



2021/0240(COD)

17.5.2022

OPINION

of the Committee on Budgets

for the Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs

on the proposal for a regulation of the European Parliament and of the Council establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) 1094/2010, (EU) 1095/2010
(COM(2021)0421 – C9-0340/2021 – 2021/0240(COD))

Rapporteur for opinion: Niclas Herbst

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SHORT JUSTIFICATION

According to Europol¹, around 1% of the EU's GDP is involved in suspect financial activity. Money laundering and use of laundered illicit proceeds to finance terrorism pose a serious threat to the EU's economy, to the wider financial system and to the security of Union citizens. Effective measures at EU level to tackle money laundering and counter terrorism financing are therefore essential.

The Commission's proposal to establish a new decentralised agency - the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) - stems from the May 2020 'Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing'² and is part of a package of four legislative proposals presented in July 2021. Under the proposal, AMLA would be responsible for coordinating national supervisory authorities to ensure correct and consistent application of EU rules and for supporting Financial Intelligence Units to enhance their analytical capacity and ability to provide effective financial intelligence for use in law enforcement. It would also directly supervise some of the riskiest financial institutions operating in a number of Member States or requiring immediate action to address imminent risks.

Your Rapporteur welcomes the central aims of the proposal and is convinced that AMLA can help improve the detection of suspicious transactions and close loopholes currently being exploited by criminals and terrorists. Nevertheless, in line with his approach to decentralised agency files, he considers that the policy substance of the proposal should be dealt with by the lead committees.

As such, the draft opinion focuses on those areas where the Committee on Budgets can add value, therefore in particular on the financial provisions, governance rules and provisions relating to reporting and evaluation to ensure proper parliamentary scrutiny. Your Rapporteur assesses the proposal notably against the 2019 Schoepflin report³, the Joint Statement of the European Parliament, the Council and the Commission on decentralised agencies of 19 July 2012 and the Common Approach⁴ and the Framework Financial Regulation governing decentralised agencies⁵.

Budgetary impact and financial provisions

According to the Commission proposal, AMLA will need to be fully resourced by the end of 2025 to enable direct supervision to begin in early 2026. AMLA would then have estimated annual outgoings of EUR 45.6 million and a staff of 250. The agency would be partially self-financed through fees, as is the case with a handful of existing agencies, such as the European Medicines Agency. The Commission intends that 75% of the agency's revenue would come from fees levied on entities subject to anti-money laundering and countering financing of terrorism rules ('obliged entities') and the remaining 25% from the EU budget. The EU budget

¹ The range given is 0.7-1.28% of GDP - https://www.europol.europa.eu/cms/sites/default/files/documents/ql-01-17-932-en-c_pf_final.pdf

² Communication from the Commission on an Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing 2020/C 164/06; C/2020/2800: [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020XC0513\(03\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020XC0513(03))

³ https://www.europarl.europa.eu/doceo/document/TA-8-2019-0134_EN.html

⁴ <https://data.consilium.europa.eu/doc/document/ST-11450-2012-INIT/en/pdf>

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0715>

contribution is to come from the margin under Heading 1, which is to be welcomed as the creation of AMLA should therefore have no direct impact on existing programmes or other expenditure lines.

Your Rapporteur introduces a set of targeted amendments: a) to emphasise the need for the agency to be resourced in a manner commensurate with its tasks and responsibilities and to have the necessary autonomy over contract agent recruitment, learning the lessons from the early staffing challenges of the European Public Prosecutor's Office, b) to ensure that fees are calculated in such a way as to provide a stable revenue stream and thus predictability for the EU budget and c) to enhance transparency regarding all AMLA revenue. It will be essential in discussions on the scope of AMLA's mandate to bear in mind the budgetary impact of any changes and to consider where potential additional resources may be found.

Governance, parliamentary scrutiny and evaluation

Your Rapporteur introduces a number of more technical amendments to ensure that provisions in the AMLA regulation comply fully with the principles in the Common Approach. This includes removing the Commission's veto right over administrative and budgetary decisions taken by the Executive Board where it in any case has a voting right in accordance with standard practice in agency governance. Autonomy in budgetary and administrative decision-making is important for the Authority's effectiveness.

Other amendments seek to enhance parliamentary scrutiny and accountability with respect to multiannual programming and the appointment of the Chair of the Authority and to ensure that the performance of the agency is fully assessed on a five-yearly basis to ensure that EU funds are being spent effectively.

AMENDMENTS

The Committee on Budgets calls on the Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) Cross-border nature of crime and criminal proceeds endanger Union financial **system** efforts relating to prevention of money laundering and financing of terrorism. Those efforts have to be tackled at Union level through the creation of an Authority responsible for contributing to the implementation of

Amendment

(2) **The** cross-border nature of crime and criminal proceeds endanger **the** Union financial **system's** efforts relating to **the** prevention of money laundering and **the** financing of terrorism **and organised crime**. Those efforts have to be tackled at Union level through the creation of an Authority responsible for contributing to

harmonised rules. In addition, the Authority should pursue a harmonised approach to strengthen the Union's existing AML/CFT preventive framework, and specifically AML supervision and cooperation between FIUs. That approach should reduce divergences in national legislation and supervisory practices and introduce structures that benefit the smooth functioning of the internal market in a determined manner and should, consequently, be based on Article 114 TFEU.

the implementation of harmonised rules. In addition, the Authority should pursue a harmonised approach to strengthen the Union's existing AML/CFT preventive framework, and specifically AML supervision and cooperation between FIUs. That approach should reduce divergences in national legislation and supervisory practices and introduce structures that benefit the smooth functioning of the internal market in a determined manner and should, consequently, be based on Article 114 TFEU.

Amendment 2

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) In particular in the context of the military aggression of Russia against Ukraine and the decisions taken to impose financial sanctions, asset freezes and other restrictive measures against individuals and entities from the Russian Federation and in any possible future situations in which such measures may be taken against individuals and entities from a third country, the Authority should monitor and support the implementation of such measures across the internal market, with particular attention to transfers of crypto-assets given their importance in possible efforts to evade restrictive measures.

Amendment 3

Proposal for a regulation Recital 6

Text proposed by the Commission

Amendment

(6) Combining both direct and indirect

(6) Combining both direct and indirect

supervisory competences over obliged entities, and also functioning as a support and cooperation mechanism for FIUs, is the most appropriate means of bringing about supervision and cooperation between FIUs at Union level. This should be achieved by creating an Authority which should combine independence and a high level of technical expertise **and which** should be established **in line with** the Joint Statement and Common Approach of the European Parliament, the Council of the European Union and the European Commission on decentralised agencies³².

³² https://europa.eu/european-union/sites/default/files/docs/body/joint_statement_and_common_approach_2012_en.pdf.

supervisory competences over obliged entities, and also functioning as a support and cooperation mechanism for FIUs, is the most appropriate means of bringing about supervision and cooperation between FIUs at Union level. This should be achieved by creating an Authority which should combine independence and a high level of technical expertise. **The Authority** should be established **and governed in accordance with the principles set out in** the Joint Statement and Common Approach of the European Parliament, the Council of the European Union and the European Commission on decentralised agencies³².

³² https://europa.eu/european-union/sites/default/files/docs/body/joint_statement_and_common_approach_2012_en.pdf.

Amendment 4

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) *A seat agreement* should be **established** between the Authority and the host Member State, **stipulating** the conditions of establishment of the seat and **advantages conferred** by the Member State **on** the Authority and its staff.

Amendment

(7) **The arrangements concerning the Authority's seat** should be **laid down in a headquarters agreement** between the Authority and the host Member State. **That agreement should stipulate** the conditions of establishment of the seat and **the facilities to be provided** by the Member State **to** the Authority and its staff. **In accordance with the Joint Statement and Common Approach of the European Parliament, the Council of the European Union and the European Commission on decentralised agencies, the decision on the seat of the Authority should take into account the desirability of geographical spread of decentralised agencies.**

Amendment 5

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) The powers of the Authority should allow it to improve AML/CFT supervision in the Union in various ways. With respect to selected obliged entities, the Authority should ensure group-wide compliance with the requirements laid down in the AML/CFT framework and any other legally binding Union acts that impose AML/CFT-related obligations on financial institutions. Furthermore, the Authority should carry out periodic reviews to ensure that all financial supervisors have adequate resources and powers necessary for the performance of their tasks. It should facilitate the functioning of the AML supervisory colleges and contribute to convergence of supervisory practices and promotion of high supervisory standards. With respect to non-financial supervisors, including self-regulatory bodies where appropriate, the Authority should coordinate peer reviews of supervisory standards and practices and request non-financial supervisors to investigate possible breaches of AML/CFT requirements. In addition, the Authority should coordinate the conduct of joint analyses by FIUs and make available to FIUs IT and artificial intelligence services and tools for secure information sharing, including through hosting of FIU.net.

Amendment

(8) The powers of the Authority should allow it to improve AML/CFT supervision in the Union in various ways. With respect to selected obliged entities, the Authority should ensure group-wide compliance with the requirements laid down in the AML/CFT framework and any other legally binding Union acts that impose AML/CFT-related obligations on financial institutions. Furthermore, the Authority should carry out periodic reviews to ensure that all financial supervisors have adequate resources and powers necessary for the performance of their tasks. It should facilitate the functioning of the AML supervisory colleges and contribute to convergence of supervisory practices and promotion of high supervisory standards. With respect to non-financial supervisors, including self-regulatory bodies where appropriate, the Authority should coordinate peer reviews of supervisory standards and practices and request non-financial supervisors to investigate possible breaches of AML/CFT requirements. In addition, the Authority should coordinate the conduct of joint analyses by FIUs and make available to FIUs IT and artificial intelligence services and tools for secure information sharing, including through hosting of FIU.net. ***The ability of the Authority to fulfil its mandate depends on cooperation with FIUs in the Member States. In order to ensure that FIUs can carry out their work effectively, it is important that they are equipped with the necessary resources and capacity. The Authority should therefore be able to organise on-site visits in Member States, on a case-by-case basis, in close collaboration with the Member States concerned, to provide additional support***

and guidance to FIUs.

Amendment 6

Proposal for a regulation

Recital 37

Text proposed by the Commission

(37) The establishment of a solid governance structure within the Authority is essential for ensuring effective exercise of the tasks granted to the Authority, and for an efficient and objective decision-making process. Due to the complexity and variety of the tasks conferred on the Authority in both the supervision and FIU areas, the decisions cannot be taken by a single governing body, as is often the case in decentralised agencies. Whereas certain types of decisions, such as decisions on adoption of common instruments, need to be taken by representatives of appropriate authorities or FIUs, and respect voting rules of the TFEU, *certain* other decisions, such as the decisions *towards* individual selected obliged entities, or individual authorities, *require* a smaller decision-making body, *whose* members should be subject to appropriate accountability arrangements. Therefore, the Authority should comprise a General Board, and an Executive Board composed of five full-time independent members and of the Chair of the Authority.

Amendment

(37) The establishment of a solid governance structure within the Authority is essential for ensuring effective exercise of the tasks granted to the Authority, and for an efficient and objective decision-making process. Due to the complexity and variety of the tasks conferred on the Authority in both the supervision and FIU areas, the decisions cannot be taken by a single governing body, as is often the case in decentralised agencies. Whereas certain types of decisions, such as decisions on adoption of common instruments, need to be taken by representatives of appropriate authorities or FIUs, and respect voting rules of the TFEU, other decisions, such as the decisions *addressed to* individual selected obliged entities or individual authorities, *should be taken by* a smaller decision-making body, *the members of which* should be subject to appropriate accountability arrangements. Therefore, the Authority should comprise a General Board, and an Executive Board composed of five full-time independent members and of the Chair of the Authority.

Amendment 7

Proposal for a regulation

Recital 39

Text proposed by the Commission

(39) *For a smooth decision making* process, the tasks should be clearly divided: the General Board in FIU

Amendment

(39) For a smooth *decision-making* process, the tasks should be clearly divided: the General Board in FIU

composition should decide on the relevant measures for FIUs, the General Board in supervisory composition should decide on delegated acts, guidelines and similar measures for obliged entities. The General Board in supervisory composition should also be able to provide its opinion and advice to the Executive Board **on all draft decisions towards** individual selected obliged entities proposed by the Joint Supervisory Teams. In absence of such opinion or advice, the decisions should be taken by the Executive Board. Whenever the Executive Board deviates from the advice provided by the General Board in supervisory composition in the final decision, it should explain the reasons **thereof** in writing.

Amendment 8

Proposal for a regulation Recital 40

Text proposed by the Commission

(40) For the purposes of voting and taking decisions, each Member State should have one voting representative. Therefore, the heads of public authorities should appoint a permanent representative as the voting member of the General Board in supervisory composition. **Alternatively,** depending on the subject-matter of the decision or agenda of a given General board meeting, **public authorities of a Member State may decide on an ad-hoc representative.** The practical arrangements related to decision-making and voting by the General Board members in supervisory composition should be laid down in the Rules of Procedure of the General Board, to be developed by the Authority.

Amendment 9

composition should decide on the relevant measures for FIUs, **while** the General Board in supervisory composition should decide on delegated acts, guidelines and similar measures for obliged entities. The General Board in supervisory composition should also be able to provide its opinion and advice to the Executive Board **before it adopts decisions addressed to** individual selected obliged entities proposed by the Joint Supervisory Teams. In absence of such opinion or advice, the decisions should be taken by the Executive Board. Whenever the Executive Board deviates from the advice provided by the General Board in supervisory composition in the final decision, it should explain the reasons **therefor** in writing.

Amendment

(40) For the purposes of voting and taking decisions, each Member State should have one voting representative. Therefore, the heads of public authorities should **either** appoint a permanent representative as the voting member of the General Board in supervisory composition **or decide on an ad-hoc representative** depending on the subject-matter of the decision or agenda of a given General Board meeting. The practical arrangements related to decision-making and voting by the General Board members in supervisory composition should be laid down in the Rules of Procedure of the General Board, to be developed by the Authority.

Proposal for a regulation
Recital 41

Text proposed by the Commission

(41) The Chair of the Authority should chair the General Board meetings and have a right to vote when decisions are taken by simple majority. The Commission should be **a non-voting** member on the General Board. To establish good cooperation with other relevant institutions, the General Board should also be able to admit other non-voting observers, **such as** a representative of the Single Supervisory Mechanism and of each of the three European Supervisory Authorities (EBA, EIOPA and ESMA) **for the General Board** in its Supervisory Composition and Europol, the EPPO and Eurojust for the General Board in its FIU composition, where matters that fall under their respective mandates are discussed or decided upon. To allow a smooth **decision making** process, decisions of the General Board should be taken by a simple majority, except for decisions concerning draft regulatory and implementing technical standards, guidelines and recommendations which should be taken by a qualified majority of Member State representatives in accordance with voting rules of the TFEU.

Amendment 10

Proposal for a regulation
Recital 42

Text proposed by the Commission

(42) The governing body of the Authority should be the Executive Board composed of the Chair of the Authority and of five **full time** members, appointed by the General Board based on **the** shortlist by the Commission. With the aim of ensuring a speedy and efficient **decision making**

Amendment

(41) The Chair of the Authority should chair the General Board meetings and have a right to vote when decisions are taken by simple majority. The Commission should be **a non-voting** member on the General Board. To establish good cooperation with other relevant institutions, the General Board should also be able to admit other non-voting observers. **In particular, the General Board should invite** a representative of the Single Supervisory Mechanism and of each of the three European Supervisory Authorities (EBA, EIOPA and ESMA) in its Supervisory Composition and Europol, the EPPO and Eurojust for the General Board in its FIU composition, where matters that fall under their respective mandates are discussed or decided upon. To allow a smooth **decision-making** process, decisions of the General Board should be taken by a simple majority, except for decisions concerning draft regulatory and implementing technical standards, guidelines and recommendations which should be taken by a qualified majority of Member State representatives in accordance with voting rules of the TFEU.

Amendment

(42) The governing body of the Authority should be the Executive Board composed of the Chair of the Authority and of five **full-time** members, appointed by the General Board based on **a** shortlist **drawn up** by the Commission. With the aim of ensuring a speedy and efficient

process, the Executive Board should be in charge of planning and execution of all the tasks of the Authority except where specific decisions are explicitly allocated to the General Board. In order to ensure **objectivity and appropriate rapidity of** the decision-making process in the area of direct supervision of the selected obliged entities, the Executive Board should take all binding decisions addressed to selected obliged entities. In addition, together with a representative of the Commission the Executive Board should be collectively responsible for the administrative and budgetary decisions of the Authority. ***The consent of the Commission should be required when the Executive Board is taking decisions related to the budget administration, procurement, recruitment, and audit of the Authority, given that a portion of funding of the Authority will be provided from Union budget.***

Amendment 11

Proposal for a regulation Recital 43

Text proposed by the Commission

(43) To allow for swift decisions, all decisions of the Executive Board, including the **decision** where the Commission has a right to vote, should be taken by simple majority, with the Chair holding a casting vote in case of a tied vote. ***To ensure sound financial management of the Authority, the Commission's consent should be required for decisions related to budget, administration and recruitment. The voting members of the Executive Board other than the Chair should be selected by the General Board, based on a short-list established by the Commission.***

decision-making process, the Executive Board should be in charge of planning and execution of all the tasks of the Authority except where specific decisions are explicitly allocated to the General Board. In order to ensure **that** the decision-making process in the area of direct supervision of the selected obliged entities **is objective and swift**, the Executive Board should take all binding decisions addressed to selected obliged entities. In addition, together with a representative of the Commission, the Executive Board should be collectively responsible for the administrative and budgetary decisions of the Authority.

Amendment

(43) To allow for swift decisions, all decisions of the Executive Board, including the **decisions** where the Commission has a right to vote, should be taken by simple majority, with the Chair holding a casting vote in case of a tied vote.

Amendment 12

Proposal for a regulation

Recital 44

Text proposed by the Commission

(44) To ensure the independent functioning of the Authority the five Members of the Executive Board and the Chair of the Authority should act independently and in the interest of the Union as a whole. They should behave, both during and after their term of office, with integrity and discretion as regards the acceptance of certain appointments or benefits. To avoid ***giving any impression that*** a Member of the Executive Board ***might use its position as a Member of the Executive Board of the Authority*** to get a high-ranking appointment in the private sector after his term of office and to prevent any post-public employment conflicts of interests, a cooling-off period for the five Members of the Executive Board, including the Chair of the Authority, should be introduced.

Amendment

(44) To ensure the independent functioning of the Authority the five Members of the Executive Board and the Chair of the Authority should act independently and in the interest of the Union as a whole. They should behave, both during and after their term of office, with integrity and discretion as regards the acceptance of certain appointments or benefits. ***In order*** to avoid a Member of the Executive Board ***potentially using his or her*** position to get a high-ranking appointment in the private sector after his term of office and to prevent any post-public employment conflicts of interests, a cooling-off period for the five Members of the Executive Board, including the Chair of the Authority, should be introduced ***such that they do not take up gainful employment in a selected obliged entity or perform any other role that may give rise to a conflict of interests or situation which may objectively be perceived as a conflict of interests. The arrangements for the prevention and management of conflicts of interests to be adopted by the General Board should ensure in particular that senior representatives of the Authority do not undermine its integrity during or after their term of office. When adopting those arrangements, the General Board should give due consideration to the recommendations of the European Ombudsman.***

Amendment 13

Proposal for a regulation

Recital 46

Text proposed by the Commission

(46) The Executive Director of the Authority should be appointed by the Executive Board based on a shortlist from the Commission. The Executive Director of the Authority should be ***a senior administrative official of the Authority***, in charge of the day-to-day management of the Authority, and responsible for budget administration, procurement, and recruitment and staffing.

Amendment

(46) The Executive Director of the Authority should be appointed by the Executive Board based on a shortlist from the Commission, ***which respects the principle of gender balance***. The Executive Director of the Authority should be in charge of the day-to-day management of the Authority, and responsible for budget administration, procurement, and recruitment and staffing.

Amendment 14

Proposal for a regulation
Recital 48

Text proposed by the Commission

(48) To guarantee the proper functioning of the Authority, funding should be provided by a combination of fees levied on certain obliged entities and a contribution from the Union budget, ***depending on the tasks and functions***. The budget of the Authority should be part of the Union budget, ***confirmed*** by the Budgetary Authority ***on the basis of a proposal from the Commission***. The Authority should submit to the Commission a ***draft budget and an internal financial regulation for approval***.

Amendment

(48) ***It is necessary to provide the Authority with the requisite human and financial resources and equipment so that it can fulfil the objectives, tasks and responsibilities assigned to it under this Regulation. In order to ensure that the Authority can respond flexibly to human resource needs, it is in particular appropriate that it has autonomy regarding the recruitment of contract agents.*** To guarantee the proper functioning of the Authority, funding should be provided by a combination of fees levied on certain obliged entities and a contribution from the Union budget. The budget of the Authority should be part of the Union budget. ***The contribution from the Union budget is to be decided*** by the Budgetary Authority ***through the budgetary procedure***. ***To that end***, the Authority should submit to the Commission a ***statement of estimates***. ***It should also adopt financial rules after consulting the Commission.***

Amendment 15

Proposal for a regulation Recital 49

Text proposed by the Commission

(49) To ensure that the Authority can also fulfil its tasks as direct and indirect supervisor of obliged entities, **an** adequate mechanism for the determination and the collection of the fees should be introduced. As regards the fees levied on selected obliged entities and certain non-selected obliged entities, the methodology for their calculation and the process of collection of fees should be developed in a delegated act of the Commission. The methodology should be based on the risk of the directly and indirectly supervised entities as well as their turnover or revenue.

Amendment

(49) To ensure that the Authority can also fulfil its tasks as direct and indirect supervisor of obliged entities, **a transparent**, adequate mechanism for the determination and the collection of the fees should be introduced. As regards the fees levied on selected obliged entities and certain non-selected obliged entities, the methodology for their calculation and the process of collection of fees should be developed in a delegated act of the Commission. The methodology should be based on the risk of the directly and indirectly supervised entities as well as their turnover or revenue. **The methodology established should ensure sufficient and stable revenue for the Authority and therefore predictability of the contribution from the Union budget.**

Amendment 16

Proposal for a regulation Recital 50

Text proposed by the Commission

(50) The rules on establishment and implementation of the budget of the Authority, as well as the presentation of annual accounts of the Authority, should follow the provisions of Commission Delegated Regulation (EU) 2019/715³⁶ as regards cooperation with the European Public Prosecutor's Office and the effectiveness of the European Anti-Fraud Office investigations.

Amendment

(50) The rules on establishment and implementation of the budget of the Authority, as well as the presentation of annual accounts of the Authority, should follow the provisions of Commission Delegated Regulation (EU) 2019/715³⁶ **including** as regards cooperation with the European Public Prosecutor's Office and the effectiveness of the European Anti-Fraud Office investigations.

³⁶ Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the

³⁶ Commission Delegated Regulation (EU) 2019/715 of 18 December 2018 on the

framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 122, 10.5.2019, p. 1).

framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 122, 10.5.2019, p. 1).

Amendment 17

Proposal for a regulation Recital 51

Text proposed by the Commission

(51) In order to prevent and effectively combat internal fraud, corruption or any other illegal activity within the Authority, it should be subject to Regulation (EU, Euratom) No 883/2013 ***as regards cooperation with the European Public Prosecutor's Office and the effectiveness of the European Anti-Fraud Office investigations.*** The Authority should accede to Interinstitutional Agreement concerning internal investigations by OLAF, which should be able, to carry out on-the-spot checks within the area of its competence.

Amendment

(51) In order to prevent and effectively combat internal fraud, corruption or any other illegal activity within the Authority, it should be subject to Regulation (EU, Euratom) No 883/2013. The Authority should accede to Interinstitutional Agreement concerning internal investigations by OLAF, which should be able, to carry out on-the-spot checks within the area of its competence.

Amendment 18

Proposal for a regulation Recital 64 a (new)

Text proposed by the Commission

Amendment

(64a) At five-yearly intervals after the Authority is established, the Commission should assess the Authority's performance in relation to its mandate, objectives, tasks and location(s). The evaluation should, inter alia, examine whether the Authority's financial and human resources are adequate, factoring in the effect on organised crime and terrorist groups of depriving them of

assets and liquidity. On the occasion of every second evaluation, the Commission should conduct a thorough review of the results achieved by the Authority. The review should take into account the effectiveness of the Union Anti-Money Laundering system as a whole and the Authority's cooperation with other bodies and agencies.

Amendment 19

Proposal for a regulation

Article 1 – paragraph 3 – point d

Text proposed by the Commission

(d) contributing to supervisory convergence in the area of anti-money laundering and countering the financing of terrorism across the internal market;

Amendment

(d) contributing to supervisory convergence in the area of anti-money laundering and countering the financing of terrorism ***and organised crime*** across the internal market;

Amendment 20

Proposal for a regulation

Article 5 – paragraph 1 – point f

Text proposed by the Commission

(f) monitor and support the implementation of asset freezes under the Union restrictive measures across the internal market;

Amendment

(f) monitor and support the implementation of asset freezes under the Union restrictive measures across the internal market, ***with particular attention to transfers of crypto-assets;***

Amendment 21

Proposal for a regulation

Article 5 – paragraph 5 – point a a (new)

Text proposed by the Commission

Amendment

(aa) organise on-site visits in Member States, on a case-by-case basis, in close

collaboration with the Member States concerned, to provide additional support and guidance to FIUs;

Amendment 22

Proposal for a regulation

Article 46 – paragraph 2 – subparagraph 1

Text proposed by the Commission

The heads of the supervisory authorities referred to in the first subparagraph, point (b) in each Member State shall share a single vote and shall **agree on** a single common representative **for each meeting and voting procedure. That common representative shall be the** ad-hoc voting member for the purposes of **that** meeting or voting procedure. **The public authorities in a Member State may also agree on a single permanent common representative who shall be a permanent voting member.** Where items to be discussed by the General Board in supervisory composition concern the competence of several public authorities, the **ad-hoc or permanent voting member** may be accompanied by a representative from up to two other public authorities, who shall be non-voting.

Amendment

The heads of the supervisory authorities referred to in the first subparagraph, point (b) in each Member State shall share a single vote and shall **appoint** a single common representative, **either a permanent** voting representative **or an** ad-hoc voting **representative** for the purposes of **a specific** meeting or voting procedure. Where items to be discussed by the General Board in supervisory composition concern the competence of several public authorities, the **single common representative** may be accompanied by a representative from up to two other public authorities, who shall be non-voting.

Amendment 23

Proposal for a regulation

Article 46 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Each public authority that has a voting member under ad-hoc or permanent agreement shall be responsible for **nominating a high-level** alternate from its authority, who may replace the voting member of the General Board referred to in the second sub-paragraph where that

Amendment

Each public authority that has a voting member under ad-hoc or permanent agreement shall be responsible for **appointing an** alternate from its authority, who may replace the voting member of the General Board referred to in the second sub-paragraph where that person is

person is prevented from attending.

prevented from attending.

Amendment 24

Proposal for a regulation Article 52 – paragraph 4

Text proposed by the Commission

4. The term of office of the five members of the Executive Board shall be four years. In the course of the 12 months preceding the end of the four-year term of office of the Chair of the Authority and five members of the Executive Board, the General Board in both compositions or a smaller committee selected among General Board members including a Commission representative shall carry out an assessment of performance of the Executive Board. The assessment shall take into account ***an evaluation of*** the Executive Board members' performance and the Authority's future tasks and challenges. Based on the assessment, the General Board in both compositions may ***extend*** their term of office once.

Amendment

4. The term of office of the five members of the Executive Board shall be four years. In the course of the 12 months preceding the end of the four-year term of office of the Chair of the Authority and five members of the Executive Board, the General Board in both compositions or a smaller committee selected among General Board members ***and*** including a Commission representative shall carry out an assessment of performance of the Executive Board. The assessment shall take into account the Executive Board members' performance and the Authority's future tasks and challenges. Based on the assessment, the General Board in both compositions may ***renew*** their term of office once.

Amendment 25

Proposal for a regulation Article 52 – paragraph 7 – introductory part

Text proposed by the Commission

7. During a period of ***one year*** after ceasing to hold office, the former members of the Executive Board, including the Chair of the Authority, are prohibited from engaging in a gainful occupational activity with

Amendment

7. During a period of ***two years*** after ceasing to hold office, the former members of the Executive Board, including the Chair of the Authority, are prohibited from engaging in a gainful occupational activity with

Amendment 26

Proposal for a regulation
Article 53 – paragraph 4 – point a

Text proposed by the Commission

(a) adopt, by 30 November of each year, on the basis of a proposal by the Executive Director, the draft Single Programming Document, and shall transmit it for information to the European Parliament, the Council and the Commission by 31 January the following year, as well as any other updated version of the document ;

Amendment

(a) adopt, by 30 November of each year, on the basis of a proposal by the Executive Director, the draft Single Programming Document ***in accordance with Article 54***, and shall transmit it for information to the European Parliament, the Council and the Commission by 31 January the following year, as well as any other updated version of the document;

Amendment 27

Proposal for a regulation
Article 54 – paragraph 1 – introductory part

Text proposed by the Commission

1. By 30 November each year the Executive Board shall adopt a Single Programming Document containing multiannual and annual programming, based on a draft put forward by the Executive Director, taking into account the opinion of the Commission ***and in*** relation to multiannual programming after consulting the European Parliament. ***It*** shall forward ***it*** to the European Parliament, the Council and the Commission.

Amendment

1. By 30 November each year the Executive Board shall adopt a Single Programming Document containing multiannual and annual programming, based on a draft put forward by the Executive Director, taking into account the opinion of the Commission ***and in*** relation to multiannual programming after consulting the European Parliament. ***If the Executive Board decides not to take into account elements of the opinion of the Commission, it shall provide a thorough justification therefor. The obligation to provide a thorough justification shall also apply to the elements raised by the European Parliament when it is consulted. The Executive Board*** shall forward ***the Single Programming Document*** to the European Parliament, the Council and the Commission.

Amendment 28

Proposal for a regulation
Article 55 – paragraph 2

Text proposed by the Commission

2. A representative of the Commission shall have a right to vote whenever matters pertaining to Article 53(4) points (a) to (l) are discussed and decided upon. ***For the purposes of taking the decisions referred to in Article 53(4), points (f) and (g), the representative of the Commission shall have one vote. The decisions referred to in Article 53(4), points (b) to (e) and (h) to (l) may only be taken if the representative of the Commission casts a positive vote. For the purposes of taking the decisions referred to in Article 53(4), point (a), the consent of the representative of the Commission shall only be required on the elements of the decision not related to the annual and multi-annual working programme of the Authority.***

Amendment 29

Proposal for a regulation
Article 56 – paragraph 1

Text proposed by the Commission

1. The Chair of the Authority shall be selected on the basis of merit, skills, knowledge, recognised standing and experience in the area of anti-money laundering and countering the financing of terrorism and other relevant qualification, following an open selection procedure which shall be published in the Official Journal of the European Union. The Commission shall draw up a shortlist of two qualified candidates for the position of the Chair of the Authority. The Council, ***after approval by*** the European Parliament, shall adopt an implementing decision to appoint the Chair of the Authority.

Amendment

2. A representative of the Commission shall have a right to vote whenever matters pertaining to Article 53(4) points (a) to (l) are discussed and decided upon.

Amendment

1. The Chair of the Authority shall be selected on the basis of merit, skills, knowledge, recognised standing and experience in the area of anti-money laundering and countering the financing of terrorism and other relevant qualification, following an open selection procedure which shall be published in the Official Journal of the European Union. ***The Chair of the Authority shall have no prior criminal conviction.*** The Commission shall draw up a shortlist of two qualified candidates for the position of the Chair of the Authority, ***taking due account of the principle of gender balance. The shortlisted candidates shall be invited to appear before*** the Council ***and the***

*competent committees of the European Parliament. The Council shall adopt an implementing decision to appoint the Chair of the Authority **after having obtained the consent of the European Parliament.** Where the European Parliament considers that none of the shortlisted candidates sufficiently fulfils the requirements set out in this paragraph, the open selection procedure shall recommence.*

Amendment 30

Proposal for a regulation Article 58 – paragraph 2

Text proposed by the Commission

2. The Executive Director shall perform his duties in the interests of the Union, and independently of any specific interests.

Amendment

2. The Executive Director shall perform his **or her** duties in the interests of the Union, and independently of any specific interests.

Amendment 31

Proposal for a regulation Article 59 – paragraph 1 – point i

Text proposed by the Commission

(i) preparing the Authority's draft statement of estimates of revenue and expenditure **and** implementing its budget;

Amendment

(i) preparing the Authority's draft statement of estimates of revenue and expenditure **as part of the draft Single Programming Document pursuant to Article 66 and** implementing its budget **pursuant to Article 67;**

Amendment 32

Proposal for a regulation Article 59 – paragraph 1 – point l

Text proposed by the Commission

Amendment

(l) drawing up a draft statement of estimates of the Authority's revenue and expenditure as part of Authority's Single Programming Document pursuant to Article 66 and shall implement the budget of the Authority pursuant to Article 67;

deleted

Amendment 33

Proposal for a regulation Article 59 – paragraph 3

Text proposed by the Commission

Amendment

3. The Executive Director shall decide whether it is necessary to locate one or more staff in one or more Member States for the purpose of carrying out the Authority's tasks in an efficient and effective manner. Before deciding to establish a local office, the Executive Director shall obtain the prior consent of the Commission, the Executive Board and the Member State(s) concerned. The decision shall specify the scope of the activities to be carried out at the local office in a manner that avoids unnecessary costs and duplication of administrative functions of the Authority. **A headquarters agreement with the Member State(s) concerned shall be concluded.**

3. The Executive Director shall decide whether it is necessary to locate one or more staff in one or more Member States for the purpose of carrying out the Authority's tasks in an efficient and effective manner. Before deciding to establish a local office, the Executive Director shall obtain the prior consent of the Commission, the Executive Board and the Member State(s) concerned. The decision shall specify the scope of the activities to be carried out at the local office in a manner that avoids unnecessary costs and duplication of administrative functions of the Authority. **An agreement with the Member State(s) concerned shall be concluded *accordingly*.**

Amendment 34

Proposal for a regulation Article 64 – paragraph 3 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The amount and origin of any revenue referred to in points (b) and (c) of the first sub-paragraph of this paragraph shall be included in the annual accounts of the

Authority and clearly detailed in the annual report on the Authority's budgetary and financial management referred to in Article 68(2).

Amendment 35

Proposal for a regulation Article 65 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The fees to be levied shall be calculated in such a way as to ensure sufficient and stable revenue for the Authority.

Amendment 36

Proposal for a regulation Article 88 – paragraph 3

Text proposed by the Commission

Amendment

3. On the occasion of every second evaluation, *there shall be an assessment* of the results achieved by the Authority having regard to its objectives, mandate and tasks, including an assessment of whether the continuation of the Authority is still justified with regard to these objectives, mandate *and* tasks.

3. On the occasion of every second evaluation, *the Commission shall conduct a thorough review* of the results achieved by the Authority having regard to its objectives, mandate and tasks, including an assessment of whether the continuation of the Authority is still justified with regard to these objectives, mandate, tasks *and powers. The review shall have due regard for the effectiveness of the Union Anti-Money Laundering system as a whole and for the Authority's cooperation with other bodies and agencies.*

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) 1094/2010, (EU) 1095/2010	
References	COM(2021)0421 – C9-0340/2021 – 2021/0240(COD)	
Committees responsible Date announced in plenary	ECON 4.10.2021	LIBE 4.10.2021
Opinion by Date announced in plenary	BUDG 4.10.2021	
Rapporteur for the opinion Date appointed	Niclas Herbst 20.12.2021	
Rule 58 – Joint committee procedure Date announced in plenary	20.1.2022	
Discussed in committee	28.2.2022	
Date adopted	17.5.2022	
Result of final vote	+: 36 –: 2 0: 0	
Members present for the final vote	Rasmus Andresen, Robert Biedroń, Anna Bonfrisco, Olivier Chastel, Lefteris Christoforou, David Cormand, Andor Deli, José Manuel Fernandes, Eider Gardiazabal Rubial, Vlad Gheorghe, Valentino Grant, Francisco Guerreiro, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Pierre Larroustourou, Camilla Laureti, Janusz Lewandowski, Margarida Marques, Silvia Modig, Siegfried Mureşan, Victor Negrescu, Lefteris Nikolaou-Alavanos, Andrey Novakov, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Nicolae Ştefănuţă, Nils Torvalds, Nils Ušakovs, Johan Van Overtveldt, Rainer Wieland, Angelika Winzig	
Substitutes present for the final vote	Jan Olbrycht	

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

36	+
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca, Johan Van Overtveldt
ID	Anna Bonfrisco, Valentino Grant
NI	Andor Deli
PPE	Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Andrey Novakov, Jan Olbrycht, Karlo Ressler, Rainer Wieland, Angelika Winzig
Renew	Olivier Chastel, Vlad Gheorghe, Valérie Hayer, Moritz Körner, Nicolae Ştefănuţă, Nils Torvalds
S&D	Robert Biedroń, Eider Gardiazabal Rubial, Eero Heinäluoma, Pierre Larrourou, Camilla Laureti, Margarida Marques, Victor Negrescu, Nils Ušakovs
The Left	Silvia Modig, Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen, David Cormand, Francisco Guerreiro

2	-
ID	Joachim Kuhs
NI	Lefteris Nikolaou-Alavanos

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention