

AML/CFT SUPERVISORY COLLEGES

DECEMBER 2021



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What are AML/ CFT colleges?

Anti-money laundering and countering the financing of terrorism (AML/CFT) supervisory colleges ('AML/CFT colleges') bring together AML/CFT and prudential supervisors that are responsible for the supervision of credit and financial institutions ('institutions'), which operate on a cross-border basis in at least three EU Member States.

The legal basis for AML/CFT colleges can be found in the Directive (EU) 2015/849, which requires that

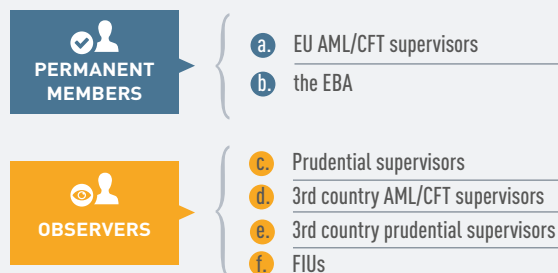
'competent authorities supervising credit and financial institutions cooperate with each other to the greatest extent possible, regardless of their respective nature or status, domestically and abroad'. The framework for AML/CFT colleges is set out in the ESAs' AML/CFT Colleges Guidelines ⁽¹⁾.

⁽¹⁾ [The ESAs joint guidelines \(JC 2019 81\) on cooperation and information exchange for the purpose of Directive \(EU\) 2015/849 between competent authorities supervising credit and financial institutions.](#)

Who can participate in AML/CFT colleges?

AML/CFT colleges are made up of permanent members and observers. AML/CFT supervisors from EU Member States and the European Banking Authority are permanent members. Observers can be drawn from a wider pool of authorities, including supervisors responsible for prudential supervision, AML/CFT supervisors from third countries and Financial Intelligence Units (FIU).

In each AML/CFT college, the lead supervisor is the permanent member who is responsible for the AML/CFT supervision of the institution's head office or parent entity. The lead supervisor is responsible for establishing and maintaining the college, including the organisation of meetings. Other members are expected to actively participate in and exchange information in the colleges.



Why are AML/CFT colleges necessary?

Money laundering and terrorist financing (ML/TF) respects no borders and, therefore, affects the integrity of the EU's internal market, wherever it occurs. To tackle it, international, concerted action is needed from institutions and also from supervisors.

By participating in AML/CFT colleges, supervisors have access to a wide range of information, either through regular college meetings or through ad-hoc exchanges outside of the meeting. This means that supervisors that are responsible for the supervision of the same cross-border institution, can reach out to each other in relation to their day-to-day supervisory activities, when necessary.

This in turn, enhances their understanding of ML/TF risks to which institutions under their supervision are exposed, and allows them to make better decisions in respect of the supervision of these institutions. For example, they can intervene in good time before ML/TF risks crystallise.

AML/CFT colleges also contribute to harmonising AML/CFT supervisory practices across the EU as supervisors learn from each other and share experiences through regular exchanges in college meetings and also by carrying out joint inspections or co-ordinated actions, if necessary.

What is the EBA's role in AML/CFT colleges?

As the EBA is a permanent member of all AML/CFT colleges, it participates in meetings alongside supervisors, as well as in any actions relating to the college. EBA staff also share information relevant for the college, including the information received through the AML/CFT central database, when established.

In addition, the EBA monitors the effective functioning of AML/CFT colleges and provides technical assistance to lead supervisors by sharing best practices observed in different colleges through bi-lateral exchanges and

an annual report, assists with conflict resolution and makes a College Collaboration IT Platform available for the use in all colleges.

Finally, the EBA monitors discussions in AML/CFT colleges to identify EU-wide risks and trends, and intervenes if necessary, to ensure that these are tackled effectively.

For more information on the EBA's monitoring work in colleges see also [Factsheet on AML/CFT Colleges Monitoring Methodology](#).

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ISBN 978-92-9245-752-5 doi:10.2853/206226 DZ-08-21-336-EN-N