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To: "baselcommittee@bis.org"@web-prod1-fe2.bis.000.ch
Subject: Comments submitted for "Introduction of guidelines on interaction and cooperation between prudential and AML/CFT supervision "
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Name of institute/individual:	European Banking Federation (EBF)
E-mail address:	i.koutoulakou@ebf.eu
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Comments:

Anti-money laundering/ countering the financing of terrorism (AML/CFT) challenges can quickly become major prudential issues affecting individual banks' viability and the stability of the banking sector as a whole. Against this background, the EBF welcomes the proposal of the Basel Committee on Banking Supervision to enhance the effectiveness of supervision on banks' money laundering/terrorist financing risk management with the provision of further guidelines on interaction and cooperation between prudential supervisors and AML/CFT supervisors.

Supervisory systems between countries differ and the current structure can obstruct cross-border cases. New rules should resolve the issue of the misalignment between prudential and AML/CFT supervisors, while ensuring that both apply the same set of regulatory standards, with respect to the FATF Recommendations.

A more proportionate and robust risk-based approach (RBA) to AML/CFT assessments should be put forward. This would allow all parties involved in the fight against money laundering to better collaborate, focusing on the types of business relationships and transactions that are to be considered high-risk.

While it is important to make sure that neither supervisor's independence is impaired, it would be necessary to have adequate mechanisms to ensure that for a supervised entity this independence will not manifest itself in conflicting supervisory expectations or requirements.

All in all, the draft Guidelines are helpfully pragmatic, recommending that supervisors should establish effective information exchange and cooperation systems. However, and considering the abovementioned points, the EBF suggests that these Guidelines make sure that they:
o do not lead to a duplication of efforts;
o nor impair either supervisor's independence;
o limit the scope of information exchange to existing information held by either supervisor;
o follow the RBA.