

## **Claudia Buch: AMLA and ECB Banking Supervision - strengthening cooperation**

Welcome address by Prof Claudia Buch, Chair of the Supervisory Board of the European Central Bank, at the European University Institute – residential policy workshop on "AMLA and the reshaping of money laundering supervision in the EU", Frankfurt am Main, 11 February 2026.

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Thank you for joining today's workshop on the European Anti-Money Laundering Authority (AMLA) and the reshaping of money laundering supervision in the EU.<sup>1</sup> This is our first joint workshop since AMLA was established last year, and it could not be more timely. Banks are now operating in a more challenging environment. Geopolitical risks have risen, and digitalisation, though bringing many benefits, has increased banks' exposure to money laundering and terrorist financing (ML/TF).

Risks related to money laundering and terrorist financing matter for prudential supervision. Banks that fail to effectively prevent and manage these risks can exacerbate their business, credit, legal, operational and reputational risks. In severe cases, such failures can even threaten a bank's viability.

AMLA will improve cooperation across supervisors and reduce fragmentation.

Close cooperation is key for the ECB. Our supervisory tasks exclude the supervision of money laundering. Cooperation with authorities in charge thus offers insight into failures in governance, weaknesses in control, and emerging risks that are relevant for prudential assessments. Conversely, prudential banking supervisors can provide information that is relevant for the supervision of anti-money laundering and countering the financing of terrorism (AML/CFT).

As supervisory cooperation can now be deepened at the European level, fragmentation will decline. AMLA plays a central role in ensuring that the AML/CFT supervisory system works consistently across the EU. As of 2028, it will assume direct supervisory responsibilities for credit and financial institutions with higher risk profiles. Besides reducing fragmentation of supervision in Europe, this will make it harder for criminals to exploit differences across national frameworks. Much like the Single Supervisory Mechanism in banking supervision, AMLA can ensure greater consistency, convergence and effectiveness in supervision.

The fact that the ECB and AMLA are both located in Frankfurt eases cooperation and coordination. But physical proximity is only one relevant factor. I am convinced that we need to deploy different mechanisms to ensure close coordination, avoid overlapping requests to institutions, monitor and address risks and facilitate information sharing among our teams.

In June 2025 the ECB and AMLA signed a Memorandum of Understanding which provides a clear framework for cooperation on policies, supervisory standards and the use of supervisory powers.<sup>2</sup>

Effective cooperation needs to go beyond formal arrangements. So let me set out how we integrate ML/TF risks in our supervisory process in practice, how digitalisation is reshaping the environment, and what we can do to make our supervision as efficient, effective and risk-based as possible.

## **Scanning the horizon: integrating ML/TF risks in the supervisory process**

Banks need a well-established AML/CFT compliance framework to tackle the risk of money laundering and terrorist financing.

AML/CFT authorities and prudential supervisors have therefore significantly stepped up their cooperation and exchange of information over the years. In 2019 the ECB and around 50 national AML/CFT competent authorities in the European Economic Area agreed on how information can be exchanged.<sup>[3](#)</sup>

The Capital Requirements Directive V strengthened the role of prudential supervisors in relation to AML/CFT.<sup>[4](#)</sup> Although the ECB does not supervise banks for AML/CFT compliance, the EU framework assigns prudential supervisors a clear role in assessing the prudential implications of ML/TF risks.<sup>[5](#)</sup> Information sharing and coordination are supported through AML/CFT colleges, in which prudential supervisors participate as observers.

Within its mandate, the ECB reflects ML/TF risks in its supervision and methods where relevant. In forming prudential assessments, it draws mainly on information shared by AML/CFT supervisors. In 2018 the ECB set up a horizontal AML coordination function which forms a central point of contact for AML/CFT issues within ECB Banking Supervision. This function facilitates information exchange, supports a consistent approach across European banking supervision and provides expertise on policy issues.

If material deficiencies are identified, it is essential to coordinate closely on the use of supervisory powers. AML/CFT and prudential supervisors can apply similar supervisory powers and measures, including the power to restrict or limit the business or to require changes in governance.

## **Evolving technology: how digitalisation affects risks and risk mitigation**

The digitalisation of finance is forging ahead. While digitalisation can benefit banks and their customers, it creates new vulnerabilities. New types of fraud are rising.<sup>[6](#)</sup> New means of payment imply that money can be transferred across borders anonymously and within seconds. Cyberattacks have become more frequent and more severe.<sup>[7](#)</sup> The evolving crypto-asset sector is particularly vulnerable to money laundering and terrorist financing. Crypto-asset service providers (CASPs) face heightened ML/TF risks because of their technological features, cross-border operations and anonymity of transactions.

AMLA will focus on the AML/CFT aspects of the supervision of higher-risk sectors and areas across the EU, including CASPs.<sup>8</sup> Divergent national approaches to registration and authorisation can lead to supervisory fragmentation and increase the risk of high-risk firms strategically choosing countries with lighter AML/CFT controls.<sup>9</sup>

From a prudential perspective, this matters because CASPs are increasingly interconnected with banks through payments, custody and group structures, creating channels through which AML/CFT weaknesses can translate into prudential risk. To limit the build-up of risks that may affect banks, it is essential to achieve greater convergence in AML/CFT and in CASP supervision, as envisaged in the European Commission's recent market integration package.

More broadly, ECB Banking Supervision engages with banks on how they use new technologies and AI to exploit the potential gains, while also being aware of the associated risks.<sup>10</sup> AI tools can allow earlier recognition of suspicious patterns and are often used by banks to monitor ML/TF risks.

### **Promoting coordination: efficient, effective and risk-based supervision**

In a changing risk environment, supervision needs to remain fit for purpose and interactions between authorities need to be clear, predictable and well-coordinated.

Since 2023, the ECB has been pursuing a reform agenda aimed at making European banking supervision more effective, efficient and risk-based, while safeguarding banks' resilience.<sup>11</sup> This agenda focuses on sharpening supervisory priorities, better integrating supervisory activities and making fuller use of proportionality and digital tools to reduce undue complexity. Without lowering supervisory standards, supervisory resources are concentrated on the risks that matter most, delivering clearer outcomes and clearer communication to banks.

The use of digital tools can improve the efficiency of supervision. European banking supervision has thus developed suptech applications supporting supervisory processes and we are very open to sharing these services with interested authorities.

As a new EU-level authority operating in the same complex risk environment, AMLA will face comparable questions around prioritisation, proportionality and the effective use of supervisory resources.

Prudential and AML/CFT supervisors can achieve their objectives through cooperation. The Memorandum of Understanding between the ECB and AMLA sets out ways of cooperating in the ongoing and onsite supervision. We will cooperate at different levels to ensure that information exchange at an early stage and through lean and efficient processes.

This path ahead dovetails with the IMF's recommendations in its recent Financial Sector Assessment Program, which called on AMLA, in close coordination with prudential and financial stability authorities, to develop a holistic approach to risk

classification and a harmonised AML/CFT supervisory methodology. We fully support this objective and stand ready to contribute our prudential expertise and supervisory experience.

## Conclusion

Money laundering and terrorist financing risks often point to deeper prudential weaknesses in banks' governance, internal controls or risk culture. For prudential supervisors, it is essential to obtain information on such risks from the authorities supervising AML/CFT compliance.

AMLA's establishment has changed the operating model of AML/CFT supervision in Europe. It reduces fragmentation in AML/CFT oversight and supports more harmonised supervision. This makes supervision more coherent, more predictable and less duplicative without weakening resilience.

The legal framework and the Memorandum of Understanding provide the foundation; we must now focus on implementation. At the ECB, we will concentrate on smoothing the information exchange in day-to-day supervision, and on translating cooperation into coordinated planning where our work concerns the same institutions and the same underlying issues. We will continue contributing to AMLA-led policy work – particularly on risk assessments and harmonised methodologies – and ensure that Joint Supervisory Teams can draw on that cooperation when assessing the prudential implications of AML/CFT weaknesses.

Making this cooperation work will be a tangible step towards more consistent supervision in Europe and a more resilient banking sector.

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<sup>2</sup> ECB and AMLA (2025), [\*Memorandum of understanding on cooperation and information exchange between the European authority for Anti-Money Laundering and Countering the Financing of Terrorism and the European Central Bank\*](#).

<sup>3</sup> The agreement was provided for in the Anti-Money Laundering and Terrorist Financing Directive V which, together with the Capital Requirements Directive V (CRD V), clarified the legal basis for the exchange of information between AML/CFT supervisors and prudential supervisors of credit institutions in the EU. The relatively high number of authorities reflects the fact that AML/CFT supervision in the EU/EEA has traditionally been organised at national level and, in several countries, split across multiple competent authorities (e.g. separate supervisors for banking, securities and insurance).

<sup>4</sup> CRD V introduced explicit provisions on cooperation and information exchange between prudential and AML/CFT authorities, including the use of AML/CFT information in some prudential supervisory processes. Cooperation is carried out through AML/CFT colleges established under EU AML legislation and relevant EBA guidelines.

<sup>5</sup> The EU AML framework, the CRD and relevant EBA Guidelines and regulatory technical standards require prudential supervisors to act on AML/CFT information when performing their tasks. These tasks include supervisory assessments under the Supervisory Review and Evaluation Process (SREP), suitability assessments, authorisation and withdrawal procedures and on-site inspections. The ECB has updated its supervisory methodologies accordingly to ensure a consistent and risk-based integration of ML/TF considerations within prudential supervision.

<sup>6</sup> ECB and EBA (2025), [2025 report on payment fraud](#), 15 December. See also Financial Action Task Force (2023), [Illicit Financial Flows from Cyber-enabled Fraud](#), 9 November.

<sup>7</sup> Tuominen, A. (2025), "[Operational resilience in the digital age](#)", *The Supervision Blog*, ECB, 17 January.

<sup>8</sup> AMLA (2025), "[AMLA expects high standards against financial crime in crypto sector](#)", *press release*, 15 July.

<sup>9</sup> European Securities and Markets Authority (ESMA) (2025), [Fast-track peer review on \[a CASP\] authorisation and supervision in Malta](#), 10 July; ESMA (2025), "[ESMA identifies opportunities to strengthen MiCA authorisations](#)", *press release*, 10 July.

<sup>10</sup> Machado, P. (2025), "[Artificial intelligence and supervision: innovation with caution](#)", speech at the 10th anniversary ethics and conduct framework, Banco de Portugal, Lisbon, 14 October.

<sup>11</sup> ECB, "[Streamlining supervision, safeguarding resilience](#)".