Anti-Money Laundering Authority (AMLA)

2021/0240(COD) - 20/07/2021 - Legislative proposal

PURPOSE: to establish the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: all recent major money laundering cases reported in the EU had a cross-border dimension. The detection of these financial movements is however left to the national Financial Investigation Units (FIUs) and to cooperation among them. While this reflects the operational independence and autonomy of FIUs, the absence of a common structure to underpin this cooperation leads to situations where joint analyses are not performed for lack of common tools or resources.

Efforts should made at EU level through the creation of an Authority responsible for contributing to the implementation of harmonised rules. In addition, the Authority should pursue a harmonised approach to strengthen the Union's existing AML/CFT preventive framework, and specifically AML supervision and cooperation between FIUs. That approach should reduce divergences in national legislation and supervisory practices.

The EU's Security Union Strategy for 2020-2025 highlighted the importance of enhancing the EU's framework for anti-money laundering and countering terrorist financing in order to protect Europeans from terrorism and organised crime.

Furthermore, on 20 July 2021, the European Commission presented an ambitious package of legislative proposals to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML /CFT) rules. It is part of the Commission's commitment to protect EU citizens and the EU's financial system from money laundering and terrorist financing. The aim is to improve the detection of suspicious transactions and activities, and close loopholes used by criminals to launder illicit proceeds or finance terrorist activities through the financial system.

CONTENT: the proposed Regulation aims to establish a **new decentralised EU Authority** for anti-money laundering and counter the financing of terrorism (AMLA). Its objective is the prevention of money laundering and terrorism financing in the Union, by contributing to enhanced supervision and improved cooperation between FIUs and supervisory authorities.

The Authority will become a centrepiece of an integrated AML/CFT supervisory system, consisting of the Authority itself and the national authorities with an AML/CFT supervisory mandate.

In particular, AMLA will:

- establish a single integrated system of AML/CFT supervision across the EU, based on common supervisory methods and convergence of high supervisory standards;

- directly supervise some of the riskiest financial institutions that operate in a large number of Member States or require immediate action to address imminent risks;

- monitor and coordinate national supervisors responsible for other financial entities, as well as coordinate supervisors of non-financial entities;

- support cooperation among national Financial Intelligence Units and facilitate coordination and joint analyses between them, to better detect illicit financial flows of a cross-border nature.

It is proposed that the Authority be established at the beginning of 2023 and the activity of direct supervision commence at the beginning of 2026.