

AML: KEY SUCCESS FACTORS



MARCUS PLEYER

Deputy Director General -
Federal Ministry of
Finance, Germany

The key to successful AML regulation: a risk-based and proportionate approach

With the European legislative package, we are on the verge of a breakthrough in the fight against money laundering and terrorist financing. A comprehensive package of rules and an ambitious AML watchdog will be crucial factors in lifting the EU to best-in-class in terms of AML prevention. In the ongoing trilogues, it is important for legislators to keep a firm eye on the ultimate objective of regulation: the requirements must be well thought out, risk-based and proportionate. In short, we need to strike the right balance!

Why is it important to emphasise this so explicitly? Anti-money laundering regulation consists to a large extent of relying on the collaboration of the

private sector in the (public) task of combating money laundering, whether by requiring private actors to act as gatekeepers or by requiring legal entities to identify their beneficial owners and enter them in beneficial ownership registers, to name just a few examples. Against this background, both a risk-based approach and the principle of proportionality must be observed with particular vigilance in building a targeted and effective framework.

At the same time, it is crucial to complete the AML package and establish the European anti-money laundering authority (AMLA) swiftly now that there have already been significant delays in the negotiations. But we would be well-advised not to introduce excessive and non-risk-based requirements now, which we might have to revise in an AML package 2.0.

The guiding question for legislators and regulators must therefore always be: Is additional regulation justified in terms of risk? This applies primarily to standards targeting obliged entities and partially also to standards targeting supervisory and other competent authorities. It is essential to be equipped with the necessary facts when making far-reaching regulatory decisions. Without a solid factual basis, it is not assured that regulation will be as targeted as intended. The Commission's impact assessment, together with the supranational risk assessment and the national risk assessments, are very good starting points for this. We need to find out, as accurately as possible, where the actual risks lie.

Let me illustrate these considerations with two examples:

1. The provisions on transparency – which are widely considered by the industry to impose significant administrative burdens for all legal arrangements and obliged entities, irrespective of their specific business activities and risk profiles – will be expanded under the new package and should be examined thoroughly in terms of their suitability and proportionality. Among other things, the proposed provisions (a) require all legal entities in third countries to be entered in a beneficial ownership register when a business relationship is established in the European Union and (b) reduce the percentage threshold above which a person is

considered a beneficial owner. In this context, we must pay particular attention to the European Court of Justice's case law, which requires our considerations of proportionate regulation to include legal interests such as those of the person affected by transparency rules.

2. In connection with the future EU anti-money laundering authority, there is the concern we might overstretch our good intentions. It is tempting to give AMLA a broad range of tasks and powers, including in the area of sanctions enforcement for example. This is all the more understandable given the growing importance of preventing sanctions evasion over the past year and a half. At the same time, we must ask ourselves whether the intended synergy effects are actually likely to be achieved and what this means for AMLA's overall functioning. Newly established authorities often experience growing pains in their first few years, and assigning AMLA too many tasks could prevent a successful start.

Effective AML regulation must be based on targeted, proportionate and risk-based rules.

With the right combination of targeted, proportionate and risk-based rules and operations, we will maximise the success of the new EU-AML framework and organisational structure. To combat financial crime effectively, all stakeholders must join forces and pursue a common goal. It is crucial for the general public, the private sector and competent authorities to share the confidence of legal experts that the AML package will bring added value and not only added work.

Let us therefore strengthen the dialogue between policymakers and civil society to our mutual benefit, so that we can implement the new framework from day one in a risk-sensitive and thoroughly effective manner.



KENNETH FARRUGIA

Chief Executive Officer -
Malta Financial Services
Authority (MFSA)

Strengthening Europe's AML/ CFT Supervision

After several years of legislative processes, the Anti-Money Laundering Package, comprising three regulations and a directive is nearing its final stages.

The creation of a supranational AML/CFT authority (AMLA) is one of the major developments being proposed, and is intended to improve supervision across all sectors, by coordinating and directly supervising high-risk entities, particularly credit and financial institutions operating in multiple Member States. A driving factor behind the setting up of AMLA was the variation in the level, quality, and effectiveness of supervisory practices across Europe, leading to money laundering scandals involving European credit institutions.

While the AML package offers promising solutions, the eventual establishment of AMLA does present its own challenges. Its role is undergoing somewhat of a metamorphosis with each successive review of the Commission's proposal. The number of selected entities possibly subject to direct supervision has been increased by both Council and Parliament, and so has its mandate when it comes to restrictive measures. There have been repeated warnings that this

will require AMLA to have an ever more substantial budget to, amongst others, recruit additional staff and bolster its technological capabilities.

Financial implications apart, can AMLA find the necessary human resources to effectively and efficiently execute its mandate? Technology will only go so far- ultimately you will need qualified, experienced and creative people to take decisions, and those are in short supply. Recruiting and retaining staff in this area has always been challenging, with authorities having to compete with one another for a limited pool of talent. AMLA's responsibilities will require additional skilled professionals which may potentially strain the human resources capabilities of national authorities as they lose their skilled regulators to the supranational body. AMLA must also tackle cross-cultural and language barriers to foster effective communication and collaboration among its staff and with the various national supervisory authorities.

Technology will also feature high on the agenda, be it as a means to facilitate the compliance by entities, or as a medium that creates new vulnerabilities within the AML/CFT system. The European Banking Authority has already been active in this area but with the AML Rulebook Regulation casting a wider net when it comes to CASPs, while also seeking to address uncertainties surrounding Virtual IBANs, AMLA will need to keep up the momentum in the technological sphere. It might also need to consider the reconciling of products, like instant payments, within the overall AML/CFT framework, but especially, transaction monitoring and reporting obligations, as well as possible new threats such as NFTs and the metaverse.

To ensure transparency and prevent illicit activities, advanced technological solutions must be deployed to verify beneficial ownership information and safeguard against the misuse of corporate structures and robust monitoring. Tracing solutions will also be necessary in the realm of cryptocurrency, demanding innovative technological approaches. AI and Machine Learning Compliance represent a significant opportunity for enhancing AML/CFT efforts while information sharing and collaboration platforms, such as the EU AML database EuReCA, play a pivotal role in fostering greater cooperation among financial institutions and supervisory authorities.

The other main building block of the AML Package is the AML Rulebook Regulation which sets out the AML/CFT obligations for entities. Moving away from a directive to a regulation as the instrument of choice will limit as

much as possible any arbitrage between Member States while also ensuring as uniform as possible an application of the same AML/CFT obligations in each one.

From a European perspective, one could say that the creation of single rulebook and a single supra-national authority with direct supervisory powers was only a question of time. Money knows no border and neither does crime, and in an area created to facilitate and incentivise cross-border activity it was necessary to set overarching rules that do not allow for national influences. The project has suffered some delays, albeit this was to be expected due to its highly sensitive nature one and everyone wanting to contribute to develop the best possible solution.

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Regulatory uncertainty may arise during AMLA's initial stages, as it navigates scope, powers, and interactions with existing supervisory bodies and national authorities. Addressing the technological and human resource challenges will be critical for its success. By overcoming these challenges, leading by example and fostering greater cooperation and consistency, the EU can bolster its financial system's integrity and enhance its credibility in the global fight against financial crime.



ANTE ŽIGMAN

President of the Board –
Croatian Financial Services
Supervisory Agency (HANFA)

Need for planned AML/CFT specialized supervisory training

EBA's recent findings indicate that all EU competent authorities could be doing more to supervise the financial sector effectively. Failure to manage ML/TF risks in this area can impact the integrity of the entire EU's financial system. As the financial industry encompasses entities of various sizes and business models, ML/TF risk factors fluctuate significantly by type and intensity. As competent authorities already identified three additional emerging risks in the sector - 'white labeling', virtual IBANs, and third-party acquirers, all connected with geographical risks and cross-border transactions, we are aware of the new gaps that need additional effort and response.

As the higher ML/TF risk is linked to the use of new technologies and remote customer onboarding, SupTech solutions, in particular when it comes to trading with crypto assets, the use of AI solutions, etc., will be required, competent authorities will need to have well-trained, educated and specialized experts to be able to „lead this battle“.

For example, the business models of FinTech companies vary as much as their offerings. The business model of white label FinTech companies focuses on offering business-to-business (B2B) services, and some white label FinTech

companies have also consumer-facing and handling offerings. Supervisors will need to understand these business models to be able to supervise effectively.

Will this new concept of direct supervision led by AMLA also help national supervisory authorities to, along the way, strengthen their internal knowledge and capacities and increase national AML/CFT effectiveness related to new ML/TF risk factors? Will Joint supervisory teams build on the existing capacities, knowledge, and practices of national supervisory authorities?

The discussion on eligibility criteria and the selection process for direct supervision are still ongoing and we need to look at this new mechanism in a broader context, not only as an ML/TF operational supervisory tool but also as a form of additional supervisory convergence and an opportunity to develop practical case study templates for national lead efforts.

AMLA is meant to provide mutual assistance in the AML/CFT supervisory system, as well as practical tools and methods for mutual assistance. that the hope is that AMLA will ensure sectoral and cross-sectoral training programs, including technological innovation; exchanges of staff and the use of secondment schemes, twinning and short-term visits, and exchanges of supervisory practices between supervisory authorities when one authority has developed expertise in a specific area of AML/CFT supervisory practices. This is a necessary and positive development but let's not forget that specialized training and education are needed right now. It may be argued that we are significantly behind schedule. As new ML/TF risks arise, a supervisor's readiness and capacity must follow such changes.

**Supranational
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We must be aware that the ML/TF risk landscape has changed. Environmental crime, including illegal waste trafficking, illegal trade with endangered species, illegal gold mining, and the violation of environmental regulation, is a predicate offense to ML. The EBA Report from July this year shows that 83% of the competent authorities responding to the questionnaire indicated that no

authority in their jurisdiction assessed risks arising from the laundering of proceeds of environmental crimes. EBA advised competent authorities to take the steps necessary to understand the risk that institutions in their sector might be laundering the proceeds from environmental crime. The new AML Package will expand the list of obliged entities to other sectors, including CASPs and crowdfunding platforms. In parallel, the types and methods of ML/TF crime are rapidly increasing.

We are already running late with common supervisory specialization for some specific ML/TF risks. Cross-border/supranational cooperation and a robust and structured exchange of practices between supervisors are important to keep up with new technologies, and new business models.

The ambition that went into preparing the new AML/CFT legislative package should be accompanied by an equally ambitious and structured plan for specialized and continuous training of our operational AML/CFT experts to be ready to follow all current and ongoing changes. Supranational organized roundtables and operational specialized training should become our day-to-day supervisory routine to be ready for existing and new ML/TF threats. We should bear this in mind while waiting implementation of the new EU AML rules.

Special attention, therefore, needs to be paid to ensuring timely, comprehensive, and targeted AML/CFT specialized supervisory training. That is the still missing piece needed to close the potential gaps in the new AML/CFT package.



RIKKE-LOUISE ØRUM PETERSEN

Deputy Director General -
Danish Financial
Supervisory Authority

Main building blocks for the AML/ CFT framework of the future

The fight against financial crime has moved to the forefront of the supervisory agenda in recent years. As discussions continue on how to design the foundations of future efforts to combat money laundering and terrorist financing in Europe, it is important to keep the eye on the ball. First and foremost, AML/CFT should not be seen or used as a panacea. In our endeavor to hinder criminals in making use of the profit of their crime, we should not lose focus on combating and investigating the predicate crime – which is often worse than the following economic crime and often entails far worse human suffering. From that starting point, I think there are four key areas that we need to focus on to ensure success in this very important task: a risk-based approach, cooperation, the need for well-designed legislation and harnessing the power of technology.

Let us start from the basics: in Europe alone, there might be around 200,000 obliged entities. Therefore, the task for the supervisors is tremendous – and

AML/CTF supervisors must start from a risk-based approach.

Planning of supervisory activities is inherently based on incomplete information. AML/CFT risks do not necessarily relate to size or any other obvious metric. Hence, there is a need for accurate, timely information on obliged entities to allow supervisors to focus efforts where they count the most.

A key element to success is cooperation; supervisors must cooperate closely with law enforcement, the FIU intelligence services and tax authorities. Authorities involved must exchange information and learn from each other. Public private partnerships (PPPs) are an important add-on to this cooperation. Information gathered from the source will always be superior to second hand information. Early experience, starting with the JMLIT in the UK, are very promising as to the potential gains of such endeavors.

Secondly, AML/CFT supervisors should cooperate with prudential supervisors. Prudential supervisors' knowledge of supervised entities which will be of great value to AML/CFT supervisors – and vice versa: input from AML/CTF supervisors is important for the risk assessment by prudential supervisors. In the Danish FSA, AML/CFT supervisors are sitting close to prudential supervisors – much to the benefit of both.

Thirdly, supervisors must cooperate across borders. Crime is becoming more and more international. In Denmark, e.g., a very large part of un-covered money laundering has threads to other

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countries. In the Nordic Baltic area, AML/CFT supervisors have formed a permanent working group a few years ago. This working group continues to bring value and its activities are widening and deepening. In Europe, we are also step-ping up through the work in supervisory colleges.

The need for cooperation is no less relevant for the coming European AML Authority, the AMLA. The AMLA will supervise financial institutions which have the highest AML/CTF risk – and

the AMLA will need to cooperate with law enforcement, prudential supervisors and national AML/CFT supervisors to succeed. If we do not get this cooperation right, there is a risk that the AMLA will not be the positive force that we are looking for – but will mostly add complexity and administrative burdens.

As the creases on the EU AML package are still being ironed out, we need to keep the broad picture in mind. We must aim for high minimum standards. But setting high minimum standards is not the same as setting out very detailed provisions. The reasons for this are obvious. Combating and preventing financial crime is a moving and often also a somewhat blurred target. This calls for flexibility in regulation. There is a risk of formulating too detailed rules, which might well result in both obliged entities spending scarce resources on what is inherently low risk – resources which should have been spent elsewhere – and supervisors getting caught up in “checking the box” rather than trying to see and understand the everchanging landscape of AML/CTF risks.

Hence, we are back with a need to focus on the risk-based approach – in the effort of obliged entities and in supervision. We need a regulatory framework that supports this – not one which ends up deflecting efforts by being too detailed and prescriptive.

And this brings me to my final point: information alone cannot do it – we need to harness the power of technology to succeed here.

In close cooperation with Germany and The Netherlands, Denmark has pushed for increased room for cooperation and data sharing in the AML package. Current rules restrict obliged entities to arrange their preventive efforts in silos. It is difficult to follow money trails when criminals launder their proceeds through networks of accounts across financial institutions.

The aim is a framework which creates room for new and innovative approaches without specifying the recipe, based on the possibility for national discretion to develop initiatives on data sharing and cooperation, with all due safeguards. We still find it imperative that this remains a part of the package. And in due time maybe the ambitions for data-sharing can have international dimensions; maybe led by the work and expertise of the AMLA.



PAOLO COSTANZO

Senior Manager, Financial
Information Unit -
Banca d'Italia

Ongoing negotiations on the AML Package: what is at stake for AMLA and FIUs

Faced with diverging texts with different levels of ambition, European co-legislators are working in the trilogues to forge a suitable compromise for the AML Package. Reforms should be feasible, for a smooth implementation across the bloc with no excessive costs and unduly lengthy timeframe, to avoid that the inception of AMLA and the rulebook be pushed too far into the future. These are all usual hurdles in EU negotiations; they become more pressing here due to looming elections next year and a context of not fully mitigated risks. The procedure for deciding where AMLA will sit is also lagging behind, due to political struggles on criteria. Ambitions and realism should find a balance soon.

Proposals by the Parliament aim to expand the role of AMLA as the FIUs' Mechanism and enhance FIUs' responsibilities, in response to long standing calls for more convergent and effective approaches. Right motivations must be translated into feasible solutions.

The reporting of suspicious transactions should be fostered and simplified. However, the proposal to set up a unified EU procedure available to all for disclosing to any FIU "of choice" is neither appropriate nor feasible. Rather than a swift "one stop shop" solution, this would entail a "one size fits all" system, requiring an overhaul of national and EU IT platforms, increasing public and private expenses and lowering the quality of disclosures. The Council approach, centred on AMLA providing uniform though flexible reporting standards, is preferable.

Effective joint analysis on cases that FIUs cannot tackle effectively in a national perspective is one of the goals of the reform. The Parliament intends to provide AMLA with a more incisive coordination role and powers to launch joint exercises; FIUs would be required to participate, with little room for refusing. This step toward a truly supranational approach would be more effective but more demanding for FIUs, in terms of casting priorities and mobilizing resources.

Parliament's amendments explicitly vest FIUs with a supranational status and mandate in their roles in the governance of AMLA. National laws would have to reflect that, balancing FIUs' prerogatives with a duty to serve AMLA's and EU interests (which do not necessarily coincide in full with domestic agendas). This is a momentous change which comes with a cost envelope. It also brings new responsibilities: the Parliament insists that, similar to supervisors, FIUs should be made subject to "peer reviews" and "recommendations" for remedying inadequacies.

**With negotiations' end
not yet in sight, also on
AMLA's location, ML risks
remain outstanding.**

Other, non-FIU, agencies could be admitted to joint analyses and to the FIUs' and AMLA's "data room". These agencies could also receive disseminations and would be observer members of the General Board. While inter-agency cooperation is key, these proposals would commingle separate areas of competence and lead up to multi-purpose processing of sensible information and a defective coordination with domestic arrangements.

AMLA would also gain competences for the implementation of targeted financial sanctions. This area has

received a boost following the invasion of Ukraine and would benefit from a better EU coordination. However, notwithstanding connections with supervision and FIUs' matters, the role envisaged for AMLA would expand, and perhaps shift, its mandate.

A lot may be at stake in co-legislators' balancing act. Designing and implementing competences for AMLA in the TFS area require time; with an already overdue legislative process and EU elections looming, credibility can be eroded. A more incisive role for the FIUs' Mechanism will enhance effectiveness but also raise feasibility concerns. The interplay between national prerogatives and supranational constraints is also an important variable: more room for AMLA in joint analyses or peer reviews will reduce FIUs' legroom, touching on highly valued national arrangements. Changes to STR reporting procedures would require a sustained multi-annual commitment by EU and national authorities, as well as by the reporting sector; an unviable "one stop shop" idea may stifle the transition.

Less visible or tangible factors (for now) are also exposed. Risks are not duly mitigated: the new AML system, and the FIUs' Mechanism in it, have been designed to prevent major ML cases similar to those that occurred before 2020; a few years have passed and we may yet be far from that objective. Also, AML activities rely on information processing, within the public and the private sector and across the two, domestically and cross-border; to keep the pace of innovations (e.g. on AI), AML actors should be given indications on "dos" and "don'ts" to safeguard sensible data.

At stake are credibility and trust, essential for a system that is not harmonised and relies on national stakeholders (and taxpayers).



SYLVIE MATHERAT

Senior Advisor - Mazars

For a new, fully operational and efficient, AML/CFT framework

In order to make sure that the new framework will be in the best position to fulfill expectations several building blocks need to be there.

1. The new framework must rely on a comprehensive and harmonized set of legislation: in particular AMLA will need a robust set of legislative measures that clearly defines its powers, responsibilities, and the punishments for money laundering offenses. These measures should be aligned across all member states.
2. This legislative framework must be reinforced by clear policies that also must apply in all member states. Those policies must be well known in all countries, consistently applied by all national supervisors and regularly adapted to follow the changing methods of money laundering. It should also apply at all stages of the “life” of financial institutions. As recently highlighted in the EBA report on ML/TF risks associated with payment institutions, given that currently “supervisory practices at authorization vary significantly, AML/CFT components are not consistently assessed. As a result, payment institutions

with weak AML/CFT controls... may establish themselves in MS where the authorization process is perceived as less stringent to passport their activities cross border afterwards”. Intra EU cooperation and international collaboration must be there to reinforce the new framework efficiency.

3. The new authority will need adequate resource allocation. As one of the SSM Board member recently pointed out without this, the new framework will miss its objective (Elizabeth MacCaul at Leaders in Finance AML event June 2023). Regarding financial resources, adequate funding is needed to ensure the smooth operation of AMLA. This includes salaries for employees, operational expenses, purchasing necessary software and hardware, and funding investigations. As far as human resources are concerned, hiring skilled professionals with expertise in financial crime, forensic accounting, law enforcement, legal services, and IT is necessary. Also enough staff is needed to handle the volume of cases and to ensure swift action. This staff will need to be continuously trained to keep up to date with the progress of money launderers themselves. Adequate infrastructures and partnerships will also be needed to ensure collaboration with other organizations, both domestic and international ones. This can involve training initiative, data sharing agreements, joint operations.

The new AML scheme will need strong leadership, effective coordination and capacity building.

4. Advanced technology: Modern anti-money laundering efforts require sophisticated technologies. This can include advance software for detecting suspicious transactions, data analysis tools, secure databases for storing and retrieving information, and cybersecurity measures to protect sensitive data. In this field leveraging cutting-edge technology such as artificial intelligence and machine learning can help detect suspicious transactions more accurately and swiftly. Indeed, as Elizabeth MacCaul was highlighting in her previously mentioned speech “ AI is exceptionally good at analysis vast amounts of financial data and

identifying patterns, making it much easier to identify suspicious transactions or money laundering activities which can be flagged for further investigations...AI can help to identify hidden links and connections, uncovering complex networks and relationships...”

5. Clear data management rules and relationships with data protection framework are also key. Balancing effective AML data management with data protection can be challenging, but it is essential to ensure both the integrity of financial systems and the privacy rights of individuals. To do so requires careful planning, robust systems and ongoing monitoring and compliance efforts to make sure that collection of data, data storage, data processing and analysis or data sharing, are done in a manner consistent with data protection regulation to protect individual s privacy and prevent misuse of personal data.
6. Adequate transparency should enhance its efficiency/ reputation. It should maintain public trust, enhance cooperation with other entities and ensure accountability. In order to foster this transparency, regular reporting on the activities, achievements and challenges of AMLA can ensure that stakeholders and the public at large understand its work. This covers in particular statistics on cases handled, convictions obtained, funds recovered and sanctions imposed. AMLA s governance will also benefit from being transparent; lastly regular audits and oversight can also ensure that AMLA is acting responsibly, effectively and in accordance with its mandate.

All the above mentioned building blocks seem necessary to improve the efficiency and reputation of the new AML scheme. To sum up it will need strong leadership, effective coordination and capacity building, swift and effective action means, strong public engagement and continuous improvement to keep pace with changing circumstances and threats.



AAMIR HANIF

Head of AML Compliance
EU/CIS/Africa - Western Union

Filling AMLA with life: partnership and pragmatism

Two years have now passed since the anti-money laundering and counter terrorism financing (AML/CTF) package was presented by the European Commission. The European Union is now entering the final stage of negotiations, with co-legislators likely to reach agreement on a final common text later this year. However, reaching an agreement on the legislative text is only one of three key elements needed to finalize the EU AML framework. Equally, during this delicate phase, it is important that the discussions on the technical requirements affecting the industry are not overshadowed by political decisions on the future location of the AML Authority (AMLA).

The second element is to ensure that the handover of responsibilities from the EBA to the AMLA is done in a planned manner, so that financial institutions do not face a regulatory or supervisory gap in meeting their AML/CTF obligations. Coordination and collaboration with public and private partners will be key in the first years of AMLA.

The third element is to achieve a careful balance when the AMLA finally develops its technical standards under the new AML rules. Many of the specific requirements that financial institutions will have to comply with will still need to be developed. This gives the

AMLA a truly unique opportunity to create a robust framework, partnering closely with the industry. The smooth transition also requires that the AMLA build the necessary in-house expertise with EU regulatory framework and that it is integrated into the EU's supervisory ecosystem. In developing its technical standards, the AMLA should not rush and adopt a risk-based approach that reflects the unique business model of the financial institutions to which the future AML rules will apply.

The recent report from the EBA on the ML/TF risks in the payments sector shows the urgency for the implementation of the AML/CTF Package, both from an industry and a supervisory perspective. A key takeaway from the report is that the industry and the respective supervisors need to enhance their cooperation and dialogue, so as to ensure a better understanding of the sector and the supervisory expectations placed on payment institutions. For example, the remittances sector has a thorough understanding of its inherent risks, built over many decades. To that effect, Western Union, and the broader industry, have developed a series of processes and controls to mitigate that risk, and ensure the safe use of their platforms. Enhanced cooperation and sharing of information between the industry and the supervisors will then be beneficial for both parties and the AMLA can play an important role in this regard.

**Better cooperation
helps regulators,
supervisors and industry
to overcome many of the
AML/CFT challenges.**

The changes in the AML/CTF framework should also reflect the increasing adoption of new technologies in the fight against financial crime. Technology can greatly help companies deliver on their AML/CTF obligations and make the implementation of a risk-based approach a reality. It can also facilitate data sharing for AML/CFT purposes.

Developing new EU regulations should not hamper innovation in areas such as, for example, customer onboarding and post-onboarding controls. A positive development in this regard is the European Parliament's proposal to introduce a new technology tool that connects all relevant obliged entities, supervisors and FIUs ("one-stop-shop"). This tool has the potential to significantly reduce data fragmentation of data

reported by entities to different Member States, allowing for the different players to be brought together in a centralized manner. Moreover, it could also improve the data reporting efficiency, allowing for better identification, for both obliged entities and relevant authorities.

One important consideration when data sharing technology is used is the application of EU data privacy rules. This trade-off between data privacy and data sharing remains a constant challenge for all parties involved. The new legislation formally recognizes the public interest mandate for sharing AML data. Solving this trade-off will ultimately depend on political will.

Western Union has consistently supported the creation of AMLA, especially when it comes to the supervision of entities with large cross-border operations. The AMLA can add efficiency to the EU's supervisory process, especially for financial institutions with cross-border activity within the EU. More importantly, we believe that it can have a truly positive effect on how the fight against financial crime evolves to confront a rapidly changing landscape.