Secretariat of the Basel Committee
Bank for International Settlements
CH-4002
Basel, Switzerland

22 February 2017

AFME Comments on the Bank of International Settlements' ("BIS") Basel Committee on Banking Supervision Consultative Document on proposed revisions to its guidelines on *Sound management of risks related to money laundering and financing of terrorism*

Dear Sirs,

The Association for Financial Markets in Europe (AFME) welcomes the opportunity to comment on the Bank of International Settlements' Basel Committee on Banking Supervision Consultative Document (the Consultation) on proposed revisions to its guidelines on *Sound management of risks related to money laundering and financing of terrorism*. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society.

AFME is the European member of the Global Financial Markets Association (GFMA), a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) in Asia.

AFME is registered on the EU Transparency Register, registration number 65110063986-76.

Generally

AFME supports the efforts of international financial organisations and regulators to combat money laundering and terrorist financing. AFME also broadly supports the proposals within the Basel Committee guidelines related to money laundering and financing of terrorism to allow firms more effectively to apply a risk-based approach to correspondent banking relationships.

AFME is concerned that laws and regulation relating to money laundering and financing of terrorism vary enormously from jurisdiction, making it very difficult for multinational banks and securities houses to operate global policies and procedures. This results in complexity of structure and increased risk.

We would welcome a continued dialogue between the public and private sector to seek to increase harmonization of regulation and permit greater use of technology. We seek to ensure that all involved can be part of the challenge of ensuring that correspondent banking is a hostile environment to those who would seek to misuse it, and to allow banks' customers globally access to the international banking system in a safe environment.

Support for the ASIFMA Response

AFME has had the benefit of reading in draft the response to the Consultation by The Asia Securities Industry & Financial Markets Association (ASIFMA) and broadly agrees with the conclusions reached in ASIFMA's response, particularly in relation to promoting the use of technology to improve the KYC process.

Support for The Clearing House Response

Similarly, AFME has had the benefit of reading in draft the response to the Consultation by The Clearing House and broadly agrees with the conclusions reached in such response, particularly in relation to their concerns expressed in regards to de-risking, their desire for improved clarity of the definition of correspondent banking and for simplification and harmonisation of anti-money laundering rules and regulation worldwide.

Going forward

AFME remains ready and willing to participate in any multilateral forum or to meet the BCBS bilaterally with a view to discussing this matter further.

Yours truly,

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