



Brussels, 12 September 2018

Object: Enforcement of Anti-Money Laundering and Capital requirement Directives in Denmark and Estonia

Dear Commissioner Jourova, Commissioner for Justice, Consumers and Gender Equality,

On behalf of the Greens / EFA Group, we are writing to you regarding serious suspicion of violations of the EU anti-money laundering obligations in Denmark and Estonia, as reported by the Danish newspaper Berlingske. **We would like the European Commission to look into these serious allegations and open an infringement procedure against Denmark and Estonia if deemed necessary.**

In March 2017 already, Berlingske, together with the journalism investigation organisation OCCRP uncovered how millions of Euros were laundered through the Estonian branch of Danish Danske Bank without having this obliged entity verifying the beneficial ownership of its clients or carrying out proper customer due diligence on transactions, as required by international and European anti-money laundering rules.

It appears that Danish authorities received an early warning in 2013 about these suspicions of money laundering¹. Similarly, Danske Bank's management in both Estonia and Denmark had received strong early warnings on suspected money laundering in the Estonian branch in 2014 – and that the top management in Copenhagen had even been warned by the bank's own internal auditor that staff at the branch were wittingly and actively hiding shady clients from authorities.

In addition, it appears that the Danish financial regulator and the Financial Intelligence Unit opened investigations into these scandals, but rather late in the process. On top of this, it looks like the Head of the Danish financial regulator, Mr Henrik Ramlau-Hansen, had a conflict of interest in this matter, having been a member of the Danske Bank's executive board at the time when the suspected breached occurred (where he has direct responsibility for anti-money laundering controls).

We therefore would like the European Commission, as Guardian of the European Treaty and in charge of ensuring the adequate implementation of the third AMLD and the Capital Requirement Directive (CRD IV), to inquiry further on these matters. We have reasons to believe that several provisions of the AMLD were not correctly implemented and enforced in Denmark and Estonia, in particular:

- Article 13§1 and Article 13§4 on enhanced due diligence for PEPs, creating an obligation to Member States to require that the institutions and persons covered apply, on a risk-sensitive basis, enhanced customer due diligence measures in situations which by their nature can present a higher risk of money laundering; as well as take adequate measures to establish the source of wealth and source of funds involved in the business relationship or transaction;
- Article 13§6 requiring Member States to ensure that the institutions and persons covered pay special attention to any money laundering or terrorist financing threat that may arise from products or transactions that might favour anonymity, and take measures, if needed, to prevent their use for money laundering or terrorist financing purposes;

¹ <https://www.business.dk/oekonomi/danske-myndigheder-blev-advaret-om-hvidvask-i-international-kriminalisag>

- Article 34§1 creating an obligation on Member States to require that the institutions and persons covered establish adequate and appropriate policies and procedures of customer due diligence, reporting, record keeping, internal control, risk assessment, risk management, compliance management and communication in order to forestall and prevent operations related to money laundering or terrorist financing;
- Article 37§1 obliging Member States to require the competent authorities at least to effectively monitor and take the necessary measures with a view to ensuring compliance with the requirements of the third anti-money laundering Directive by all the institutions and persons covered.
- Any other provision of the AMLD which is relevant to the matter mentioned above (including Article 39 on effective, proportionate and dissuasive sanctions).

In addition, we would like to ask the European Commission to look into whether Article 91 of the Capital Requirement Directive IV has been respected, in particular regarding the fulfilment of the fit & proper requirements for the management body of financial institutions. The European Commission could also check whether the Danish Financial Regulator, in charge of supervising banks in Denmark, has taken all measures to ensure and monitor Danske bank's compliance with the law.

Yours sincerely,

MEP Margrete Auken
MEP Pascal Durand
MEP Bas Eickhout
MEP Sven Giegold
MEP Eva Joly
MEP Philippe Lamberts
MEP Michel Reimon
MEP Judith Sargentini
MEP Molly Scott Cato
MEP Jordi Sole
MEP Bart Staes
MEP Ernest Urtasun