

# EBA's Second Report on Performance of AML/CFT Banking Supervision

## News

Thomas Wahl

On 22 March 2022, the European Banking Authority (EBA) published [the main findings of the second round of reviews](#) of authorities' approaches to the supervision of banks regarding anti-money laundering and countering the financing of terrorism (AML/CFT). These review reports are part of the EBA's new duties to ensure consistent and effective application of the EU's AML/CFT law. For the first report and more background information → [eucrim 1/2020, 16](#).

In the second round, the EBA peer reviewed seven competent supervisory authorities in seven EU/EEA Member States from 2020 to 2021. The review report concluded that the sample triggered similar results as in the first report. All reviewed competent authorities had undertaken significant work to implement a risk-based approach to AML/CFT. AML/CFT supervisory staff in all competent authorities had a good understanding of international and EU AML/CFT standards and were committed to the fight against financial crime. All authorities had started to put in place mechanisms to exchange information with other relevant authorities at home and abroad.

However, the authorities face similar common challenges as those reviewed in the first round, e.g.:

- Difficulties relating to the identification and assessment of ML/TF risks associated with the banking sector and with individual banks;
- Translating ML/TF risk assessments into risk-based supervisory strategies;
- Using available resources effectively, including by ensuring sufficiently intrusive on-site and off-site supervision;
- Taking proportionate and sufficiently dissuasive enforcement measures to correct AML/CFT compliance weaknesses.

It was also found that cooperation with FIUs was not always systematic and continued to be largely ineffective in most Member States.

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27

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