



EUROPEAN COMMISSION

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*Mr Ondřej BENEŠÍK
Chair of the Committee on European Affairs
of the Poslanecká sněmovna
Sněmovní 4
CZ – 118 26 PRAGUE 1*

*Cc Mr Radek VONDRÁČEK
President of the Poslanecká sněmovna
Sněmovní 4
CZ – 118 26 PRAGUE 1*

Dear Chairman,

The Commission would like to thank the Poslanecká sněmovna for its Opinion on the Commission Communication¹ on an 'Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing' {COM C(2020) 2800 final}.

The European Commission has made a strong commitment to deliver a comprehensive approach to fighting 'dirty' money. The Action Plan sets out the measures that the Commission will undertake to better enforce, supervise and coordinate the EU's rules on combating money laundering and terrorist financing. The aim is to shut down remaining loopholes and remove any weak links in the EU's existing rules. This will not only bolster the resilience of the Union's financial system, but it will also ensure the fairness of our economy and safety of European citizens, in line with President's von der Leyen's priorities of 'An economy that works for people' and 'Promoting the European way of life'.

The Commission welcomes the Poslanecká sněmovna's broad support for the aims of the Action Plan and notes its emphasis on ensuring a proper implementation of the existing framework and a harmonised framework for anti-money laundering (AML)/ countering the financing of terrorism (CFT) internationally. Furthermore, the Commission takes note of the doubts expressed by the Poslanecká sněmovna with regard to the need for a single European supervisor. The Commission is pleased to have this opportunity to provide a number of clarifications regarding its upcoming proposals and trusts that these will allay the Committee's concerns.

¹ Please see: https://ec.europa.eu/finance/docs/law/200507-anti-money-laundering-terrorism-financingaction-plan_en.pdf

The Commission agrees with the Poslanecká sněmovna that it is critical that existing rules are rigorously implemented. This is why the Commission has already launched numerous infringement procedures to ensure the full transposition and application of the 4th and 5th Anti-Money Laundering Directives² (AMLD). This is why we highly appreciate the Czech Republic's efforts to fully transpose the relevant Directives. Nevertheless, the Commission Communication³ 'Towards better implementation of the EU's anti-money laundering and countering the financing of terrorism framework' {COM C(2019) 360 final} and the recent Action Plan noted that, despite the Commission's and Member States' efforts, unaddressed structural shortcomings in the regulatory framework exist. In particular, the lack of detail in the applicable rules and on the division of responsibilities with regard to cross-border issues result in differing interpretations of the Directive across Member States. This is why the Action Plan proposed that certain parts of the AMLD should be turned into directly applicable provisions set out in a Regulation, subject to an impact assessment.

'Dirty' money is highly mobile and moves between Member States in search of weaker supervision and enforcement. This is why the Commission proposed to set up EU-level supervision to integrate and supplement national supervisory systems to address effectively AML/ CFT incidents having a cross-border aspect. Different options for such supervision are possible, as set out in the public consultation⁴ that recently closed. A potential EU supervisor will supplement national supervisors, who will continue to remain in charge of most day-to-day supervision. The Commission is currently analysing the feedback received from stakeholders and the Member States in the various working groups. Any Commission proposal will build on this feedback and will be preceded by a rigorous impact assessment. Furthermore, a key message from our consultation with the Member States' competent authorities was that any information exchange between obliged entities, Financial Intelligence Units and a potential EU supervisor, should respect the privacy and confidentiality of data as well as the principle that the competent authorities remain custodians of the information exchanged. The Commission has taken note of these concerns.

The Commission shares the view of the Poslanecká sněmovna that strong anti-money laundering rules and enforcement in third countries is essential, as the flow of illicit funds does not stop at the EU's borders. The new Methodology and the Delegated Act⁵

² Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. Please see: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32015L0849> and Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018. Please see: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018L0843>

³ COM C(2019) 360 final. Please see: <https://ec.europa.eu/transparency/regdoc/rep/1/2019/EN/COM-2019-360-F1-EN-MAIN-PART-1.PDF>

⁴ For detailed questionnaire and summary replies please see: <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12176-Action-Plan-on-anti-money-laundering/public-consultation>

⁵ Commission Delegated Regulation (EU) 2020/855. Please see: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R0855>

on the list of high-risk third countries issued alongside the Action Plan provides the EU with the necessary tools to take action.

The Commission wishes to re-assure the Poslanecká sněmovna that any measure or proposal that it will submit in the framework of the Action Plan will be supported by an impact assessment that will aim to find the balance between potential EU action and respect for the principles of proportionality and subsidiarity.

The Commission hopes that these clarifications address the issues raised by the Poslanecká sněmovna and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Valdis Dombrovskis
Executive Vice-President*

*Maros Šefčovič
Vice-President*