

Shaping the Commission Action Plan on Anti-money Laundering: 10 Key Proposals to Improve the Combat against Financial Crime in the EU

1. **Prioritise infringement procedures against non-application of EU AML rules:** Ensure existing European Anti-money laundering (AML) rules are implemented and enforced in all Member States (including AMLD3 and AMLD4). Open obvious cases of infringements without delay and waiting for lengthy investigations.
2. **Create an EU institutional architecture to effectively fight money laundering:** This new architecture should be independent and built on three pillars: EU regulator and EU AML intelligence, EU supervisor for financial and non-financial obliged entities, and EU financial police. The EBA does not have the right governance and is too limited in its banking mandate for the task.
3. **Effective oversight of all obliged entities:** Financial and non-financial obliged entities need to be subject to the same high level of supervision. Self-supervision in sectors such as lawyers, notaries, accountants and auditors needs to be revisited.
4. **Effectively harmonise implementation of anti-money laundering rules:** Key requirements of the AML Directive should be anchored in a binding AML Regulation. This would be important especially for applying harmonised customer due diligence measures by obliged entities across the 27 Member States. Similarly, how FIUs should cooperate could be done through a regulation (defining how and what type of information to exchange).
5. **Ensure inter-connected and high-quality registries of beneficial owners:** this is unfinished business from AMLD5. In addition to beneficial owners of companies and trusts, we need to have information for beneficial owners of real estate properties and life insurance contracts. National registers need to be inter-connected and high-quality data needs to be ensured.
6. **Prevent the use of strawmen:** Currently, it is possible for companies to list a director as a proxy e.g. if the beneficial owner is hard to establish. AML rules should be made clear that a business relationship should be terminated by banks and other obliged entities if the real beneficial owners cannot be identified.
7. **Adopt an EU framework for crypto-currencies and cash limits for all transactions:** The EU should modernise its anti-money laundering rules to tackle the risks of crypto-assets through enforcing know your “customer” in the broadest possible and proportional way. In the same vein, the filing of suspicious transaction reports should be obligatory for cash transactions exceeding a certain threshold.
8. **No sale of citizenship and residency based programmes (golden visas):** Currently, several Member States offer EU citizenship for wealthy foreigners with lax conditions attached to it. This has been flagged by the Commission and the OECD as a serious risk for fighting money laundering and tax evasion. In line with demands from the European Parliament, the EU should set tough rules for regulating golden visas. Current programmes should be contained through opening infringement procedures based on Art. 4(3) TEU.
9. **Include financial crime risks in the prudential supervision of European banks:** It is essential that financial crime risks are included in the calculation of bank-specific capital requirements. National competent authorities as well as the ECB should therefore consider financial crime risks when conducting the Supervisory Review and Evaluation process (SREP). The ECB should be empowered to withdraw licenses of banks breaching AML obligations independently from the assessment of national AML authorities.
10. **Follow-up on the implementation of new rules on asset freeze and recovery:** The Commission should monitor the enforcement by Member States of the regulation on the mutual recognition of freezing and confiscation orders to facilitate the cross-border recovery of criminal assets. Given the low amount of assets frozen and confiscated until recently, it is important to strengthen the Union’s capacity to cut off sources of financing for criminals and terrorists across the Union.