



European Commission - Speech [Check Against Delivery]



Remarks by Executive Vice-President Dombrovskis at the press conference on the Anti-money laundering package

Brussels, 20 July 2021

Ladies and gentlemen,

Financial crime generates billions of euros in dirty money every year. At any one time, we know that criminals are filtering at least some of their proceeds through the EU financial system.

Experts estimate that around 1% of the EU's annual GDP is linked to suspect financial activity. While the scale of laundering is difficult to assess, we are talking about many billions of euros in dirty money that is highly mobile and often invisible.

Laundering money is an offence in its own right.

But it is also closely linked to other forms of serious and organised crime as well as the financing of terrorism.

The EU has worked on anti-money laundering - or AML - over many years, with the first AML Directive issued thirty years ago.

We have come a long way since. As criminals have become more imaginative, our laws have had to keep up with this.

However, despite extensive international cooperation and increasingly sophisticated EU legislation, money laundering remains a serious problem.

That became very clear after a major money-laundering scandal hit multiple banks across Europe in 2019.

Our AML laws are now among the toughest in the world, but still not enforced equally across the board. And there are still loopholes in our financial system that we need to close.

We also need to coordinate better between EU countries to fight cross-border financial crime.

All in all, a chain is only as strong as its weakest link – and criminals will move quickly to exploit any weakness they can find.

With today's package, we are following up on the AML action plan we presented last year.

First, we intend to create a new EU Anti-Money Laundering Authority – or AMLA.

It will strengthen the supervision of anti-money laundering and countering financing of terrorism in all EU countries.

AMLA will not replace national authorities but coordinate them to make sure that EU rules are enforced correctly and consistently.

It will directly supervise only some of the most risky financial institutions which operate across multiple EU countries or which need action to deal with immediate threats.

Second, we will devise a single rulebook to clarify, strengthen and align AML obligations across all EU countries.

In a sense, this is similar to what we did for banks after the 2008 financial crisis: creating single rulebooks and an EU supervisor.

We will also propose a ceiling of €10,000 for large transactions in cash.

Then, I mentioned our laws having to keep up with time and technological development. In the case of crypto-assets, this has become urgent. Crypto-assets are increasingly used for money laundering and other criminal purposes.

We will now bring crypto-assets fully within the scope of EU AML rules. All transfers of crypto-assets

must be accompanied by the details of sender and beneficiary.

This already applies for real money transfers.

Lastly – the international dimension.

Money laundering does not stop at the EU's borders.

It is a global challenge that demands a global response.

We must make sure that illicit money flows from outside the EU do not threaten our financial system.

Our approach here should reflect the actual risks involved. This is why we are taking a new differentiated approach regarding non-EU countries: a black list and a grey list.

We will list countries either based on the assessment of the Financial Action Task Force, the international watchdog – or, if the Commission finds that a country poses a threat to the EU's financial system, then the Commission will do it autonomously.

Mairead will present this in greater depth.

Ladies and gentlemen,

We have heard the wake-up calls, taken note and taken action.

It is our responsibility to provide a safe and inclusive Europe where dirty money has no place to hide. Thank you and now over to Mairead.

SPEECH/21/3806