

# AML Package I: Creation of an EU AML Authority

Thomas Wahl

## News

At the heart of the legislative proposal to overhaul the EU's AML/CFT rules as presented on 20 July 2021 is the [creation of a new EU authority which will be tasked with AML/CFT supervision in the EU](#) and support of EU Financial Intelligence Units (FIUs). The EU AML Authority (AMLA) is designed to become the centrepiece of an integrated system of national AML/CFT supervisory authorities and will ensure their mutual support and cooperation. It is expected that the new authority can overcome the existing deficiencies in the quality and effectiveness of AML/CFT supervision in the EU and contribute to better convergence of high supervisory standards.

### *Tasks and powers*

According to the proposal, the AMLA will have the task and powers to directly supervise some of the riskiest financial institutions that operate in a large number of Member States or require immediate action to address imminent risks. In the context of direct supervision, the AMLA will, *inter alia*, be entitled to carry out supervisory reviews and assessments at individual entity and group-wide basis, and to develop and maintain up-to-date a system in order to assess the risks and vulnerabilities of the selected obliged entities. It will also be able to adopt binding decisions, administrative measures, and pecuniary sanctions towards directly supervised obliged entities.

Furthermore, the AMLA will monitor and coordinate national supervisors responsible for other financial entities as well as coordinate supervisors of non-financial entities – a task that will establish indirect supervision of entities.

With respect to FIUs in the Member States, the AMLA will have a number of supportive tasks, including the conduct of joint analyses by FIUs. It will also make available to FIUs IT and artificial intelligence services, promote expert knowledge on detection, analysis, and dissemination methods of suspicious transactions, and prepare/coordinate threat assessments.

The Commission proposes that the AMLA takes over the management of two existing infrastructures: (1) the AML/CFT database, currently managed by the European Banking Authority, and (2) the secure communication network for FIUs (FIU.net), which has been hosted by Europol.

General powers of the authority, which relate to all aforementioned tasks, will include the power to adopt regulatory technical standards and implementing technical standards where this is provided for in the applicable EU AML/CFT legislation; the new authority will get a broad power to adopt guidelines or recommendations addressed to obliged entities, AML/CFT supervisors or FIUs.

### AUTHOR

#### Thomas Wahl

Senior Researcher  
Max Planck Institute for the  
Study of Crime, Security and  
Law

---

Published in  
2021, Vol. 16(3) *eu crim* pp 153  
– 154

ISSN: 1862-6947

<https://eu crim.eu>

---



Regarding the organisation and governance of the new body, the Commission proposes that it will be comprised of two collegial governing bodies, namely (1) an Executive Board of five independent full-time members and the Chair of the Authority and (2) of a General Board composed of representatives of Member States.

Depending on the tasks to be fulfilled, the General Board shall meet in two alternative compositions, i.e. a “supervisory composition” with heads of public authorities responsible for AML supervision, and a “FIU composition”, with heads of FIUs in the Member States. The General Board will adopt all regulatory instruments, draft technical implementation standards, guidelines and recommendations. In its supervisory composition, it may also provide its opinion on any decision about directly supervised obliged entities prepared by a Joint Supervisory Team before the adoption of the final decision by the Executive Board.

The Executive Board will be the governing body of the AMLA. It will take all decisions towards individual obliged entities or individual supervisory authorities if the AMLA is carrying out its direct or indirect supervisory functions. The Executive Board will also take decisions regarding the draft budget and other matters relating to operations and the functioning of the authority.

An Administrative Board of Review will deal with appeals against binding decisions of the AMLA addressed to obliged entities under its direct supervision; decisions of the Administrative Board of Review will be appealable to the CJEU. According to the Commission’s proposal, the Executive Board should take into account the opinion of the Administrative Board of Review, but not be bound by it.

*Next steps*

The Commission plans that the AMLA will be established in 2023 and starts its operational activities in 2024. Full staffing (estimated are 250 staff members) should be reached in 2026. In 2026, the new body should also start direct supervision of certain high-risk financial entities. The Commission pointed out, however, that full operational activity as regards direct supervision will be largely dependent on the adoption of the harmonised AML/CFT rulebook, which was proposed alongside the proposal for the AMLA (→ separate news item). The European Parliament and the Council were asked to prioritise the negotiations on the AML/CFT package.

---

## About eucrim

eucrim is the leading journal which regularly informs about current developments in European criminal and “criministrative” law.

All news items are freely accessible at: <https://eucrim.eu/news/>

Stay informed by emailing to [eucrim-subscribe@csl.mpg.de](mailto:eucrim-subscribe@csl.mpg.de) to receive alerts for new releases of issues.

The project is co-financed by the [Union Anti-Fraud Programme \(UAFP\)](#), managed by the [European Anti-Fraud Office \(OLAF\)](#).



**Co-funded by  
the European Union**