CHALLENGES RAISED BY THE SETUP OF AMLA

BRUNA SZEGO

Chair – Anti-Money Laundering Authority (AMLA)

AMLA - From vision to action; From action to supervision

The establishment of The Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) starts a new chapter in the EU's fight against money laundering (AML) and terrorist financing (CFT). It's not just the birth of a new agency, but a significant step in Europe's collective approach to combating financial crime. As Chair of AMLA, I joined this journey in March 2025, and I am proud to lead the agency during this period. Together, we are laying the foundations to make AMLA a central pillar in the EU's efforts to address illicit financial activities.

AMLA's mission is to lead the fight against money laundering and terrorist financing through enhancing convergence, directly overseeing high-risk entities, and supporting collaboration and co-operation so that the integrity of the EU and its citizens are protected. Following the adoption of the AMLA Regulation (AMLAR) in June 2024, we began implementing our plans. The first half of 2025 focused on building the operational, physical and policy frameworks, laying the foundation for AMLA to support Europe's fight against money laundering and terrorist financing.

AMLA's long-term vision: Advancing Europe's fight against money laundering

To deliver on its mission with lasting impact, AMLA has set out five long-term strategic objectives that will shape its role.

First, it aims to ensure convergence and consistency by establishing a strong and uniform AML framework across the EU, promoting regulatory, supervisory, and FIU alignment, while leveraging best practices and managing compliance costs.

Second, AMLA seeks to promote cooperation and inclusiveness by fostering a common AML/CFT culture among stakeholders such as NCAs, FIUs, law enforcement, EU institutions, and the private sector, to support collaboration and build trust.

Third, it focuses on driving technological innovation and building the necessary competencies to address emerging risks and adapt to a rapidly evolving landscape.

Fourth, AMLA is committed to building institutional trust through transparency, clear communication, and sound governance practices. Fifth and finally, global leadership will be an ongoing focus, with AMLA working towards strengthening its role beyond the EU.

Progress to date: Laying the foundations

To bring this vision to life, AMLA is concentrating its short-term efforts on three key areas. First, we are addressing operational needs by recruiting staff, building internal governance, and establishing the essential IT infrastructure required. We have established our physical presence in Frankfurt, securing our headquarters. Key partnerships with European Supervisory Authorities and the European Central Bank have been formalized. Recruitment and human resource development have been central to our build-up. AMLA currently has 30 staff members and aims to grow to 120 by the end of 2025. The Executive Board of AMLA joined on 2 June. Next, we are laying the groundwork for core functions, including supervisory roles and FIU coordination. Finally, we are enhancing AMLA's identity and visibility through the development of a communication strategy to engage a wide range of stakeholders and build support across Europe.

From July onwards, AMLA will gradually begin exercising its operational powers on indirect supervision of financial institutions and oversight of the non-financial sector, including crypto-asset service providers. Work will also continue policy mandates, alongside preparations for future direct supervision. Additionally, AMLA will proceed with finalizing the support and coordination framework for the FIU pillar, including designation of FIU Delegates, initiating preparatory work for peer reviews, and mapping FIU capabilities across the EU.
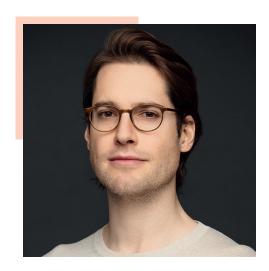
Supervision and FIU coordination: Working hand-in-hand

Supervision and FIU coordination are not isolated efforts; they are deeply interconnected. Both pillars are essential to building a comprehensive and effective AML/CFT framework. We are actively working on both fronts simultaneously, recognizing that strong supervision and effective FIU cooperation must complement each other to produce the best outcomes. This integrated approach ensures a more responsive and coordinated system, helping us stay ahead of emerging financial crime risks.

Conclusion: The road ahead

AMLA represents a significant step forward in strengthening cooperation and unifying efforts within the EU's broader mission to combat money laundering and terrorist financing. With our dual mandate of supervision and FIU coordination, we aim to enhance collaboration between regulatory authorities and FIUs, creating a more effective and responsive system.

Although we are still in the early stages of our work, I am confident that AMLA will soon play a central role in the EU's efforts to prevent and disrupt financial crime. As we grow, we remain committed to building a secure, transparent, and resilient financial system in Europe.

ANDREAS SCHIRK

Head of Division, Prevention of Money Laundering and Terrorism Financing – Austrian Financial Market Authority

Building together: How AMLA and NCAs are shaping a strong European AML/CFT supervisory system

The establishment of the European Anti-Money Laundering Authority (AMLA) is a major milestone in strengthening the EU's fight against financial crime. It is the first step of a supervisory transformation. National supervisory authorities (NCAs) like the Financial Market Authority (FMA) are not just adapting to this new landscape – they are helping shape it. Together, AMLA and the NCAs are building a system that promises more consistency, better coordination, and more effective risk-based supervision across the Union.

Prioritising quality and practicability in regulation is essential to deliver European value added. The volume of technical standards and guidance required is considerable, and the timelines are tight. Simply working through them one by one in the order of their deadlines is unlikely to deliver what the system needs most: a strong, timely start for AMLA's core activities. Focusing on fewer, well-designed, and actionable rules will enable supervisors and obliged entities to implement them effectively.

To respond, AMLA and the NCAs are shifting towards a strategic, risk-based approach to regulatory implementation. The focus is on what is essential for a common supervisory approach and for AMLA to begin supervising the most significant cross-border entities effectively. With this goal in mind, the supervisory community is identifying which rules, tools and cooperative structures must be in place – and prioritising those in the months ahead. This approach ensures that key building blocks, such as common customer due diligence requirements, risk-based selection and supervision processes, and frameworks for joint supervision, are ready in time, without compromising on quality.

As the new AML/CFT supervisory system takes shape, developing a common methodology for assessing money laundering (ML) and terrorist financing (TF) risks is a central priority. The methodology itself is being developed collaboratively, but an important challenge lies in how different authorities will process and interpret the data behind it. If every NCA builds its own system for processing the data, the risk of fragmentation and inconsistency grows, which could undermine the comparability and effectiveness of risk assessments.

> **Ultimately, building a strong AML/CFT supervisory system is not just a question of compliance or technology – it is about creating a truly collaborative supervisory culture.**

This is why early coordination on testing and IT development is critical. Many authorities have started building tools for their own supervisory needs — for example, the FMA has developed a system to analyse crypto transaction flows to measure the ML/TF risks and identify emerging trends. Increasingly, there is a shared understanding that future tools must be designed with integration in mind. AMLA, supported by the NCAs, is well placed to lead the creation of a shared digital environment where systems can connect, data can flow securely, and insights, including those derived from artificial intelligence (AI), can be used jointly. Such coordinated digital infrastructure not only fosters interoperability but also strengthens data quality and consistency across authorities, which is essential for reliable risk assessments. Developing modular, interoperable solutions now will save resources later – and ensure we are truly speaking the same supervisory language.

In parallel, supervisory technology (SupTech) innovation is gaining momentum across Europe. Many NCAs are experimenting with digital tools to improve data collection, risk analysis, and case management. The challenge now is to ensure these national innovations contribute to a broader European infrastructure rather than duplicating efforts. Here too, AMLA has an important role to play: aligning standards, coordinating design principles, and encouraging authorities to build for integration from the start. This will also prepare the ground for public-private partnerships when it comes to data sharing to step up ML/TF prevention.

Ultimately, building a strong AML/CFT supervisory system is not just a question of compliance or technology – it is about creating a truly collaborative supervisory culture. We need to position AMLA as a center of gravity for training, knowledge exchange, and joint action. NCAs are sharing expertise, seconding staff, and contributing actively to AMLA's development. This two-way exchange is already strengthening mutual understanding and helping lay the foundation for a seamless system.

The journey from national supervision to a European model is complex, but the direction is clear. By working together – and by focusing on what matters most – AMLA and the NCAs are turning regulatory ambition into operational reality. The result will be a supervisory system that is not only more coherent and efficient, but also better equipped to detect risks early, act swiftly, and protect the integrity of the EU's financial system.

ANTE ŽIGMAN

President of the Board
– Croatian Financial
Services Supervisory
Agency (HANFA-CFSSA)

Harmonizing national systems under AMLA: Challenges and opportunities

The AMLA task and the challenge of harmonizing national systems: threats of fragmentation and the need for a harmonized transitional framework

By establishing the AMLA as the European Anti-Money Laundering Authority, the European Union has made a significant turn in the process of unifying supervision of the prevention of money laundering and terrorist financing. This marks a crucial shift from fragmented national practices towards a more consistent and transparent European standard. By establishing the AMLA, the European Union aims to ensure consistent and effective supervision of the prevention of money laundering and terrorist financing (AML/CTF) through a centralized, risk-based approach (RBA). This very fact poses numerous challenges during the transition to new, centralized settings. Also, the harmonization of national systems with this approach takes place in the context of significant differences in institutional capacities, the degree of digitalization and technical interoperability.

Differences between Member States and examples of best practices

Although the implementation of the RBA approach is mandatory for all Member States, its implementation varies significantly. Some Member states have developed advanced risk detection platforms, some have nationally centralized supervisory functions, while others are investing in system interoperability and training of obliged entities to integrate with European standards. These variations reflect differing legal traditions, levels of institutional maturity, and available technological resources.

Croatia, as an EU member, has already made significant steps in enhancing its legislative and supervisory framework. Risk-based supervisory functions have been continuously improved, inter-institutional cooperation has been made more streamlined and efficient, and training for obliged entities is viewed as a priority for supervisors. However, challenges remain – new investments in modern analytics, technical capacities and investment in IT infrastructure are required before we can all fully adapt to the standards that will be required by AMLA.

Croatia can benefit greatly from this transition, especially in the area of automation of supervisory processes. Automation of supervisory processes includes the application of artificial intelligence to identify suspicious patterns and behaviour in financial transactions. Quality due diligence is one of the foundations of combating money laundering and terrorist financing. Investing in efficient data analysis tools, for example, ownership connections between legal entities, is key to conducting quality supervisory activities. Such tools allow regulators not only to monitor the system more effectively, but also to make risk-based decisions and identify threats earlier.

Successful AMLA integration requires collaboration across diverse national systems.

Reporting and technical integration challenges

One of the challenges in the upcoming transition period is the standardization of reporting structures and IT systems. Some Member States already use automated tools based on artificial intelligence to process transactions, while many others, including Croatia, use manual procedures and non-standard formats. This brings inefficiencies into the system, such as:

- Regulatory asymmetry, in which organizations operating in multiple Member States face different reporting requirements;
- Burdens on FIUs and supervisory authorities, including double reporting and difficulties in data exchange;
- Inconsistencies in national and European databases, which may jeopardize the effectiveness of cross-border analysis and the integrity of AMLA supervision.

The new standardised framework, if done right, gives us the opportunity to remove these inefficiencies and to move forward in a coordinated way.

AMLA - Croatia's readiness and potential

Croatia is committed to being an active participant within the new European supervisory framework. Strong political support, institutional credibility, and a clear orientation towards digitalization are key to successful integration into the framework guided by the AMLA. By applying common principles and mutual cooperation among Member States, it is possible to move closer to the European regulatory model, while establishing the foundations for the protection of financial systems. Croatia can not only be an equal partner in this process, but can also establish practices that will contribute to the development of the Union as a whole.

The creation of the AMLA is not only a regulatory change, but also represents a strategic opportunity to build a stronger, more efficient and more transparent system for combating money laundering and terrorist financing.

VOJTECH BELLING

Executive Director, Financial Regulation and International Cooperation Department – Czech National Bank

A few remarks on the upcoming challenges for AMLA

More than a year has passed since the Anti-Money Laundering Authority was officially established. Its launch marked the end of long and often difficult negotiations-but not the end of the questions and concerns raised during those debates. On the contrary, AMLA begins its mandate with a clear imperative: to demonstrate that the risks and reservations voiced throughout the legislative discussions will not materialize, and that a centralized EU supervisory body can indeed deliver more effective oversight in the fight against money laundering and terrorist financing.

It must be openly acknowledged that this will not be an easy task. The experience of existing European Supervisory Authorities (EBA, ESMA, EIOPA) offers only limited guidance, as AMLA has been entrusted with significantly broader powers, particularly as regards supervision. Moreover, the specific configuration of these competences does little to simplify the challenges ahead. Despite the centralization of supervision over selected obliged entities, a considerable degree of involvement from national authorities is still envisaged. Conversely, AMLA is also empowered to intervene in supervisory processes concerning entities that remain under national oversight.

Thus, one might argue that complexity of supervisory practices will increase rather than diminish, particularly given that the regulatory framework does not always clearly delineate responsibility for specific supervisory actions-a clear example being AMLA's "Requests to act". How ought a national authority to proceed if AMLA's binding instruction appears incompatible with national law? The traditional application priority of EU legal order cannot be used here, as this is not a case of conflict of different legal systems. The resulting loyalty conflict of the NCA remains unresolved. The interaction of multiple legal frameworks, procedural regimes and diverse administrative traditions across Member States hence leaves many open questions. Addressing these issues will place considerable demands not only on AMLA and the NCAs, but also on judicial review bodies-and, above all, on the supervised entities themselves. The assumption that centralization automatically leads to simplification and increased efficiency is, therefore, far from self-evident.

AMLA is also charting its own course in terms of organizational structure. Here too, centralizing tendencies in its governance are apparent, often at the expense of incorporating practical experience from Member States. It will thus be important to closely monitor and critically assess the effectiveness of these structures compared to the well-established ESAs' governance models.

> **Clear and effective communication by AMLA with both market participants and NCAs will be vital.**

But the most immediate of the many tasks facing AMLA involves identifying entities that will fall under its direct supervision. It is crucial that the procedures for assessing risk profiles and the selection process itself be designed as simply and transparently as possible. This is essential not only to avoid unnecessary burdens on AMLA and NCAs, but also to provide much-needed clarity to entities currently facing uncertainty about their future legal supervisor.

In my view, the principle of transparency and simplicity should also guide AMLA's regulatory work - whether in preparing binding technical standards, giving instructions or issuing soft-law such as guidelines and recommendations. Key steps and milestones for adapting to the new EU AML regulatory regime are indeed already well known. Implementing rules and regulations should be adopted in a timely manner, while allowing market participants a sufficient opportunity to provide input, which should be seriously and carefully considered.

It is important that these rules be simple and clear and not impose unnecessary regulatory burden on financial institutions. The potential benefits of harmonization and direct applicability of technical standards will only materialize if the rules are kept proportionate - and if AMLA truly adopts a simplification mindset at its core. The active participation of national authorities forms another key pillar of sound rulemaking, one that depends on AMLA's readiness to consider other perspectives.

As AMLA's supervisory role approaches, clear and effective communication by AMLA with both market participants and NCAs will be vital. To support this, information should be exchanged, where feasible, through automated systems. AMLA has an opportunity to become a leader in advancing SupTech solutions that allow real-time access, feedback loops, and data aggregation.

That AMLA successfully addresses the outlined challenges-as well as many others beyond the scope of this text-is ultimately in the best interest not only of AMLA itself, its staff, NCAs and other cooperating institutions, but also of the supervised entities and all EU citizens. National authorities are fully prepared to play an integral role in aiding AMLA to succeed in its mission by providing comprehensive collaboration - which they, in turn, rightfully expect from AMLA.

PHILIPPE VOLLOT

Managing Board Member & Chief Financial Economic Crime Officer – Rabobank

Why risk-based AML/CTF is key to smart and effective legislation and supervision

As the EU's AML Authority (AMLA) prepares to reshape the supervisory landscape, FIs are navigating a period of opportunity and uncertainty. We believe that a risk-based approach to AML/CTF is the most effective and future-proof strategy: less where possible and more where needed – easing the burden on trusted clients while disrupting more effectively the networks of organized crime.

Rule-based vs. risk-based: A smarter way to fight financial crime

Rule-based AML/CTF systems rely on static thresholds and prescriptive checklists. While this offers clear guidance, it often results in inefficiencies, such as:

- Over-reporting of low-risk activity to FIUs
- Under-detection of complex laundering schemes
- Compliance fatigue, where FIs focus on ticking-the-boxes, rather than threat mitigation

A risk-based approach enables FIs to allocate resources proportionally to risks: enhancing detection quality while reducing the AML/CTF burden on low-risk clients.

AMLA and practical, proportional legislation and supervision

AMLA started operations in the summer of 2025. While its full model is evolving, early interaction has been encouraging. AMLA has expressed clear commitment to efficiency through technology and a risk-based approach. As FIs, we contribute to AMLA's success by sharing implementation insights and advocating for flexibility in applying risk-based principles. Currently, both the AMLR and the initial Regulatory Technical Standards (RTSs) from the EBA offer limited discretion for FIs to tailor risk-based models. If AMLA adopts a similar stance, flexibility may be further constrained. That's why it's critical we engage early and positively – to help shape a regulatory and supervisory approach that is robust, practical, proportionate, and customer-conscious.

Direct supervision by AMLA: Clarifying the criteria, together

AMLA's mandate includes direct supervision of high-risk and cross-border FIs, but uncertainty remains about which entities will fall under this oversight. To address this, EBA published draft RTSs outlining a two-step selection process: eligibility based on cross-border activity and a harmonized EU-wide risk assessment. While a step forward, the criteria can be further refined by:

- Refining volume-based thresholds by adding qualitative risk indicators (e.g. exposure to high-risk sectors/ products)
- Introducing a risk-based override for entities below thresholds with systemic or emerging risks
- Ensuring transparent communication to prevent misinterpretation and maintain trust

AI in AML/CTF: Unlocking potential, managing uncertainty

AI technologies are increasingly key in areas like transaction monitoring. However, there is still legal uncertainty around how AI can be used in AML/CTF compliance. Key concerns include:

- Data protection and retention (notably under GDPR)
- Use of AI in critical decisions, such as refraining from executing transactions
- Model explainability and transparency
- Supervisory acceptance and consistency across jurisdictions

For cross-border FIs, this uncertainty creates operational and compliance risks.

To support responsible and effective AI adoption, AMLA should provide:

- Clear guidance on acceptable AI use cases (e.g. automated SAR filing, transaction screening and blocking)
- Standardized expectations for model governance, auditability, and data retention
- Legal certainty on how AI-driven decisions will be assessed during supervisory reviews

> **Risk-based AML/CTF isn't just preferred— it's a smart and strategic necessity.**

What public and private sectors must do together

An effective transition to risk-based AML/CTF supervision requires collaboration between policymakers, supervisors, FIUs, Law Enforcement Agencies and FIs, which requires:

- Jointly promoting consistent application of risk-based principles, ensuring a level playing field and reducing fragmentation
- Co-developing clear guidance on the use of AI and digital tools in AML processes.
- Clarifying AMLA's supervisory perimeter early, so FIs can prepare effectively and align their internal frameworks
- Sharing emerging threats patterns and schemes when legally possible

By working together, we can build a framework that is not only compliant, but also efficient, adaptive, and focused on real risks to improve early detection in fighting AML/CTF.

Conclusion: a joint effort for an effective and efficient system to prevent and detect financial crime

The shift to a risk-based AML/CTF framework is not a regulatory preference – it is a strategic necessity. For this model to succeed, we require clear guidance, consistency and collaboration. At Rabobank, we are committed to working with AMLA, national authorities, and industry peers to help shape a system that is not only compliant, but truly effective in preventing and detecting financial crime.

JEROME LACHAND

General Secretary – CCF Group

Retail banks expectations from AMLA

As a French retail bank navigating a rapidly evolving regulatory and technological landscape, we view the establishment of the Anti-Money Laundering Authority (AMLA) as a pivotal opportunity to harmonize compliance standards across the European Union. The current fragmentation of AML supervision, with varying interpretations and enforcement practices among national authorities, creates inefficiencies and compliance burdens. AMLA has the potential to unify these approaches, fostering consistency, clarity, and operational effectiveness. However, this harmonization must not result in additional regulatory layering. Instead, AMLA should streamline expectations and reduce duplicative obligations by aligning national and EU-level requirements. This point underscores the broader need for regulatory clarity and operational flexibility, especially as institutions adapt to a rapidly changing technological and compliance landscape.

One of the most pressing challenges we face is the lack of detailed and actionable guidance on key compliance areas. For instance, the criteria for evaluating transaction monitoring systems, the expectations for model governance, and the standards for risk-based approaches remain insufficiently defined. This ambiguity complicates the implementation of effective AML frameworks and increases the risk of divergent supervisory outcomes. AMLA should prioritize the publication of clear, practical guidelines that support institutions in aligning their compliance programs with evolving expectations, while also enabling innovation and proportionality. Institutions often face ambiguity when interpreting supervisory expectations, particularly in areas such as risk scoring methodologies, model validation, and the integration of new technologies. Clearer, more granular guidance from AMLA would empower compliance teams to align their frameworks more effectively with supervisory priorities, reducing the risk of misalignment and regulatory friction.

In response to these challenges, CCF Group has undertaken a comprehensive modernization of its AML framework, integrating Artificial Intelligence (AI) and Robotic Process Automation (RPA) to enhance detection capabilities, reduce false positives, and streamline alert handling. These technologies offer significant promise, but they also introduce new legal and operational uncertainties that must be addressed to ensure sustainable adoption. These technologies have revolutionized the way financial institutions detect suspicious activity, enabling faster, more accurate identification of anomalies. However, their deployment introduces new layers of complexity, particularly in ensuring that automated decisions remain explainable and that data usage complies with evolving privacy standards.

> **AMLA should harmonize compliance while enabling secure innovation in AML technologies.**

First, the use of data in AI-driven AML systems raises complex questions about data protection, especially when combining personal, transactional, and open-source data. AMLA should clarify the legal bases for data processing in cross-border contexts and provide guidance on data minimization, retention, and sharing practices that balance compliance with privacy rights. Institutions often face ambiguity when interpreting supervisory expectations, particularly in areas such as risk scoring methodologies, model validation, and the integration of new technologies. Clearer, more granular guidance from AMLA would empower compliance teams to align their frameworks more effectively with supervisory priorities, reducing the risk of misalignment and regulatory friction.

Second, the auditability of AI models remains a critical concern. Supervisory expectations regarding explainability, traceability, and human oversight of automated decisions must be clearly articulated. AMLA should define standards for model validation, documentation, and governance that ensure transparency without stifling innovation. These technologies have revolutionized the way financial institutions detect suspicious activity, enabling faster, more accurate identification of anomalies. However, their deployment introduces new layers of complexity, particularly in ensuring that automated decisions remain explainable and that data usage complies with evolving privacy standards.

Third, the governance of compliance technology requires a secure and flexible framework for experimentation. Institutions often face ambiguity when interpreting supervisory expectations. AMLA could facilitate this by establishing regulatory sandboxes or pilot programs that allow institutions to test new tools under supervisory guidance. Such initiatives would promote responsible innovation while ensuring that emerging technologies meet regulatory expectations.

AAMIR HANIF

Regional Vice President, AML Compliance for EU / CIS / Africa - Western Union

AMLA and financial institutions: Challenges and opportunities

The European Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA or Authority) presents all financial institutions (Fis) in Europe with a unique and transformative opportunity through:

1. the implementation of a single rulebook which will create regulatory convergence and consistency across Member States;
2. the development of harmonised supervisory practices that will allow for the consistent implementation of the single rulebook; and
3. stronger cooperation among the region's Financial Intelligence Units (FIUs) which will enhance information exchange and allow for more cohesion between law enforcement organizations (LEOs) and increase the effectiveness of the fight against financial crime.

FIs recognize that these changes will bring clarity and predictability to their operations. They are also aware that the implementation of these changes, which have their own complications, will require significant investment of human and technology resources, and that the implementation of these changes will likely require a period of adjustment.

Harmonized Rulebook: The Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Regulation[1] establishes a single rulebook of AML rules applicable for Member States across the European Union (EU). The introduction of harmonized rules for, among other items, risk assessments, Know Your Customer/Customer Due Diligence (KYC/CDD), record-keeping and post-onboarding monitoring controls in the Rulebook is welcomed. However, the challenge of supervisory divergence remains however as Member States can still impose requirements based on national risk assessments. As such, clarity on this point will be welcome by the FIs and allow FIs to adequately prioritize their resources.

AMLA's Mandate: The AMLA Regulation[2] established the Authority defining its tasks and powers with the AMLA's primary mandate being to "coordinate national authorities to ensure the correct and consistent application of EU rules[3] [through:]

- Directly supervising selected financial sector entities that operate on cross border basis and present high risk of money laundering and terrorism financing (ML/TF), as well as indirectly supervising other entities in the financial and non-financial sectors;
- Supporting and coordinating FIUs by facilitating joint cross-border cases analyses, enabling controlled information exchange, providing capabilities, advanced data analytics and managing the common FIU.net information system; and
- Complementing EU AML/CFT rules by developing regulatory and implementing technical standards and issuing guidelines.

AMLA Supervision: Money Transmitting (MT) firms are generally considered to be high-risk and their business model is focused on cross-border transactions. As such, it would not be a surprise if the larger MTs are supervised by AMLA given the Authority's mandate to directly supervise FIs deemed to be high-risk.

Therefore, MT FIs who fall under the direct supervision of AMLA are preparing for a new framework which, while harmonized across the EU, may result in more requests for information (RFIs) and increased engagement with the FIUs. These changes will be in addition to the updates that FIs will need to make to their governance structures, their entity and country risk assessments, subsequent KYC/CDD frameworks and screening and monitoring controls.

Even those FIs that will not be directly supervised by AMLA as those indirectly supervised by AMLA will need to need to develop and implement changes to their frameworks including ensuring that their risk assessments and controls are aligned with the new standards.

FIU Coordination: The AMLA is also responsible for "strengthening the working methods and cooperation of FIUs, ensuring robust information exchanges and enhanced collaboration with LEOs" by fostering a shared AML/CFT culture with National Competent Authorities (NCAs), FIUs, LEOs, EU institutions and private stakeholders to ensure cohesion and trust[4] ". The absence of a harmonized template for submitting suspicious transaction reports (STRs) is acknowledged. However, it is hoped that AMLA's coordination of the national FIUs will allow for the creation of effective teams focused on the analysis of cross-border STRs thereby hampering the ability of criminals to easily transition between the region's borders.

Cross Border Impact: The harmonization of the rulebook and the improved coordination between the FIUs are two of the factors that will be welcomed by FIs conducting business across borders. While some regulatory divergences may remain, these will be much fewer and the AML requirements more consistent across Member States. These are significant benefits and it is hoped that regulatory authorities will provide FIs the required periods to implement the changes that these new regulations require for their successful implementation.

Conclusion: Western Union has consistently supported the creation of AMLA, especially when it comes to the supervision of entities with large cross-border operations. The AMLA can add efficiency to the EU's supervisory process, especially for financial institutions with cross-border activity within the EU. More importantly, we believe that it can have a truly positive effect on how the fight against financial crime evolves to confront a rapidly changing landscape.

1. *Regulation - EU - 2024/1624 - EN - EUR-Lex (https://eur-lex.europa. eu/eli/reg/2024/1624/oj).*
2. *Regulation - EU - 2024/1620 - EN - EUR-Lex (https://eur-lex.europa. eu/eli/reg/2024/1620/oj).*
3. *About AMLA - AMLA (https://www. amla.europa.eu/about-amla_en).*
4. *AMLA Work programme 2025.*