** as presented by the Commission in September 2017 in order to decisively strengthen the **role of the European Banking Authority (EBA) in protecting the financial system from money laundering and terrorist financing risks**. Despite the strengthening of legislation in this area, several recent money laundering cases in European banks have shown that there is a need to further improve the EU's supervisory framework.

The proposal specifically amends the revised proposal currently under consideration. It amends the three regulations establishing the European Supervisory Authorities and [Directive \(EU\) 2015/849](#) on the prevention of the use of the financial system for the purposes of money laundering and terrorist financing.

The proposed amendments:

- **extend the scope of action of the European Banking Authority** in a targeted way, to incorporate into the European Banking Authority's mandate matters related to combating money-laundering and terrorist financing across the financial sector;
- **strengthen the tools at the disposal of the EBA** to promote coherent, systematic and effective action in the area of preventing and combating money-laundering and terrorist financing in the Union's financial system.

In concrete terms, it is proposed to entrust the EBA:

- **with a leading and coordination role** to centralise the resources currently scattered among the three European Supervisory Authorities and give it a stronger support structure;
- **with a more explicit and comprehensive mandate** to ensure that the risks of money laundering and terrorist financing in the Union's financial system are effectively and consistently taken into account by all competent authorities in their supervisory strategies and practices.

To carry out its tasks and exercise its powers, the EBA shall:

- **collect all relevant information** relating to money laundering and terrorist financing activities detected by the Union authorities and the national authorities concerned, store such information in a centralised database and encourage cooperation between authorities by ensuring the dissemination of relevant information;
- collect all relevant information in relation to money laundering and terrorist financing activities identified by the relevant Union and national authorities and store such information in a centralised database and foster cooperation among authorities by ensuring appropriate dissemination of relevant information;
- carry out reviews of competent authorities, as well as **risk assessment** exercises relating to money laundering and terrorist financing;
- cooperate and liaise with relevant **third country authorities** on these matters with a view to better coordinate action at Union level in material cases of anti-money laundering and terrorist financing having a cross-border and third country dimension;

- have the power, in the event of indications of significant breaches, to request the competent authorities to investigate possible breaches of the relevant rules and to consider taking decisions and imposing sanctions on financial institutions to oblige them to comply with their legal obligations;
- be able to **address decisions directly to individual financial sector operators** with regard to money-laundering matters and engage in **binding mediation** between national competent authorities on such matters.

The amended proposal specifies that the Joint Committee of the three supervisory authorities shall serve as a **forum for cooperation** between the three authorities on issues relating to the interaction between prudential and anti-money laundering aspects.