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

**EUROPEAN UNION**

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

- **Member State A**
  - **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**

**Obliged Entities**
- **(Financial Institutions / Designated Non-Financial Business and Professions)**
- Transactions in EU and from third countries via bank lawyers, accountants

**Enhanced customer due diligence**
- For transactions from high-risk third countries or in other risky cases
- Monitoring by obliged entities who should ensure they know who their customer is

**Suspicious Transaction Reporting**
- If suspicion identified, obliged entity sends report to the Financial Intelligence Unit in their Member State

**Financial Intelligence Unit**
- Analyses the report and shares with FIUs in other Member States
- Financial Intelligence Unit has tools to help analysis of 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

**High-Risk Third Countries**

**Other risky situations**

**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