



Questions and Answers: The new EU Anti-Money Laundering Authority (AMLA)

Brussels, 24 April 2024

General:

What will the new EU AML/CFT Authority (AMLA) do?

The AML/CFT Authority will have two main areas of activity: AML/CFT supervision and supporting EU Financial Intelligence Units (FIUs).

AMLA will become the centre of an integrated system of national AML/CFT supervisory authorities, ensuring their mutual support and cooperation. The aim is supervisory convergence and a common supervisory culture. The Authority will have a coordination and convergence role in the non-financial sector. In the financial sector, it will also directly supervise a number of selected financial sector entities that are exposed to the high risk of money laundering and terrorism financing and operate on cross border basis in at least six Member States. Additionally, it will be able to take over supervision of any obliged entity on request from the national supervisor, or on its own initiative, where there is a Union interest to do so. Concerning FIUs, the Authority will facilitate cooperation, information exchange and identification of best practices among FIUs. It will carry out these tasks by establishing standards for reporting and information exchange, by initiating or organising and supporting joint operational analyses, organising peer reviews among FIUs, and by hosting and developing the FIU.net system used both by FIUs and Europol to exchange and cross-match information. AMLA will itself be an end-user of the system and its functionalities.

How many staff members will the new Authority have?

It is envisaged that the Authority will reach over 430 staff members over a horizon of 4 years. Of these, over 200 will work on direct supervision of certain obliged entities. They will work in joint supervisory teams that will include staff of the relevant national supervisors of these entities.

How will the new Authority be managed and take decisions?

The Authority will have a Chair and an Executive Director. The Executive Director will be in charge of the day-to-day management of the Authority and will be administratively responsible for budget implementation, resources, staff and procurement.

The Chair will represent the Authority and will run the two collegial governing bodies:

1. Executive Board, composed of the Chair of the Authority and five permanent independent members;
2. General Board, which will have two alternative compositions: a supervisory composition with heads of public authorities responsible for AML supervision and an FIU composition with heads of FIUs in the Member States.

The General Board will adopt all regulatory instruments. In its supervisory composition, it may also provide its opinion on any decision about directly supervised obliged entities prepared by a Joint Supervisory team before the adoption of the final decision by the Executive Board.

The Executive Board will take all decisions towards individual obliged entities or individual supervisory authorities where relevant. The Executive Board will also take decisions regarding the draft budget and other matters relating to operations and the functioning of the Authority. For this latter category of the decisions, the Commission will have a voting right on the Executive Board.

When will the new Authority start its work?

The Authority will be established in 2024, seven days after publication of its establishing Regulation in the Official Journal of the European Union, with the aim to start most of its activities in mid-2025, reach full staffing in 2027, and begin direct supervision of certain high-risk financial entities in 2028. Direct supervision can only start once the harmonised rulebook is completed and applies.

Will national supervisors and FIUs be abolished and replaced by the new EU body?

No. National supervisors and FIUs will remain in place as key elements of the EU's enforcement system for AML/CFT. The EU Authority will replace national supervisors only as a supervisor of a small number of cross-border financial sector entities in the highest risk category. The new package will create an integrated EU AML supervisory system closely involving national supervisors and the EU AML Authority. The Authority will also play a key role in initiating and providing operational support to national FIUs in the conduct of joint analyses, but will not be an FIU itself and will not replace national FIUs who will continue to be the sole recipients of reports on suspicious transactions and responsible for the national dissemination of the analytical results of such reports.

Which entities will the Authority supervise directly, and how?

Directly supervised financial institutions will be determined in two ways:

- Financial sector obliged entities that are active in at least six Member States and have a high residual risk profile in accordance with the level 2 methodology to be developed by the Authority will be selected for ongoing direct supervision by the Authority. This selection will be based on objective criteria centred on risk categorisation and cross-border activity. The list will be reviewed periodically, every three years. In order to ensure equal and fair selection, the methodology for risk categorisation of entities by national supervisors will be harmonised prior to the first selection. The first selection process based on harmonised methodology will be carried out by AMLA in 2027, with the selected entities transferred to EU-level supervision as of 2028.
- It will be possible for the Authority to request a Commission decision placing a financial sector obliged entity under its direct supervision, irrespective of the above mentioned criteria for a limited period of time. This can happen if there is an indication that an entity is systematically failing to meet its AML/CFT requirements and that a significant ML/TF risk may materialise, should the national supervisor be unable to take quick, effective action to deal with such risks as recommended by the Authority.
- A national supervisor may request the Authority to take over a direct supervision of an obliged entity in exceptional circumstances with the aim to address at Union level a heightened ML/TF risk or compliance failures by the obliged entity in question. The Authority will assess the existence of circumstances justifying the transfer of supervision and may agree to assume direct supervision of the obliged entity for a limited period of time.

Supervision of directly supervised obliged entities will be carried out by Joint Supervisory

Teams led by staff of the Authority and including staff of the relevant national supervisors. This model is drawn from the working methods of the EU Single Supervisory Mechanism for prudential supervision of banks.

Will AMLA have a role in relation to sanctions implementation?

As a result of the negotiations, the Union will benefit from synergies between AML/CFT rules and our sanctions regime, making it more difficult to circumvent sanctions. This also means new powers for AMLA. As direct supervisor, AMLA will check compliance with sanctions-related measures by the riskiest cross-border groups in the financial sector. It will also contribute to a common supervisory approach to verification of compliance with sanctions-related requirements. Finally, given its central role in the Union's AML/CFT framework, it will be able to provide critical input to the understanding and mitigation of risks of sanctions evasion/non-implementation at Union level.

Who will pay for the Authority?

Once the Authority has reached the necessary staff numbers, approximately 30% of its funding will come from the EU budget and approximately 70% from financial contributions paid by a range of financial sector obliged entities. Non-financial obliged entities will not have to pay, nor will other financial sector obliged entities that do not meet the relevant selection criteria for direct supervision. The financial contributions will cover expenses related to direct supervision, and expenses related to other tasks of the Authority in the area of indirect supervision of the financial sector. The methodology for determining the size of individual contributions by the financial obliged entities will be laid down in a Commission Delegated Act.

Specific:

1. Who will set up the new AML Authority (AMLA)?

The AMLA Task Force is based in The European Commission's Directorate General for Financial Stability, Financial Markets and Capital Markets Union (DG FISMA). It is the lead service supporting the establishment of the new Anti-Money Laundering Authority (AMLA).

The Task Force is initiating and coordinating the preparatory steps for setting up the new Authority (AMLA), to ensure that the first administrative decisions can be taken rapidly upon the publication of the AMLA Regulation (scheduled for the first half of 2024).

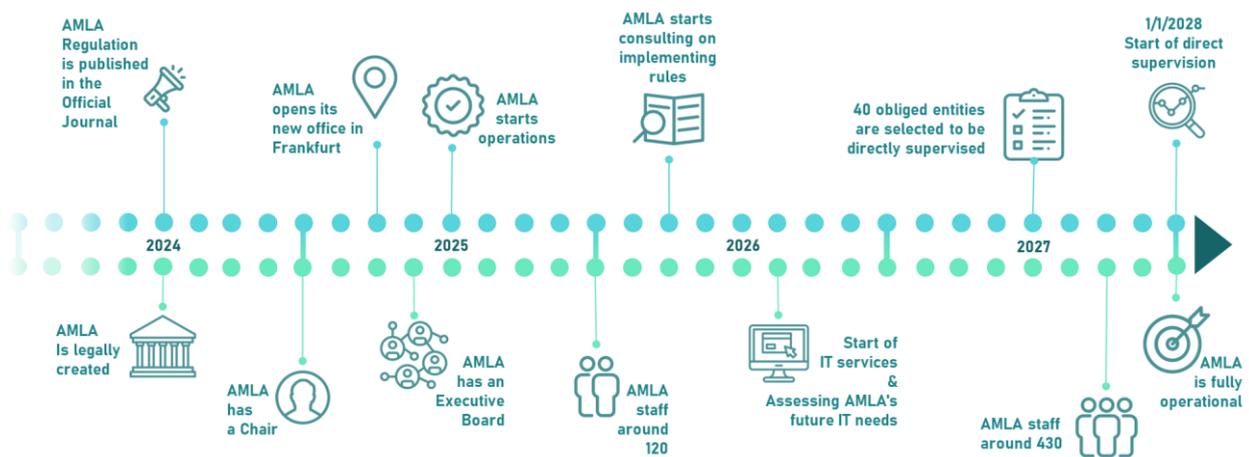
2. What exactly are the tasks that the Task Force will cover?

The AMLA Task Force will ensure that the first decisions and actions can be taken rapidly and effectively after the publication of the AMLA Regulation in the Official Journal, which is scheduled for the first half of 2024.

Such decisions and actions will cover in particular:

- the negotiation of an agreement regarding the headquarters with the host Member State (Germany);
- the selection of suitable facilities for AMLA, including a building, equipment, and services;
- the gradual recruitment of administrative and operational staff;
- support for setting up the agency’s governance, including the pre-selection of AMLA’s Chair, Executive Board members, and Executive Director, in close collaboration with the Commission’s DG FISMA and DG Human Resources (DG HR);
- the execution of the Agency’s 2024 budget and preparation of future budgetary plans;
- the design and implementation of the IT architecture needed to support AMLA’s operations.

3. What is the timeline regarding the next steps on AMLA?



4. What can you tell us regarding the recruitment process for AMLA?

AMLA will launch its first open selection procedure by the end of 2024/early 2025. Vacancies will be published on the AMLA website and on the EPSO website (section “[Open for application](#)”).

Given that AMLA is in the setting-up phase, its recruitment needs will be significant in the next three years. By the end of 2025, AMLA plans to recruit approximately 120 staff members and experts across various domains: anti money laundering, legal, budget, human resources, IT specialists, communication experts etc. AMLA will reach 430 staff members by 2027.

5. May I submit a spontaneous application?

No, we do not accept spontaneous applications. Please regularly visit this website or the EPSO website section “[Open for application](#)” and apply online for any position that you are interested in and for which you meet all the requirements. Only applications sent to the relevant functional mailbox before the closing time of an open selection procedure will be accepted.

The first batch of external positions for candidates with relevant profiles will be published around December 2024/January 2025.

6. I am a national from a country that is not an EU Member State. Can I apply for a position advertised by AMLA?

No, vacancies at AMLA are only open to nationals of EU Members States.

7. When and how will the management of AMLA be recruited, its Chair and Executive Director?

The governance and decision-making structure of AMLA is composed of the Chair, five full-time Board Members and an Executive Director.

The vacancy notices for these positions will all be published in [the Official Journal](#) and on the EPSO website section "[Open for application](#)".

The indicative timeline for these publications is June 2024 for the position of the Chair, autumn 2024 for the positions of the five Board Members and end 2024/early 2025 for the Executive Director.

Middle management positions will be published from the first semester of 2025.

8. How will you choose the location of AMLA?

AMLA's seat will be in Frankfurt am Main, Germany. This was the first time that the co-legislators jointly agreed on the location of a seat of a decentralised agency. The Parliament and the Council representatives voted together with the same number of votes in an inter-institutional meeting at the Council premises.

Prior to that, the European Commission prepared an assessment of the applications from nine Member States and all nine applicants presented their application in joint hearings that took place in the European Parliament on 30 January 2024.

In their application to host AMLA, the German authorities have indicated several buildings in Frankfurt am Main that may suit the Authority premises' needs. The European Commission is currently exploring the comparative advantages of the buildings proposed with the view of selecting a building and then negotiating the lease. As required by [the EU Financial Regulation](#), before the contract is concluded, the building project will be presented to the European Parliament and the [Council of the EU](#).

9. What exactly is the estimated budget for the overall functioning of AMLA?

AMLA's annual budget will gradually increase from 2024 to 2027 to reflect recruitment ramp-up and initial infrastructure investments, including ICT. The Authority is expected to be fully staffed by the end of 2027. A total funding of just above EUR 119 million will be made available to the Authority for that period.

From 2028 onwards, approximately 70% of the Authority's budget will be funded by fees. For a full year, at full operation, for example for 2028, the total costs to be covered by fees are currently estimated at EUR 65 million. It should be noted that this estimated fee revenue is based upon standard average costing and the actual fee revenue would differ from this estimate. The remaining 30% of the Authority's budget for the same year will be funded by the European Union's contribution, estimated at approximately EUR 27 million. The annual budget of the Authority from 2028 onwards is therefore estimated at EUR 92 million.

For More Information

[AMLA - European Commission \(europa.eu\)](https://european-commission.eu)

[Anti-money laundering and countering the financing of terrorism](#)