



JOINT COMMITTEE OF THE EUROPEAN
SUPERVISORY AUTHORITIES

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PRESS RELEASE

EBA, EIOPA and ESMA consult on anti-money laundering and countering the financing of terrorism

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA - ESAs) launched today a public consultation on two anti-money laundering and countering the financing of terrorism (AML/CFT) Guidelines. These Guidelines promote a common understanding of the risk-based approach to AML/CFT and set out how it should be applied by credit and financial institutions and competent authorities across the EU. The documents are part of the Joint Committee's work to establish consistent and effective, risk-based supervisory practices across the EU.

The Risk-Based Supervision Guidelines

The consultation paper on the Risk-Based Supervision Guidelines is addressed to competent authorities responsible for supervising credit and financial institutions' compliance with applicable AML/CFT obligations. The Guidelines specify the characteristics of a risk-based approach to AML/CFT supervision and set out what competent authorities should do to ensure that their allocation of supervisory resources is commensurate to the level of money laundering and terrorist financing (ML/TF) risk associated with credit and financial institutions in their sector.

The Risk-Factors Guidelines

The consultation paper on the Risk-Factors Guidelines is addressed to both credit and financial institutions and competent authorities responsible for supervising compliance with the AML/CFT obligations. It provides guidance on the factors credit and financial institutions should consider when assessing the risk of ML and TF associated with individual business relationships, and on how they should adjust their customer due diligence measures as a result of that risk assessment. The aim of these Guidelines is to provide credit and financial institutions with the tools they need to make informed, risk-based and proportionate decisions on the effective management of individual business relationships and occasional transactions. They also aim to help competent authorities assess whether the ML/TF risk assessment and management systems and controls of EU credit and financial institutions are adequate.

Consultation process

The consultation closes on 22 January 2016. The ESAs will hold a public hearing on the draft Guidelines, which will take place at the EBA premises in London on 15 December 2015.

Notes for editors

1. The Joint Committee is a forum for cooperation that was established on 1st January 2011, with the goal of strengthening cooperation between the European Banking Authority (EBA), European Securities and Markets Authority (ESMA) and European Insurance and Occupational Pensions Authority (EIOPA), collectively known as the three European Supervisory Authorities (ESAs).
2. Through the Joint Committee, the three ESAs cooperate regularly and closely and ensure consistency in their practices. In particular, the Joint Committee works in the areas of supervision of financial conglomerates, accounting and auditing, micro-prudential analyses of cross-sectoral developments, risks and vulnerabilities for financial stability, retail investment products and measures combating money laundering. In addition to being a forum for cooperation, the Joint Committee also plays an important role in the exchange of information with the European Systemic Risk Board (ESRB).
3. These guidelines are based on mandates in Articles 17, 18(4) and 48(10) of Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.
4. Directive (EU) 2015/849 puts the risk-based approach at the centre of the EU's AML/CFT regime. It recognises that the risk of money laundering and terrorist financing may vary and that Member States, competent authorities and credit and financial institutions should identify and assess risks in order to decide how to best manage it.

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