

Anti-Money Laundering Authority (AMLA)

2021/0240(COD) - 24/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 482 votes to 47, with 38 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) 1094/2010, (EU) 1095/2010.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

Authority to combat money laundering and terrorist financing

The Regulation establishes an Authority for anti-money laundering and countering the financing of terrorism. The creation of the Authority is essential to ensure effective and adequate supervision of obliged entities presenting a high risk of money laundering and terrorist financing (ML/FT), to promote common approaches to the supervision of all other obliged entities and to facilitate common approaches and cooperation between Financial Intelligence Units (FIUs).

The Authority's headquarters will be in **Frankfurt am Main**, Germany.

The objective of the Authority should be to protect the public interest, the stability and integrity of the Union's financial system, and the proper functioning of the internal market by:

- preventing the use of the Union's financial system for the purposes of money laundering and terrorist financing ('ML/TF');
- contributing to the identification and assessment of ML/TF risks and threats across the internal market, as well as risks and threats originating from outside the Union that impact, or have the potential to impact, the internal market;
- ensuring high-quality supervision in the area of anti-money laundering and countering the financing of terrorism ('AML/CFT') across the internal market;
- contributing to supervisory convergence in the area of AML/CFT across the internal market;
- contributing to the harmonisation of practices in the detection of suspicious transactions or activities by Financial Intelligence Units ('FIUs');
- supporting and coordinating the exchange of information between FIUs, and between FIUs and other competent authorities.

Tasks

With regard to the selected reporting entities selected, the Authority should ensure group-wide compliance with the requirements set out in the AML/CFT framework and in any other legally binding EU act imposing anti-money laundering and combating the financing of terrorism obligations on financial institutions.

With respect to **financial supervisors**, the Authority should in particular carry out periodic reviews to ensure that all financial supervisors perform their tasks adequately. It should also investigate systematic failures of supervision resulting from breaches, or the non-application or incorrect application, of Union law. With respect to **non-financial supervisors**, including self-regulatory bodies where appropriate, the Authority should coordinate peer reviews of supervisory standards and practices and request non-financial supervisors to ensure the observance of AML/CFT requirements in their sphere of competence.

The Authority should facilitate the functioning of the AML/CFT supervisory colleges in both the financial and non-financial sectors. Overall, the Authority should contribute to the **convergence of supervisory practices** and the promotion of high supervisory standards. In addition, the Authority should coordinate and support the conduct of joint analyses by FIUs, or request the launch of joint analyses, and should make IT and artificial intelligence services available to FIUs to enhance their data analysis capabilities, as well as tools for secure information sharing, including through the hosting of FIU.net, the dedicated IT system allowing FIUs to cooperate and exchange information with each other and, where appropriate, with their counterparts from third countries and third parties.

In addition, the Authority should be tasked with monitoring and measuring the degree of convergence and the consistent application of legal requirements and high supervisory standards by supervisory authorities and obliged entities.

In carrying out its supervisory tasks in relation to selected obliged entities, the Authority should therefore ensure that those entities have in place adequate systems to implement requirements related to **targeted financial sanctions**.

The Authority should pay particular attention to the input provided by civil society and should ensure appropriate engagement of civil society and active solicitations of its views during its policy-making process.

Organisation

The Authority's structure should comprise: (a) a General Board; (b) an Executive Board; (c) a Chair of the Authority; (d) an Executive Director; (e) an Administrative Board of Review.

The **Chair of the Authority** should be appointed on the basis of objective criteria by the Council after approval by the European Parliament. Both the European Parliament and the General Board should be able to conduct hearings of the candidates for the position of Chair of the Authority, shortlisted by the Commission. In order to ensure an informed choice of the best candidate by the European Parliament and the Council and a high degree of transparency in the appointment process, the General Board should be able to issue a public opinion on the results of its hearings, or transmit its opinion to the European Parliament, the Council and the Commission.

The **Executive Director** of the Authority should be appointed by the Executive Board based on a shortlist drawn up by the Commission. To enable an optimal choice, the shortlist should comprise at least two candidates, selected by the Commission based on the grounds of merit and documented high-level administrative, budgetary and management skills, to be demonstrated by the shortlisted candidates during an open selection procedure.

The Authority should be provided with the **requisite human and financial resources** so that it can fulfil the objectives, tasks and responsibilities assigned to it under this Regulation.