Preventing money laundering and terrorist financing across the EU
How does it work in practice?

European Commission

EUROPEAN UNION

European Banking Authority

European Banking Authority sets guidelines on supervision of financial institutions and identifies breaches of EU law

Sets guidelines

MEMBER STATE A

AML Supervisor

Anti-money laundering supervisors supervise whether obliged entities carry out their tasks well

MEMBER STATE B

Financial Intelligence Unit

MEMBER STATE C

Financial Intelligence Unit

Information sharing

High-Risk Third Countries

Obliged Entities

(Financial Institutions / Designated Non-Financial Business and Professions)

Other risky situations

Enhanced customer due diligence

Transactions in EU and from third countries via bank lawyers, accountants

For transactions from high-risk third countries or in other risky cases

Enhanced monitoring

European Commission determines the **list of high-risk third countries**, presenting a money laundering/terrorist financing risk for the Union financial system

Other risks identified by Member States under **national risk assessment** or by European Commission under **supranational risk assessment**

Customer due diligence

Monitoring by obliged entities who should ensure they know who their customer is

Customers

Suspicious Transaction Reporting

If suspicion identified, obliged entity sends report to the Financial Intelligence Unit in their Member State

Financial Intelligence Unit

Financial Intelligence Unit (FIU) analyses the report and shares with FIUs in other Member States

Financial Intelligence Unit has tools to help analysis: **beneficial ownership registers** (who is the real beneficiary of a company/trust); and **central bank account registers** (who has which account and where)

Law enforcement/ Competent authority

If analysis confirmed, Financial Intelligence Unit sends it to law enforcement, supervisor or other competent authority