

Commission: Need for Reinforced FIU Cooperation

Thomas Wahl

News

In a series of anti-money laundering reports (all published on 24 July 2019), the Commission [assessed the framework for cooperation between Financial Intelligence Units \(FIUs\)](#), as required, for instance, by Art. 65(2) of the 5th AML Directive.

FIUs were established under the EU's AML/CFT legal framework; their main tasks are regulated by the AML Directive 2015/849. FIUs are central national units in each Member State. They act independently and autonomously. Their main tasks are to receive and analyse suspicious transaction reports and information relevant in the fight against money laundering, associated predicate offences, and the financing of terrorism. They disseminate the results of their analysis and any other information to the competent national authorities and to other FIUs. At the EU level, FIUs cooperate via their own platform, an informal expert group composed of representatives from the Member States' FIUs and FIU.Net, an information system connecting decentralised databases enabling FIUs to exchange information. The FIUs are considered to be a central player in the EU's AML/CFT framework, positioned between the private sector and competent law enforcement authorities (police, prosecutors, courts).

The different types of cooperation in relation to FIUs were the subject of the assessment, i.e.:

- Cooperation between FIUs and with reporting entities;
- Cooperation between FIUs in the EU, including exchange of information, matching of data sets, joint analyses, and FIU.Net;
- Cooperation between FIUs and supervisors;
- Cooperation of FIUs with third countries.

The Commission concludes that cooperation has improved greatly over the past few years. However, several shortcomings remain, e.g.:

- Remaining uneven status of FIUs in Member States, which affects their ability to access/share relevant financial, administrative, and law-enforcement information;
- Lack of regular feedback by FIUs to the private sector on the quality of their reports and lack of a structured dialogue between them in order to share typologies/trends and give general guidance;
- Lack of a common approach when dealing with threats common to all Member States;
- Development of more efficient IT tools; common tools based on artificial intelligence and machine learning are needed;
- Technical difficulties in the functioning of FIU.Net, which are one reason for the continued insufficient cooperation between the Member States' FIUs;

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- Slow dissemination of information;
- Limited scope of the FIUs' Platform, e.g., it cannot produce legally binding templates.

The Commission also notes that some elements were addressed by the most recent Directive 2019/1153, adopted on 20 June 2019, on access to financial and other information. The Directive does not solve all issues, however, since it does not, for instance, include rules on precise deadlines and IT channels for the exchange of information between FIUs from different Member States. Moreover, the scope of the Directive has been limited to cases of terrorism and organised crime associated with terrorism, as a result of which it does not cover other forms of serious crime (contrary to the initial proposal by the Commission).

Ultimately, the Commission suggests some concrete changes, such as a new support mechanism for cross-border cooperation and analysis. The EU finally needs to think about building up more centralised structures.

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