



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Danièle NOUY

Chair of the Supervisory Board

Mr Luke Ming Flanagan
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 19 December 2018

Re: Your letter (QZ-076)

Honourable Member of the European Parliament, dear Mr Flanagan,

Thank you for your letter on money laundering, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 4 December 2018.

In your letter, you refer to my reply to you dated 31 October 2018¹ and ask the ECB to investigate instances of money laundering at Danske Bank A/S Eesti filiaal. Complementing my previous answer, it is important to note that the responsibility for ensuring compliance with anti-money laundering (AML) and countering the financing of terrorism (CFT) legislation remains at the national level² and is not part of microprudential supervisory tasks. The ECB, within the remit of its supervisory functions, takes the prudential implications of money laundering very seriously, as the related risks can pose a threat to the viability of supervised entities, as well as to the reputation of supervisors. Nevertheless, the ECB has no mandate to investigate directly any alleged breaches of AML/CFT rules by banks. For that reason, questions on investigations of these matters should be addressed to the relevant national AML/CFT supervisors.

Even though the ECB is not mandated to investigate acts such as fraud, money laundering, corruption, market manipulation or insider trading, it takes convictions, sanctions imposed and (to the extent possible under national laws) open proceedings into account. When relevant for the purpose of conducting its prudential tasks, the ECB considers the outcome of the assessments conducted by competent authorities, such as the facts, the surrounding details and the conclusions reached. The ECB's conclusions are drawn

¹ Available at: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter181105_Flanagan.en.pdf

² See Recital 28 of Council Regulation (EU) No 1024/2013 of 15 October 2013 (the "SSM Regulation"). See also my reply to Dr Wolfgang Schäuble, President of the German Bundestag, available at: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.mepletter180511_Schaeuble.en.pdf

after assessing all of these elements and within the applicable national legal framework. That is why cooperation between AML/CFT authorities and prudential supervisors is very important, and should be further strengthened.

Yours sincerely,

[signed]

Danièle Nouy