



Mairead McGuinness

Commissioner for Financial Services,
Financial Stability and Capital Markets Union,
European Commission

Speech on AML legislative package

Ladies and gentlemen,

It is a pleasure to be with you in Ljubljana today, rather than addressing you from behind a screen.

The pandemic is not yet over but we have reached more than 70 percent of adults in the EU fully vaccinated, and we are able to meet in person once again.

Our work has continued throughout COVID, of course.

Just before the summer break, the European Commission adopted a new Anti-Money Laundering package. We are cracking down on money laundering.

Criminals laundering money undermine the integrity of our financial system. Behind this dirty money are crimes that have an awful impact on citizens, society and communities.

Recent financial scandals have been a wake-up call. These scandals have shown the weaknesses in the EU system – that our rules have not been clear or consistent enough, and they have not been enforced as effectively as they should have been.

And many of these scandals have had an international dimension – demonstrating the need for a more European approach.

So with these AML reforms, the Commission is getting tough on financial crime and dirty money. This is a game changer.

We will establish a single rulebook: so that the rules on money laundering are consistent across the EU.

And we will create a new Anti-Money Laundering Authority at the European level, as a European supervisor and a hub for AML expertise, coordinating national supervisors and the Financial Intelligence Units.

Let me briefly go through the reform package.

The first part of our reforms is the single rulebook. We want to make sure that the rules against money laundering across the EU are consistent.

Up until now, there have been five AML directives.

They were always transposed into national legislative frameworks, so we have 27 different sets of rules, with too many differences between them – and various infringement proceedings as Member States lagged behind on implementation.

Now we have proposed an AML Regulation, containing directly applicable rules, alongside an AML Directive that is much more detailed and granular.

The Regulation will contain directly applicable rules that financial institutions have to apply, for example on customer due diligence. There will be stronger transparency on beneficial ownership so there is clarity on who really owns or controls a company.

The new Directive will set the rules for national institutional and sanctioning frameworks. That means the rules to be applied at national level will be harmonised, while also respecting national structures.

There will be clear standards that national authorities must meet, reinforced sanctions, and better rules for cooperation. And we will continue to make sure we enforce the rules already in place.

As part of this single rulebook, we are also proposing an upper limit of €10,000 euros for cash transactions across the EU.

Cash remains the preferred method for criminals to launder money. They can easily hide the illegal and illicit origins of their money by buying property or high-value goods like diamonds. A cash limit makes that much harder.

Two-thirds of Member States already have limits on cash transactions, and those lower limits can be kept in place. But we have decided that a limit of €10,000 euros across the EU is appropriate.

We respect the vital role of cash, including for financial inclusion. And we recognise that cash will and must remain as legal tender.

Cash will still be king – but it will also be clean.

We also need to adapt our AML rules to technological developments. Currently, AML rules only apply to part of the crypto sector. Our measures will extend the framework to the entire crypto sector. All crypto asset service providers will have to apply AML rules.

And crypto-asset transfers will be made fully traceable, just as other money transfers already are, bringing the EU in line with international standards.

The second part of our reforms is a new Anti-Money Laundering Authority at EU level.

At the moment, resources and practices vary a lot between different Member States. And there are inconsistent approaches to cross-border situations. So now we are setting up a new AML Authority to sit at the heart of the EU's supervisory system. It will directly supervise some entities in the financial sector exposed to the highest risk of money laundering. And the Authority will have teeth: it will be able to make binding decisions and impose significant sanctions.

But the AML Authority is not there to replace national supervisors. Instead, it will be there to coordinate, share information, and allow the development of a common, consistent supervisory culture.

Indeed the Authority's own direct supervisory work will be carried out by Joint Supervisory Teams – with EU supervisors working hand-in-hand with national supervisors.

But the work of the Authority will go beyond direct supervision. It will develop common methods, enable information sharing, and allow expertise to be exchanged.

It will be a central hub for AML knowledge and expertise – helping all supervisors across the EU step up their game. The AML Authority will also help Financial Intelligence Units work together more effectively. Again, this is about having a European-level centre to help national specialists come together.

The AML Authority will host the communications network FIU.net. It will organise and carry out joint analyses of suspicious cross-border activities. And the Authority will enable FIUs to help each other and allow their practices to converge.

By bringing together information from the national level, the Authority will also be able to look at trends at a European level – helping us better understand how to prevent money laundering in the first place.

With this package, we are going after dirty money and tackling financial crime.

And we are doing that with a much more European approach. We will have clear, consistent rules across the EU.

We will bring national knowledge and expertise together in the new AML Authority. That will also give us a better picture of the situation across Europe.

I know there is a concern across the European Union about money laundering and the crimes it enables. There are also concerns in the financial system today about the fragmented AML landscape, and different demands in different Member States.

This package aims to address these concerns.

The European Parliament and the Member States have a strong desire to get this job done and to make sure that our system does not allow dirty money to get washed through.

We are counting on the support of all stakeholders. Thank you.