

Parallel audit of anti-money laundering measures

Joint report on the implementation and application of EU
anti-money laundering policies

2026





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0 Executive summary

Combating the laundering of criminally earned money is a central task for governments of EU Member States. It is estimated that globally 2-5% of GDP is subject to money laundering each year. Since 1991, the EU has adopted six successive Directives on Anti-Money Laundering and Combating Terrorist Financing (AML/CFT, AMLDs for short). Not all banks have been able to mitigate and manage the risks of money laundering effectively. Furthermore, a number of banks have been fined, or have reached settlements with prosecution, for deficiencies in customer due diligence and transaction monitoring over the past years.

The Supreme Audit Institutions (SAIs) of Cyprus, Germany, the Netherlands and Spain decided to carry out a parallel audit to provide our national parliaments and governments with independent audit-based information on the implementation and application of EU anti-money laundering policies. In particular, the SAIs assessed the supervision of banks by national financial supervisors, the activities of FIUs, and whether these contribute to a level playing field across the EU. SAI Poland provided information from its own earlier audit concluded in the first quarter of 2025 regarding the functioning of the system for anti-money laundering.

Our main conclusions are:

National AML supervisors conducted different types and varying numbers of supervisory activities. In most countries, the audit findings and conclusions of AML supervisors, as well as their interventions at banks, were based on well-developed processes that were fully traceable for SAIs.

None of the national supervisory authorities had made specific efforts (for example, a dedicated project) to assess the effectiveness of AML supervision in combatting money laundering. This also applies to assessing the preventive effect of AML controls implemented by banks. The audit in the Netherlands showed that, despite a lack of understanding of the results of AML activities, costs for banks rose by 16.7% between 2020 and 2024 and some customers have faced far reaching consequences.

National supervisory authorities are aware that measures taken by banks beyond strict compliance with AML legislation may have negative consequences for customers. This was observed in Germany, Cyprus, and the Netherlands in relation to de-risking practices by banks.

EU Member States have to identify their national money-laundering risks in a National Risk Analysis (NRA). The NRAs for Cyprus and Germany were outdated. Cyprus published its first NRA in 2018 and was due to update it within five years, but the process was only initiated in

late 2025 - after SAI Cyprus had already communicated its intention to conduct an audit regarding aspects of the national AML supervision framework. Germany published its first NRA at the end of 2019. Although the Ministry of Finance began updating it in early 2022, the review remains unfinished, with publication of the final result now planned for early 2027, almost four years later than originally expected.

Each national FIU applies its own approach to analysing the signals it receives, resulting in differences in outcomes, including variations in the proportion of bank-submitted signals that are forwarded to law enforcement authorities. Overall, the analysis process generally includes an initial review of the signals, some form of tactical analysis and, in certain cases, strategic analysis. Most national FIUs have developed a methodology for automatically, or partly automatically, assessing the risk classification of signals received from banks. This helps ensure that all signals are at least reviewed for potential relevance before a decision is made on which cases should undergo further analysis. The extent of feedback exchanged between public actors varies across countries. While most countries have procedures in place for sharing such feedback, these procedures are not always consistently followed in practice.

The audits in Cyprus and Germany were both affected by limitations. In Cyprus, differing interpretations between the Auditor General and the Central Bank of Cyprus regarding the SAI's mandate delayed and restricted the provision of information. This meant that not all audit questions could be answered to the standard normally required. Additional challenges arose from FIU concerns; however, alternative arrangements were made to obtain sufficient audit evidence.

The German SAI faced restrictions in accessing certain files on banks because the national supervisory authority (Bafin) considered that files containing information from the European Central Bank (ECB) or foreign national supervisors could not be shared without prior consent from the originating authority. Bafin based this position on confidentiality requirements under the Single Supervisory Mechanism (SSM) Regulation and the German implementation of the AMLD. Of 763 files requested for a sample of ten banks, 101 files remained inaccessible five months later.

The establishment of the new European Anti-Money Laundering Authority (AMLA) will centralize part of anti-money laundering supervision at the EU level from 2028. AMLA will directly supervise up to 40 major financial institutions and indirectly supervise all other banks by coordinating the national supervisory authorities. As AMLA will set the supervisory framework and coordinate its implementation, national SAIs will need access to information held by AMLA to audit national AML supervision effectively. The SAIs of Cyprus and Germany encountered challenges while conducting their national audits as part of this parallel audit project. Under the new AMLA regime, EU and national legislators should ensure that these challenges neither persist nor intensify. The participating SAIs intend to raise awareness of this issue.

1 Introduction

1.1 EU anti-money laundering policy and national implementation

Combating the laundering of criminally earned money is a central task for governments of EU Member States. It is estimated that globally 2-5% of GDP is subject to money laundering each year (between €715 billion and €1.87 trillion).¹

Since 1991, the EU has adopted six successive Directives on Anti-Money Laundering and Combating Terrorist Financing (AML/CFT, AMLDs for short) as well as various relevant Regulations. The AMLDs have been implemented or will be implemented in national legislation in all EU Member States.

The AMLDs stipulate, among other things, that obliged entities – for example banks – as gatekeepers put in place policies, procedures, and controls to mitigate and manage the risks of money laundering effectively. They have to apply client due diligence requirements such as identifying and verifying customers, monitoring transactions, and reporting suspicious transactions to national Financial Intelligence Units (FIUs).

The AMLDs also prescribe that national financial supervisors assess whether the obliged entities carry out their anti-money laundering activities as defined by law, and that FIUs analyse reported transactions and share suspicious transactions with the investigative, intelligence, and security services.

In this audit, AMLD refers to the consolidated version of AMLD4, which includes amendments made by AMLD5. See Annex 1 for an overview of all AMLDs, their full names and content.

Over the past years, not all obliged entities have been able to mitigate and manage the risks of money laundering effectively. Furthermore, a number of banks have been fined for deficiencies in customer due diligence and transaction monitoring.

Box 1 Examples of banks not able to manage and mitigate the risks of money laundering

Danske Bank fined €1.9 billion

Danske Bank, a Danish financial institution, was fined \$2 billion (or €1.9 billion) in 2022 for its involvement in one of Europe's largest money laundering scandals. The fine

¹ Source: <https://www.europol.europa.eu/crime-areas/economic-crime/money-laundering>

came after it was discovered that billions of euros had been laundered through Danske Bank's Estonian branch, primarily originating from Russia and other former Soviet states. The initial investigation started in 2018, following an internal probe into payments worth \$210 billion.

The U.S. Department of Justice said Danske helped high-risk customers in Estonia and other former Soviet states to access the American financial system.

ING reached settlement of €775 million

Dutch Bank ING Groep, a Dutch multinational bank, reached a settlement with prosecution of €775 million in 2018 for a string of poor financial controls. Prosecutors said that internal controls at the bank were exceedingly weak, allowing customers to freely launder money without adequately declaring the source of funds. Investigations revealed significant deficiencies in the bank's customer due diligence, transaction monitoring, and risk assessment processes. Four transactions were specifically flagged by the prosecutors, which highlighted accounts used to facilitate crime, including the payments of bribes.

UBS agreed to pay €835 million

UBS, a Swiss bank, agreed in September 2025 to pay €835 million to resolve a longstanding French case concerning its cross-border business activities between 2004 and 2012. French courts found UBS guilty of unlawfully soliciting clients and of aggravated laundering of the proceeds of tax fraud. The final amount consisted of a €730 million fine and €105 million in civil damages. The resolution followed several stages of litigation after a French trial court had initially imposed substantially higher financial penalties in 2019.

In 2027, AMLA will take over certain national supervisory duties that now are being carried out by national supervisors.²

1.2 Objective of the audit

The Supreme Audit Institutions (SAIs) of Cyprus, Germany, the Netherlands, and Spain decided to carry out a parallel audit to provide our national parliaments and governments with independent audit-based information on the state of implementation and application of EU anti-money laundering policies in the Member States. In particular,

² See https://finance.ec.europa.eu/financial-crime/aml_en

the SAIs assessed the supervision of banks by national financial supervisors, the activities of FIUs, and whether these contribute to a level playing field across the EU³. A joint audit plan sets out a common audit approach.⁴

The following three audit questions were developed, and answered by each participating SAI in an audit in their respective countries:

1. How are central aspects of the AMLD implemented into national law?
2. How is national financial supervision on AMLD compliance of banks carried out, and what are the results of those supervisory activities?
3. To what degree do the signals the FIUs receive from the banking sector have a connection to actual money laundering risks?

The period under review in the parallel audit is from 10 January 2020 until 8 July 2024.⁵ Where indicated, tables include values for full years.

This parallel audit does not address the part played by the banks themselves. SAIs do not have the mandate to audit private organisations such as banks. In order to keep the scope manageable, the audit also does not assess how investigative bodies and law enforcement deal with relevant suspicious transactions provided to them by national FIUs. The audit is focused on the processes before information is handed over to investigative services and law enforcement.

SAI Poland did not actively participate in the parallel audit, but instead provided information from its own earlier audit regarding the functioning of the system for anti-money laundering/combating the financing of terrorism, which was concluded in the first quarter of 2025.

1.3 The main actors

The illustration below shows the main actors involved in anti-money laundering measures.

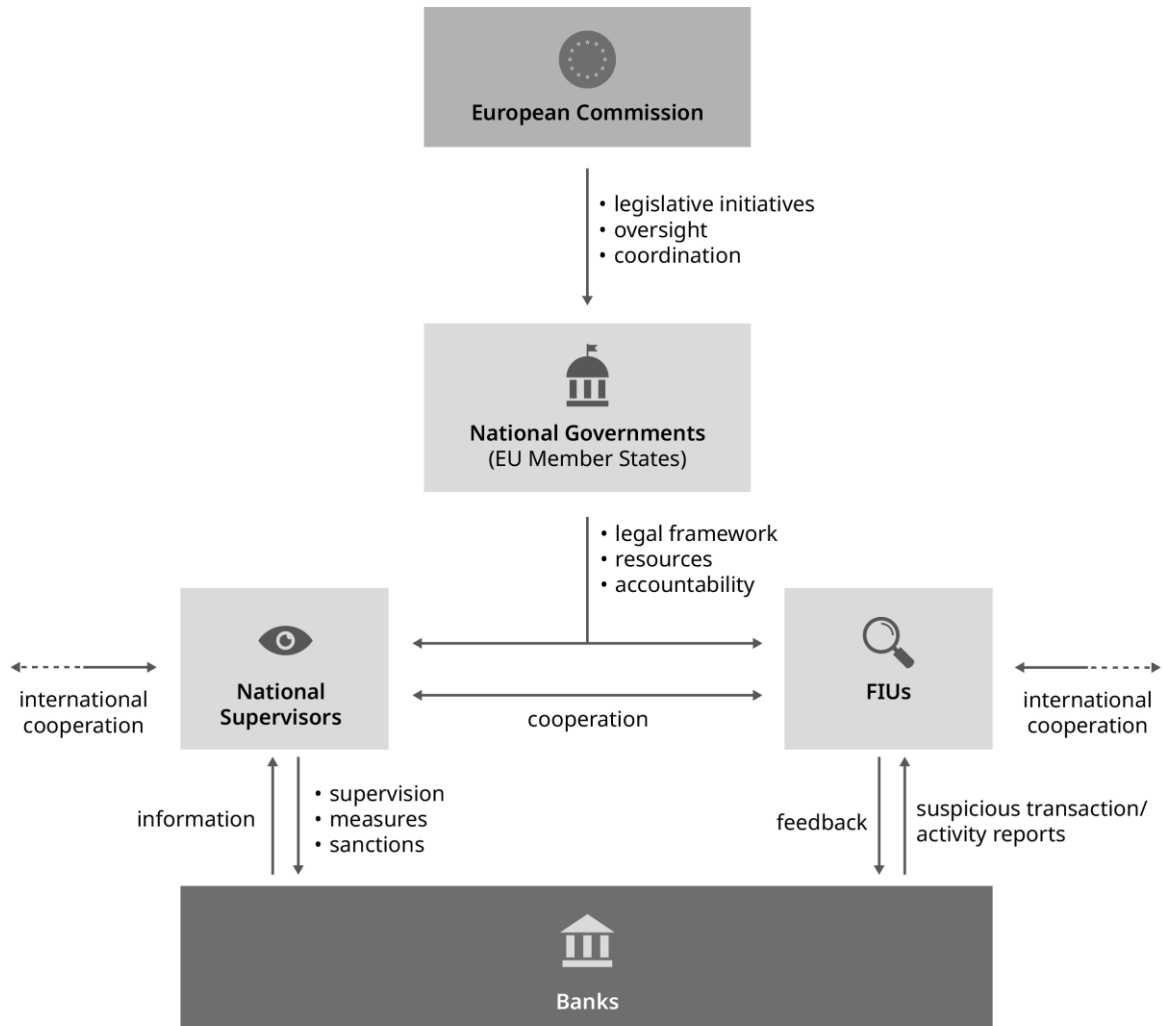
³ Each Supreme Audit Institution carried out the audit in its own country, on the basis of its own audit mandate. See Annex 3 for a short description of the relevant aspects of the audit mandates of the SAIs involved.

⁴ Annex 3 describes the main aspects of the audit method used by the SAIs in the parallel audit.

⁵ This period is chosen because it is in between the transposition date of AMLD5, and the entry into force of AMLD6 from 9 July 2024 (with time for transposition until 10 July 2027 in general). More information about the audit criteria and questions can be found in Annex 2.

Figure 1

Main actors involved in anti-money laundering measures



Source: Participating SAIs.

Table 1 provides an overview of the banking sectors in the 5 countries that are part of this parallel audit.

Table 1

Overview of banking sector in each country in the parallel audit (2024)

Country	Cyprus	Germany	Netherlands	Poland	Spain
Number of significant banks (value > €30 bn)	-	51	7	7	10
Number of less significant banks (value < €30 bn)	6	1,126	76	544	100
Total assets banks (€ bn)	50	8,866	2,700	780	4,338

Source: Participating SAIs.

1.4 This report

The SAIs involved in this parallel audit published their own national reports on anti-money laundering in 2025 and 2026.⁶ In this report, we provide an overarching and comparative overview of the main findings of the five national audits.

Chapter 2 addresses our findings related to the national implementation of the AMLDs, Chapter 3 deals with the results for national supervision on banks regarding anti-money laundering (AML), and Chapter 4 looks at the activities the FIUs employ on the basis of the signals they receive from banks.

Additionally, Chapter 5 discusses challenges that some SAIs were confronted with during the audit and Chapter 6 addresses new developments in 2027-2028, and what this can mean for national SAIs' access to AML information relevant for their audits. Finally, Chapter 7 presents our conclusions.

⁶ Cyprus: <https://www.gov.cy/media/sites/12/2026/03/%CE%95%CE%95-%CE%95%CE%A5-14-2026.pdf>;
The Netherlands: <https://english.rekenkamer.nl/documents/2026/03/11/serious-consequences-unknown-benefits---an-audit-on-the-anti-money-laundering-approach-in-the-dutch-banking-sector>;
Poland: https://bip.nik.gov.pl/kontrola/wyniki-kontroli-nik/pobierz,kbf~p_24_010_202406241452141719233534~01.typ,kk.pdf;
Spain: <https://www.tcu.es/export/sites/portal/repositorio2/INFORME/2026/I1678.pdf>

2 Implementation of the AMLD

2.1 Conclusion

This chapter addresses audit question 1: How are central aspects of the AMLD implemented into national law.

Our conclusion is that while there have been delays in national implementation of the AMLD in all five countries, the Directive was mostly implemented without major deviations.

2.2 Major deviations in national implementation of articles related to customer due diligence, supervision and FIU

The AMLD prescribes what banks must do to handle and mitigate risks of money laundering effectively, for example by applying client due diligence requirements and reporting suspicious transactions to the FIU. It also stipulates that national supervisors have to assess whether the banks indeed carry out their anti-money laundering activities as defined by law, and that FIUs analyse reported transactions and share relevant transactions with national investigative, intelligence, and security services. We examined how the applicable AMLD articles are transposed into national laws in the five countries. Here we report only the main deviations in the national implementation of the AMLD of the five countries. Table 2 gives an overview.

Table 2

Main deviations in national implementation of the AMLD

AMLD articles related to	Cyprus	Germany	Netherlands	Poland	Spain
Customer due diligence	Broader scope definition of Politically Exposed Persons (PEP)	No main deviations	No main deviations	Broader scope definition of PEP	Broader scope definition of PEP
Supervision	-no specifications of frequency periodic reviews by supervisor -broader scope for imposing administrative sanctions and higher fines	-no specification of frequency of periodic and event-driven reviews, no exhaustive list of what constitutes important events. -fines for non-compliance with performing and documenting risk analysis can be higher	-no specification of frequency periodic reviews -possible to impose higher fines and additional type of administrative sanction	Higher financial penalties may be imposed	The national regulations do not establish the frequency of the reviews (the national authority's internal regulations do specify an annual risk review for the sector). No specification what constitutes significant events or important developments in management and operations.
FIU	FIU budget is part of budget of Law Office of the Republic of Cyprus, FIU dependent to the Attorney General for resources. Independence of the FIU may in principle be affected.	Implemented in principle, but no explicit provision about adequate financial, human, and technical resources for the FIU.	Obligated entities have to report <i>unusual transactions</i> to FIU, instead of suspicious transactions.	No definition of suspicious transaction. The minister responsible for public finances provides the seat, legal, organizational and technical support for the FIU, and also covers expenses financed from the state budget related to its operation and the payment of remuneration.	Communications submitted to the FIU are preceded by a special review carried out by obliged entities. They must define and approve a procedure for the structured analysis of any transaction, regardless of its amount, when it is complex, unusual, or lacks an apparent economic or lawful purpose. The outcome of this review must be documented in writing. The FIU may request that the reporting entity supplement the analysis if it considers it insufficient.

Source: Participating SAIs.

On the basis of the above overview, we conclude that there are not many major deviations in the implementation of the AMLD. The main deviations are:

- Cyprus: the way the FIU budget is positioned may in principle have consequences for the independence of the FIU.
- Netherlands: unusual transactions instead of suspicious transactions have to be notified to FIU. This difference will be rectified after the new AMLD6 is in place. It is not certain if this will lead to less (subjective) transactions being notified to the FIU.
- Spain: obliged entities must report to the FIU any fact or transaction, including a mere attempt, for which there is an indication or certainty of a connection with money laundering, regardless of the amount involved. However, before making the report, they must carry out a comprehensive special review of all related transactions, the parties involved, the relevant information held by the obliged entity, and the corporate group. They must document the stages of the analysis, the steps taken, and the information sources consulted. This special analysis enables the FIU to focus its efforts on analysing transactions that have already undergone a comprehensive and substantive review, thereby making its work more effective.

Furthermore, the overview shows that regarding customer due diligence in three countries, a broader definition of PEP is being used. Regarding supervision in four countries, higher sanctions/financial penalties/fines may be imposed, while in four countries, the frequency of periodic bank reviews by the AML supervisor is not specified at the national level.

2.3 Additional results: infringement procedures and “gold-plating”

When a Member State implements EU policy too late, incompletely or incorrectly, the European Commission (EC) can start an infringement procedure. Most countries have faced delays in the national implementation of the AMLD. The EC started infringement procedures against Cyprus, the Netherlands and Spain.⁷ At this moment in time, these infringement procedures have been concluded.

Gold-plating refers to the fact that Member States, in their implementation of EU policies in national laws, exceed minimum requirements, adding for example non-obligatory guidelines and procedures. We examined the degree to which this was the case in the five countries. Our analysis shows that gold-plating related to the implementation of the AMLD is limited. In the Netherlands, the notification of unusual transactions instead of suspicious transactions is an example of gold-plating. In Poland, more restrictive rules for applying administrative penalties than the Directive are an example.

⁷ Moreover, the EC opened infringement procedures against Cyprus, Germany and Poland concerning the transposition of AMLD6.

3 National supervision on AML activities by banks

3.1 Conclusion

This chapter addresses audit question 2: How is national financial supervision on AMLD compliance of banks carried out, and what are the results of those supervisory activities?

Our conclusion is as follows:

- In each country, the budget for AML supervision generally increases over the years. The number of staff for AML supervision increases mainly in Germany and Spain.
- The supervisory practice of each national authority is to annually assess the risks and develop an annual risk profile for each bank, often on the basis of collecting large quantities of data from banks. In at least one country, the SAI detected some very obvious data errors in the information used by the supervisor to develop risk profiles. There are different national approaches to the risk-based method, and in some countries, the supervisory activities are not fully risk-based in practice.
- The AML National Risk Analyses for Cyprus and Germany were outdated. The NRA should be timely updated so that the risk assessment reflects fully the latest international and domestic developments, the risk-based approach is consistently and effectively applied and supervisory resources are efficiently allocated.
- National AML supervisors carried out different types and numbers of supervisory activities. In most countries, the supervisory findings and conclusions in the audits by the AML supervisors, as well as the interventions at banks, are based on well-developed and for SAIs fully traceable processes.
- None of the national supervisory authorities have made specific efforts (for example, a dedicated project) to evaluate the effectiveness of AML supervision in combating money laundering. This also applies to the *prevention* of anti-money laundering as a result of AML controls at banks. The audit in the Netherlands showed that, despite a lack of understanding of the results of AML activities, costs for banks rose by 16.7% between 2020 and 2024 and some customers have faced far reaching consequences.
- The national supervisory authorities are aware of potential negative consequences of measures beyond compliance with AML law by banks for their customers. This was noted in Cyprus, Germany and the Netherlands with regard to de-risking by banks.

3.2 Institutional position of national supervisors

The institutional position of AML supervisors, such as their independence and mandate, is important to ensure trust in the system and effective enforcement of AML laws and regulations. Table 3 shows the institutional position of the national supervisors in this audit.

Table 3

Institutional position of national supervisors in five countries

	<i>Cyprus</i>	<i>Germany</i>	<i>Netherlands</i>	<i>Poland</i>	<i>Spain</i>
Supervisory Authority is	Part of the Central Bank of Cyprus (CBC)	Part of the National Supervisory Authority for the Supervision of Banks (National Competent Authority, NCA)	Independent part of the National Central Bank (DNB)	The Office of the Polish Financial Supervision Authority	The Executive Service of the Commission for the Prevention of money laundering and monetary offences (SEPBLAC). SEPBLAC is the only supervisory authority for all obliged entities.
Description	The CBC is an independent monetary authority governed by the Central Bank of Cyprus Law of 2002. The CBC is a member of the ESCB and the Eurosystem. In addition to monetary responsibilities, the CBC is responsible for prudential and AML supervision.	The Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) is a public-law institution under the legal and professional oversight by the Federal Ministry of Finance. Organizationally, BaFin forms part of the federal administration.	De Nederlandsche Bank (DNB) is a public limited company incorporated under Dutch law. DNB is part of the ESCB and the Eurosystem. DNB is also an independent public body with a national mandate for prudential and AML supervision, resolution and the deposit guarantee scheme.	The Office of the Polish Financial Supervision Authority (UKNF), together with the Polish Financial Supervision Authority (KNF), is the central public administration authority supervising the stability and security of the entire financial market.	SEPBLAC is a body without legal personality under the COPBLAC. The COPBLAC is a collegiate body chaired by the Secretary of State for Economy and Business Support of the Ministry of Economy, Business and Trade. The Bank of Spain has the possibility to participate in supervisory activities. During the audit period, the Bank of Spain has participated.

Source: Participating SAIs.

In two countries – Germany and Poland – the supervisory authority is a stand-alone organisation. In Germany, it forms part of the federal administration organizationally. In two other countries – Cyprus and the Netherlands – the supervisory authority forms part of the national central bank. In the Netherlands, the supervisory authority is set

apart from the monetary activities of the DNB by positioning it as an independent public body within the DNB. In Cyprus, due to the limitations on information provided by the CBC, the SAI could not validate the CBC's assertion regarding the separation of AML supervision from its other activities. Finally, in Spain the supervisory authority is a body without legal personality under a collegiate body of the Spanish Ministry of Economy, Business and Trade. It is the single supervisory authority for all obligated entities, both financial and non-financial, and it is the Spanish FIU.

3.3 Budget and staff

On the basis of the available information in each country, we examined how much budget and staff the national supervisors have. Tables 5 and 6 show our results.

Table 4

Budget supervisory authority for AML supervision, in € million (2020-2024)

	<i>Budget supervisory authority for (€ million)</i>	2020	2021	2022	2023	2024
Cyprus	Supervision general ⁸	-	-	-	-	-
	Supervision banks	-	-	-	-	-
	AML supervision ⁹	.03	.02	.01	.07	.34
	AML supervision banks ¹⁰	-	-	-	-	-
Germany	Supervision general	389.3	427.8	478.6	482.6	514.1
	Supervision banks	-	-	-	-	-
	AML supervision	18.8	23.1	29.2	33.8	37.6
	AML supervision banks	8	8.8	11.6	13.1	14.6
Netherlands	Supervision general	188	194	201	220	234
	Supervision banks	79.3	88.6	94.1	97.1	105.5
	AML supervision	-	-	-	-	-
	AML supervision banks	-	-	-	-	-
Poland	Supervision general	-	-	-	-	-
	Supervision banks	-	-	-	-	-
	AML supervision	-	-	-	-	1.4 ¹¹
	AML supervision banks	-	-	-	-	-
Spain	Supervision general	-	-	-	-	-
	Supervision banks	-	-	-	-	-
	AML supervision ¹²	7.5	8.9	8.5	10.1	12.3
	AML supervision banks	-	-	-	-	-

Table 5

Staff supervisory authority for AML supervision, in FTE (2020-2024)

	<i>Staff supervisory authority (FTE)</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Cyprus	Supervision general ¹³	-	-	-	-	-
	Supervision banks	-	-	-	-	-
	AML supervision	11	10	14	14	12
	AML supervision banks ¹⁴	-	-	-	-	-
Germany	Supervision general	2,294	2,321	2,405	2,475	2,500
	Supervision banks	-	-	-	-	-
	AML supervision	85	97	116	127	143
	AML supervision banks	35	38	44	52	54
Netherlands	Supervision general	364.2	374.7	379.8	378.1	386.8
	Supervision banks	297.2	297.4	315.2	301.7	311.5
	AML supervision	-	-	-	-	-
	AML supervision banks	18.48	17.93	21.04	18.15	19.20
Poland	Supervision general	-	-	-	-	-
	Supervision banks	-	-	-	-	-
	AML supervision	-	-	-	-	-
	AML supervision banks	-	-	22	25	28
Spain	Supervision general	-	-	-	-	-
	Supervision banks	-	-	-	-	-
	AML supervision ¹⁵	54	60	59	67	74
	AML supervision banks	-	-	-	-	-

⁸ Information on budget on overall supervision activities (including prudential supervision) could not be made available to SAI Cyprus, as the CBC is of the view that this falls outside the scope of the audit and it also applies to operational and organizational matters of the SSM, which are considered confidential.

⁹ The AML supervision budget includes administrative costs only. It does not include staff salaries.

¹⁰ The CBC does not disaggregate its budget for the AML supervision of banks.

¹¹ This only includes the estimated personnel budget (salaries and costs of domestic and foreign business trips).

¹² It includes the supervisory expenses of SEPBLAC for all financial and non-financial entities, as well as the supervisory expenses of the Bank of Spain for the entities in whose anti-money laundering supervision it participates. It is not possible to determine the AML supervisory budget for banks specifically.

¹³ Information on staff on overall supervision activities (including prudential supervision) could not be made available to SAI, as CBC is of the view that this falls outside the scope of the audit and it also applies to operational and organizational matters of the SSM, which are considered confidential.

¹⁴ The CBC does not disaggregate staff for the AML supervision of banks.

¹⁵ It includes the staff of SEPBLAC responsible for supervising all financial and non-financial entities in the country, as well as the staff assigned by the Bank of Spain to conduct AML supervision of the entities subject to its prudential supervision.

The overview shows that

- **Budget:** Although the numbers reported for the five countries are different, it is clear from the table that in each country the budget for AML supervision goes up. Adjusted for inflation, the budget increases are less significant, in particular in Germany and the Netherlands.
- **Staff:** the levels reported for the five countries are not fully comparable as the supervisors use different approaches. For example, the German supervisor relies on the work of external auditors instead of own audits to a large extent (see 3.4).
- The staff for AML supervision in Germany goes up by about 68% and in Spain by about 37%. The staff for AML supervision in Cyprus and the Netherlands (AML supervision banks) remains more or less stable.

In the Netherlands, indications were found that the number of staff could be insufficient to carry out all relevant tasks. This was primarily based on postponed audits and an increase in ad hoc tasks, such as thematic reports by the national authority on discrimination in the banking sector. These thematic reports were partly requested by the Ministry of Finance after media and parliamentary attention. The national authority in Cyprus also stated that annual supervisory activity was influenced by availability of resources and ad hoc tasks. External evaluations have substantiated this. Capacity issues limit the volume and timeliness of supervisory actions that can be undertaken. The national authority in Spain, in spite of the increase, has communicated that it deals with a personnel shortage and its capacity to carry out inspections was significantly affected in 2022 and 2023, both in terms of the number of inspections and the timeframes in which they were conducted, by the incorporation of crypto-asset providers as obliged entities.

3.4 Supervisory setup and practice

3.4.1 Risk-based approach or rule-based approach

In their activities, the national supervisors have to use a risk-based approach. Our audit examined to which degree this is the case. The following was determined:

- Each national supervisory authority has procedures in place to assess the relevant risks regarding customer due diligence activities by banks.
 - Each national supervisory authority has developed a methodology to assess the risks of all banks on an annual basis and identify those with a higher risk based on their compliance and possible materialization of adverse effects:

- In Cyprus, a Risk Matrix tool, developed with the technical assistance of the International Monetary Fund (IMF), is used to capture the inherent risks and mitigants for each bank, to arrive at the individual net risk rating for each significant activity and a consolidated money laundering risk rating for each credit institution. Risk ratings range from very low to very high. The risk assessment process forms the basis of the development of the supervisory strategy for each credit institution, with banks associated with higher money laundering risks being subject to more frequent and intrusive supervision.
 - In Germany, risk profiles are prepared for all banks, taking into account the inherent risks and the quality of the prevention measures in place. Based on the risk profile, banks are assigned to one of four risk classes. The risk classes determine the type and scope of supervision of banks and whether credit institutions are subject to regular or intensive supervision.¹⁶
 - In the Netherlands, banks are assigned a risk score on AML between 1 (low) and 4 (high) on an annual basis. These scores determine – in theory – the level of exploratory audits (basic programme) the supervisor will carry out, which in turn leads to the level of mitigating activities (risk-based programme) that is needed for each bank.
 - In Spain, the inherent risk for each bank is determined by the nature, size and complexity of the institution's business and by different money laundering risks, resulting in a rating of institutions according to their overall inherent risk. Subsequently, the extent to which each institution's prevention systems and controls are adequate to effectively mitigate the inherent risks is assessed. Banks are classified into three strategic priority groups based on their size, in terms of the volume of their activity in Spain and their systemic risk. The national authority has developed a joint methodology with the Bank of Spain for the preparation of the sector risk matrix.
- All five countries reported that the national supervisory authority prioritized salient risks and most risky banks in its supervisory activities. In Cyprus and the Netherlands, it was found, however, that the theory was not always matched by activities in practice. In Cyprus, inconsistencies in the application of the risk-based principle in prioritizing onsite inspections were identified, while in the Netherlands, supervisory activities were guided by the fact that some (very) large banks were placed under enhanced supervision, which meant that almost all of DNB's resources were used to determine whether or not the banks were achieving the goals of the remediation programs.

¹⁶ IV = red – intensive supervision, III = orange – enhanced regular supervision, II = yellow – extended regular supervision, I = green – regular supervision.

3.4.2 Information gathering by supervisors

In the parallel audit, the following was found regarding the data collection by national supervisors:

- In order to ascertain that banks comply with AMLD customer due diligence, the national supervisors of each country systematically collect both qualitative and quantitative information from banks to assess their compliance with AMLD legal and regulatory obligations. In all countries, this includes annual information gathering at a fixed point in time.
- Further information on compliance with customer due diligence requirements is collected directly from banks in each of the countries through supervisory audits, discussions, questionnaires, and information requests, etc. All supervisory authorities clearly state which information they need from banks.
- Additionally, it was found that each of the five national supervisors – as part of its risk-based approach – gathers information about specific groups, such as Politically Exposed Persons (PEP), or sectors.
- In each country, the national supervisor assesses the validity of information it acquires from banks, for example by checking the accurate submission of the required information and conducting analyses to assess if there are (among other things) mistakes or extreme deviations like unexpected increases or decreases from normal levels. In the Netherlands, this was also the case but at the same time there are examples of obvious data errors in the data acquired from banks that were not corrected by the supervisor.
- The data gathered from the banks are used by the national supervisors in a standardized methodology as part of their development of the risk profiles for each bank, and for updating or adjusting the risk profile. In the Netherlands, the automatic risk scores are also periodically evaluated by the supervisor, on the basis of her/his knowledge of the bank, and benchmarked with comparable institutions and discussed with experts from other parts of the organisation.

3.4.3 Audits and interventions by supervisors

Table 6 gives an overview of national supervisory activities in the five countries between 2020 and 2024.

Table 6

Overview of audit activities of supervisory authority for the banks sampled by each SAI (2020-2024)

	Cyprus	Germany ¹⁷	Netherlands	Poland	Spain
Sample of banks for which supervision was analysed (SI, LSI)	3 (3 LSI)	10 (6 SI, 4 LSI)	8 (4 SI, 4 LSI)	4 (4 LSI)	4 (3 LSI, 1 branch of a foreign entity)
Supervisory practice	The annual supervisory plan is formulated based on the results of the banks' risk profile, availability of resources and ad hoc tasks.	Annual risk profile includes master data, inherent risk assessment and complexity of bank, assessment of preventive measures taken by bank.	In theory, DNB's activities are guided by risk analysis, which leads to an annual risk profile. In practice, activities mainly consisted of determining if banks were achieving the goals of remediation programs.	Banks are subject to annual risk assessment and are assigned a score of 1-4. Other supervisory actions are taken on that basis.	The national authority prepares an annual inspection plan determines the type and intensity of annual inspections based on risk. It also develops a multi-year supervisory strategy that links the identified risks with the annual distribution of the type or intensity of supervisory actions.
Supervisory activities	Audits are carried out on site and remote. Audits performed include special, targeted and thematic inspections and are accompanied by letters and (feedback) meetings.	AML college, informal inquiry, routine discussion, discussion due to an event, letters highlighting deficiencies or sent routinely, supervisory visit.	Audits were carried out mostly as part of remediation programs. For each audit, meetings were held and all audit documents were accompanied by official letters. Banks under enhanced supervision have to provide quarterly updates on progress.	On-site examination, off-site analyses, letters with recommendations or explanations of regulations, cooperation with FIU.	In addition to audits, it also carries out other actions such as: (1) mandatory authorizations, reviewing internal control measures in the area of anti-money laundering of obliged entities prior to certain operations; (2) preparation of guides and guidelines and catalogs of risk indicators; (3) meetings, presentations, forums, or conferences with obliged entities; (4) public-private exchange to promote lines of collaboration with the public and private sectors on certain risk typologies specific to the country; and (5) coordination with other national and international supervisors, in the latter case through supervisory colleges with the participation of the Bank of Spain.
Supervisory conclusions based on traceable process	Yes	Yes (for those files where access was granted to the German SAI)	Generally yes	Yes	Yes
Banks informed of all findings, conclusions	Yes	Yes	Yes	Yes	Yes

Source: Participating SAIs.

Our examination shows that:

- The supervisory practice of each national authority is to ascertain relevant risks for the functioning of banks on an annual basis (see also 3.4.1), and develop an annual risk profile for each bank. In the audit, we did not find that supervisors develop annual supervisory plans for each bank.
- In Cyprus, the annual supervisory plan is formulated based on the results of the banks' risk profile and availability of resources. In Germany, annual risk profiles are set up for all bank. This includes master data, inherent risk assessment and complexity of a bank, and an assessment of preventive measures taken by a bank. In the Netherlands, in theory DNB's activities are guided by risk analysis, which leads to an annual risk profile. In practice, however, for banks for which supervision was audited, the supervisory activities mainly consisted of determining whether or not the banks were achieving the goals of remediation programs. In Poland, the banks are subject to annual risk assessment and are assigned a score of 1-4. Other supervisory actions are taken on that basis. In Spain, the annual inspection plan determines the type and intensity of annual inspections based on risk and there is a multi-year strategy that links risks with the annual distribution of the supervisory actions it carries out
- In the period from 2020 to 2024, the AML supervisors carried out different amounts and kinds of supervisory activities, such as various types of audits, inspections, meetings, informal and formal letters and monitoring activities.
 - In Cyprus, the CBC supervisory activities are carried out on site and remote. The supervisory activities performed include special examinations, thematic and targeted inspections and are accompanied by letters and (feedback) meetings.
 - In Germany, Bafin carries out audits at banks in various degrees of depth. Other supervisory activities by Bafin are: AML college, informal inquiry, routine discussion, discussion due to an event, letters highlighting deficiencies or sent routinely, supervisory visit.
 - In the Netherlands, the supervisor carries out a relatively large number of in-depth audits for large banks, mostly as part of remediation programs. For each audit, meetings were held and audit documents were accompanied by official letters. Banks under enhanced supervision also have to provide quarterly updates to monitor their progress.
 - In Spain supervisory activity goes beyond audits and is complemented by other actions such as: mandatory authorizations prior to certain banking operations that provide SEPBLAC with a great deal of information on the measures adopted by obliged entities; public-private exchanges with other public and private actors

¹⁷ The German Bafin makes use of the reports of external auditors for its supervisory work. A full-scope AML audit is mandatory as part of the annual financial statement audit for banks (with a two-year cycle for certain banks). The Audit Report Regulation (Prüfungsberichtsverordnung - PrüfBV) stipulates the scope and reporting requirements of the year-end audit, including the requirements for the AML audit. Additionally, Bafin can commission special audits by external auditors or perform such audits itself.

on sectors or issues specific to the country's risk; or guidance or advisory activities.

- In each country, the supervisory findings and conclusions in the audits by the AML supervisors are based on well-developed and for SAIs fully traceable processes.¹⁸
- In all five countries, the banks were well informed of the supervisory findings and conclusions of the audits by the AML supervisors.

In Box 2, we describe a selection of audit findings by the supervisors of Cyprus, Germany, the Netherlands, and Poland in the audits they have carried out at the banks. The audit findings selected by the SAIs were identified during their assessment of their respective audit samples.

Box 2 Examples of findings by the national banking supervisors based on the SAIs' sample tests

Cyprus

- Review of the business profile and business relationship was not finalized within a reasonable time from its initiation, or the business profile was not comprehensive and properly documented;
- Customer Identification and Due Diligence procedures were significantly inadequate;
- Monitoring of customer accounts and transactions was inadequate. Transaction monitoring was not sufficiently tailored to customer-specific risks, and the monitoring scenarios used had not been revised or updated, resulting in failure to capture important risk indicators.

Germany

- Issues in screening and monitoring transactions;
- Risk analysis incomplete, deficient tracking of beneficial ownership;
- Non-traceable risk analysis of customers, action plan incomplete.

Netherlands

- Deficiencies in the Systematic Integrity Risk Analysis (SIRA) of the banks;
- Deficiencies in analysis of the UBOs;
- Insufficient compliance with Art. 16 Dutch AML law regarding notification of unusual transactions to the FIU.

Poland

- Failure to identify the UBO;

¹⁸ For Germany, this applies to the extent that the relevant documents were accessible to SAI Germany.

- Failure to implement recommendations of Financial Supervisory Authority regarding strengthening control mechanisms to ensure the entry of up-to-date information about UBO;
- Failure to update risk assessment in connection with changes in risk factors related to customers, countries or geographic regions, etc.

3.4.4 Interventions by supervisors

On the basis of their audit findings, national supervisors may conclude that banks have not done enough to develop policies, procedures and controls to mitigate and manage the risks of money laundering effectively. If so, they can decide to intervene, for example with financial penalties, or by placing banks under enhanced supervision. In Table 7, we address the extent to which this has taken place.

Table 7

Overview of interventions of supervisory authority for the banks sampled by each SAI (2020-2024)

	Cyprus	Germany	Netherlands	Poland	Spain
Banks financially penalised due to AML	Yes, 2 banks, specifically related to findings in audit activities.	Yes, 1 bank penalised (for 2 other banks proceedings for administrative offenses).	Yes, 3 banks received penalties, mostly related to non-compliance before audit period. 3 banks received fines for problems during audit period.	2 banks received fines, 2 other received warnings.	1 of 4 banks
Banks subject to enhanced supervision	1 bank was placed under enhanced supervision	4 banks are subject to intensive supervision, 2 to enhanced supervision, 3 to increased routine supervision, and 1 bank to routine supervision. ¹⁹	Yes, 6 banks were placed under enhanced supervision.	No	No
Interventions and other measures clearly derived from supervisory analysis and conclusions	Yes	Yes	Yes	Yes	Yes

Source: Participating SAIs.

The overview in Table 7 shows that:

¹⁹ Bafin differentiates between 1. Routine supervision, 2. Increased routine supervision, 3. Enhanced supervision, 4. Intensive supervision.

- In each country, banks were faced with financial penalties or fines by the national supervisor, due to not fully complying with AML laws.
- In three countries, one or more banks sampled were placed under enhanced supervision or, as described for the German situation, intensive supervision. In Germany, 6 out of 10 sampled banks were placed under enhanced/intensive supervision, in the Netherlands 6 out of 8.
- The interventions of the supervisor at banks are clearly derived from supervisory analysis and conclusions in the audits that have been carried out in each country.

3.5 National Risk Analysis

The National Risk Analysis is a government-led process for identifying a country's money laundering risks. It helps jurisdictions meet FATF standards and focus financial crime prevention efforts where they are most needed. NRAs are important because they:

- Target resources effectively: Identify high-risk sectors (e.g., real estate, banking or virtual assets) so authorities can prioritize AML efforts.
- Support private sector compliance: Help financial institutions and other regulated businesses build risk-based controls and due diligence processes.
- Improve laws and policies: Reveal gaps in AML frameworks, guiding legal reforms, institutional updates, and training.
- Strengthen global confidence: Show international partners, investors, and banks that the country actively manages financial crime risks.

The NRA should be timely updated so that the risk assessment fully reflects the latest international and domestic developments, the risk-based approach is consistently and effectively applied and supervisory resources are efficiently allocated.

The NRAs for Cyprus and Germany were outdated. The first Cyprus NRA was published in 2018 and was due for an update within five years, yet this process was only initiated in late 2025, after SAI Cyprus had already communicated its intention to conduct an audit regarding aspects of the national AML supervision framework. In Germany, the first NRA was published at the end of 2019. Although the Ministry of Finance initiated a process to update the NRA in early 2022, it has not concluded the review yet. Due to multiple delays, the Ministry plans to issue the final result in early 2027, almost four years later than initially planned. In mid-2026, the Ministry released a sector-specific sub-report.

3.6 Effectiveness of AML supervision

National authorities in all five countries use a variety of methods to assess banks' compliance with rules and whether they use guidelines. National authorities primarily use on- and off-site visits and periodic surveys. The intensity of measures differs between countries and banks.

- In the Netherlands, all large banks have been subject to remediation programs. These programs have taken substantially more time to finish than initially planned. This means that banks have not been compliant for a longer period of time. The national authority did not evaluate why banks were not compliant faster.
- In Cyprus, the supervisory authority requires remediation plans on all breaches identified. As monitoring of their implementation is done principally through off-site supervision, rather than dedicated on-site follow-up investigations, the supervisor's ability to verify the timely and effective implementation of corrective measures may be affected.
- In Germany, year-end audit reports of external auditors are the main source of regular and standardized information on customer due diligence compliance for the national supervisor. Bafin uses additional information to challenge the auditors' rating regarding the banks' compliance and, if necessary, adjusts the auditor's ratings.
- In Spain, the supervisory authority receives information from inspection activities. It also receives information from the FIU, which informs it of the assessments of suspicious transaction reports, statistical data on reports, non-compliance with prevention obligations, or trends in behaviors detected by financial intelligence that must be analysed from a supervisory perspective.

None of the national supervisory authorities have made specific efforts (for example, a dedicated project) to evaluate the effectiveness of AML supervisory measures in combating money laundering. For example, in the Netherlands, there are no in-depth evaluations by the supervisors and the responsible government ministries on the effectiveness of AML policy, both in terms of prevention and detection of money-laundering. In Spain there is no strategic instrument of anti-money laundering policy for monitoring effectiveness. The audit in the Netherlands showed that, despite a lack of understanding of the results of AML activities, costs for banks rose by 16.7% between 2020 and 2024 and some customers have faced far reaching consequences.

Banks can also contribute to the reduction of money laundering by generating meaningful signals to the FIU. Weaknesses in signal quality could undermine the effectiveness and efficiency of the analysis performed by the FIU and the allocation of its limited resources in the most effective and efficient manner. Regarding the quality of signals and the supervision by national authorities, several observations were found:

In the Netherlands, the national supervisory authority did not look at whether signals sent to the FIU were meaningful. The quality of these signals was not a topic of audits by the national authority.

In Spain, the national supervisory authority is also the FIU. The FIU analyses the quality of the signals it receives and assigns them a score. The value of this score is reported to the supervisory authority, which takes this assessment and/or its evolution into account to determine supervisory risk.

The national supervisory authorities in different countries indicated that they were aware of potential negative consequences of measures beyond compliance with AML law by banks for their customers. This was apparent in the national audits in Germany, Cyprus and the Netherlands with regard to de-risking.

Box 3 Examples of negative side effects of customer due diligence by banks.

Almost 1 in 10 civilians in the Netherlands experiences discrimination when using services by banks²⁰

Especially people with a non-Western migrant background experience discrimination when using services like requesting or changing mortgages, opening or closing bank accounts, etc. Civilians with Dutch origin experience the least discrimination compared to other groups in the population.

AML rules lead to de-risking

A consistent application of AML rules might have negative effects on legitimate businesses through a process called de-risking. De-risking occurs when banks sever relationships with customers because of high costs associated with AML procedures regarding these customers or the possibility of fines by regulators. De-risking is an EU-wide problem. The European Banking Authority released two reports on tackling unwarranted de-risking in January 2022 and April 2023.²¹

Moneyval's Fifth Round Mutual Evaluation Report from 2019 states, with regard to Cyprus:²²

"(...) from their own reports it is clear that banks regard all NPOs as presumptively high-risk, and that they are extremely reluctant to take on new NPO customers."

Report of the Spanish Ombudsman identified barriers to financial inclusion

²⁰ Research on experiences of discrimination of civilians related to the provision of services by banks and payment institutions. KPMG, Dutch Ministry of Finance, Amstelveen April 19th 2024 (in Dutch).

²¹ <https://www.eba.europa.eu/publications-and-media/press-releases/eba-alerts-detrimental-impact-unwarranted-de-risking-and>

²² <https://rm.coe.int/anti-money-laundering-and-counter-terrorist-financing-measures-cyprus-/16809c3c47>

In Spain, the May 2024 report of the Ombudsman identified barriers to financial inclusion for certain groups related to the adverse effects of the application of anti-money laundering prevention policy and issued recommendations to various public actors. This has led to the joint approval by the Bank of Spain and SEPBLAC of an update to the “Common criteria of good practices on the application of anti-money laundering regulations when blocking or terminating customer relationships”.²³

Insight of national supervisors into these negative consequences of strict AML compliance by banks for customers is based on national studies, external evaluations or media attention. Most of this insight is based on external information. The Dutch national supervisory authority is performing its own studies into discrimination as a result of AML law. The collegiate body on which the Spanish national supervisory authority depends has carried out its own studies and the national supervisory authority has begun to include inspections with this objective for credit institutions.

²³ https://www.defensordelpueblo.es/wp-content/uploads/2024/05/Inclusion_Financiera_Espana.pdf

4 Activities by national FIUs

4.1 Conclusion

This chapter addresses audit question 3: To what degree do the signals the FIUs receive from the banking sector have a connection to actual money laundering risks?

Our conclusion is:

- In each country, the budget and number of staff for the FIU increases over the years. The budget also increased considering inflation-adjusted figures. The annual number of AML signals relative to the number of staff varies widely between FIUs.
- Most FIUs see an increasing trend in the number of signals received overall, and by banks alone. However, the relative share of signals coming from banks is showing a decreasing trend.
- Each national FIU has its own approach to analysing received signals, which leads to different analysis results such as differences between the FIUs regarding the proportion of signals from banks that are passed on to law enforcement. In general, the analyses include an initial check of the signals, a form of tactical analyses and, in some cases, a form of strategic analyses. Except for the Netherlands, national FIUs have developed a methodology to (automatically) assess the risk classification of the signals received from banks, and can ensure in this way that all signals are at least assessed for potential relevance so as to decide which signals will be further analysed.
- Most of the national FIUs do not focus on signals from banks that lead to irrelevant results. Therefore, these FIUs do not provide such feedback to banks in order to improve the system.
- The amount of feedback shared between public actors differs between countries. Most countries do have procedures in place, but in practice these are not always followed.

4.2 Institutional position of FIUs

FIUs occupy a pivotal position within the AML framework in each country. It is therefore important to understand the scope of their powers, based on their institutional position. Table 8 gives an overview.

Table 8

Institutional position of FIUs in 5 countries

	Cyprus	Germany	Netherlands	Poland	Spain
FIU is	Hierarchically subordinate to the Attorney General of Cyprus	Part of the General Customs Directorate, under supervision of the Ministry of Finance	Hybrid organisation - Budget from Ministry of Justice and Security, administratively, part of National Police	Part of the Ministry of Finance	Executive Service for the Prevention of Money Laundering (SEPBLAC) is part of the Ministry of Economy
Description	The FIU is functionally independent, hierarchically subordinate to the Attorney General of Cyprus. The Head of the FIU is a representative of the Attorney General. Its budget and positions, fall under the Law Office of the Republic of Cyprus.	The FIU, as Directorate X, is part of the General Customs Directorate (Generalzolldirektion; GZD), organisationally part of the customs administration. The Federal Ministry of Finance's (BMF) supervision of the FIU is partly limited to legal oversight.	FIU is funded by the ministry of Justice and Security, but can independently decide on its use. FIU reports on its management and organisation to the minister. Administratively, FIU is part of the National Police.	The FIU is an organisational unit of the Ministry of Finance. The FIU supports the General Inspector of Financial Information, who is a Deputy Minister of Finance.	The Executive Service for the Prevention of Money Laundering (SEPBLAC) is a body without legal personality, reports to Commission for the Prevention of Money Laundering and Monetary Offences (COPBLAC). COPBLAC is collegiate body that reports to the Secretary of State for the Economy and Business Support of the Ministry of Economy

Source: Participating SAIs.

Generally, there are four FIU models: judicial, law enforcement, administrative, and hybrid.²⁴ We found that the FIUs of Germany, Poland, and Spain are in one way or another related to a government ministry and can be assigned to the administrative model.²⁵ The FIUs of the Netherlands and Cyprus follow a hybrid model, with a combination of the administrative and the law enforcement model.

4.3 Budget and staff FIUs

On the basis of the available information in each country, we examined how much budget and staff the FIUs have. Tables 10 and 11 give an overview.

²⁴ According to the Egmont Group of Financial Intelligence Units. See <https://egmontgroup.org/about/financial-intelligence-units/>.

²⁵ In Spain, staff from law enforcement and tax investigation units is seconded to the FIU.

Table 9

Budget FIUs (2020-2024)

	Budget FIU (€ million)	2020	2021	2022	2023	2024 ²⁶
Cyprus	Budget FIU AML task	0.0602	0.0575	0.0911	0.163	0.162
	Budget FIU AML banks ²⁷	-	-	-	-	-
	Budget FIU AML staff	n/a	0.575	0.744	0.829	0.997
Germany	Budget FIU AML task ²⁸	n/a	37.85	49.50	53.50	57.34
	Budget FIU AML banks ²⁹	-	-	-	-	-
Poland	Budget FIU AML task ³⁰	-	-	0.250	1	0.130
	Budget FIU AML banks	-	-	-	-	-
Netherlands ³¹	Budget FIU AML task	8.4	13.4	13.7	15.3	8.4
	Budget FIU AML banks	-	-	-	-	-
Spain	Budget FIU AML task	9.88	10.97	10.28	11.30	12.61
	Budget FIU AML banks ³²	-	-	-	-	-

Source: Participating SAIs.

²⁶ Although the audit period ends at 9 July 2024, the information for 2024 relates to the entire year.

²⁷ The Cyprus FIU has no separate budget allocation specifically related to banks.

²⁸ As a directorate of the GZD, the FIU does not have its own budget but is funded from the general budget of the customs administration. The figures provided by the BMF are therefore not budget figures but cost-based estimates.

²⁹ In Germany, no information is available for the allocation of the requested resources across different groups of reporting entities (e.g. banks).

³⁰ Amounts do not include salaries and a part of IT expenses.

³¹ These numbers excludes rollover budgets; realized expenses may be lower or higher.

³² In Spain, the FIU cannot differentiate between all obliged entities.

Table 10

Staff FIUs (2020-2024)

	Staff FIU (FTE)	2020	2021	2022	2023	2024 ³³
Cyprus	Staff FIU AML task	n/a	21	33	32	37
	Staff FIU AML banks ³⁴	-	-	-	-	-
Germany	Staff FIU AML task	385.86	431.67	586.90	719.64	715.28
	Staff FIU AML banks ³⁵	-	-	-	-	-
Poland	Staff FIU AML task	-	-	96.8	119.8	131
	Staff FIU AML banks	-	-	-	-	-
Netherlands	Staff FIU AML task	76	82	94	102	109
	Staff FIU AML banks	-	-	-	-	-
Spain	Staff FIU AML task	88	84	82	92	95
	Staff FIU AML banks ³⁶	-	-	-	-	-

Source: Participating SAIs.

Tables 9 and 10 show:

- FIUs have generally seen an increase in budget and staff over the years, some more than others. The budget also increased after adjusting for inflation.
- None of the SAIs have raised concerns about the adequacy of the FIU budgets to carry out the AML task. For Cyprus, it is noted that the fact that the FIU does not have a separate and dedicated budget may in principle affect its operational autonomy and independence.
- All FIUs are growing over the years, in part in response to the increasing number of signals received. Cyprus, for example, has seen the largest growth in the Analysis Division of the FIU, responsible for handling and evaluating the submitted signals. Whether the number of staff working at the FIUs is adequate to carry out the AML task in full depends on the modus operandi of the FIU. In Spain, the FIU has repeatedly communicated its need for an increase in human resources, which has not been addressed yet. Cyprus and Spain additionally highlight an increase in signals related to crypto assets, which requires specialist knowledge.

³³ Although the audit period ends at 8 July 2024, the information for 2024 relates to the entire year.

³⁴ The Cyprus FIU has no separate staff allocation specifically assigned to bank-related matters.

³⁵ In Germany, no information is available for the allocation of the requested resources across different groups of reporting entities (e.g. banks).

³⁶ In Spain, the FIU cannot differentiate between banks.

4.4 Main activities of FIUs

4.4.1 Amount of signals each FIU received

The FIU receives signals about suspicious or unusual transactions possibly related to money laundering from obliged entities. The analysis of these signals in order to pass the relevant information along to law enforcement is one of the core responsibilities of the FIU. Table 11 gives an overview of the number of signals received by the national FIUs, and how this relates to the staff available.

Table 11

Overview of signals received by each FIU (2020-2024)

Country		2020	2021	2022	2023	2024
Cyprus	Total number of AML signals received by the FIU	1,594	2,500	1,931	2,400	3,870
	Number of AML signals received by the FIU from banks	629 (39%)	641 (26%)	476 (25%)	471 (20%)	676 (17%)
	Total number of AML signals per AML task staff member	n/a	119	59	75	105
Germany	Total number of AML signals received by the FIU	144,005	298,507	337,186	322,590	265,708
	Number of AML signals received by the FIU from banks	129,108 (90%)	180,394 (60%)	242,930 (72%)	217,657 (67%)	n/a ³⁷
	Total number of AML signals per AML task staff member	373	692	575	448	371
Netherlands	Total number of AML signals received by the FIU	722,247	1,230,411	1,896,176	2,334,167	3,484,373
	Number of AML signals received by the FIU from banks	245,148 (34%)	262,991 (21%)	553,327 (29%)	672,085 (29%)	534,103 (15%)
	Total number of AML signals per AML task staff member	9,503	15,005	20,172	22,884	31,967
Poland	Total number of AML signals received by the FIU	-	-	3,986	4,906	(2,885) ³⁸
	Number of AML signals received by the FIU from banks	-	-	-	-	-
	Total number of AML signals per AML task staff member	-	-	41	41	-
Spain	Total number of AML reports received by the FIU	10,553	9,141	10,292	11,144	20,924
	Number of AML reports received by the FIU from banks	9,250 (87%)	6,960 (76%)	6,885 (67%)	7,828 (70%)	16,745 (80%)
	Total number of AML signals per AML task staff member	120	109	126	121	220

Source: Participating SAIs.

³⁷ In Germany, the 2024 numbers are only available for the financial sector as a whole: 253,847 (96%). A further breakdown is not possible.

³⁸ First half of 2024.

- The Dutch FIU receives noticeably more signals compared to other countries. This is because the Dutch FIU receives unusual transactions, instead of suspicious transactions.
- The FIUs in principle see an increasing trend in the number of signals received overall, and by banks alone since 2020, with peaks in the time period under review. However, the relative share of signals coming from banks is showing a decreasing trend. In Cyprus this seems to be related to the increase of signals coming from the crypto sector. The share of signals from banks is consistently high in Germany and Spain.
- The annual number of AML signals relative to the number of staff varies widely between FIUs. In 2024, on average, there were three-digit signal counts per staff member in Cyprus, Germany and Spain, and more than 30,000 signals per staff member in the Netherlands. Note: the figures relate to signals received, not signals analysed; further analyses of the variation in the number of received signals was not in scope of the audit. The proportion of received signals analysed by the FIUs may differ depending on their *modus operandi* (4.4.2).

Box 4 Further analysis of a sample of signals on money-laundering suspicion

The SAIs of Netherlands and Cyprus selected a sample of signals to further analyse, including whether the signal was related to stand-alone money-laundering suspicion. In the Netherlands, out of 1,015 signals selected from 2023, 56% were related to a money-laundering suspicion. In Cyprus, out of the 101 signals selected from 2020-2024, 27% were related to a money-laundering suspicion.

For the remaining signals, the reason for suspicion appears to relate, primarily, to predicate offences. It should, however, be noted that, according to the Cyprus FIU, all signals received relate to suspicions of money laundering, either as stand-alone cases or as money laundering with identified predicate offences, in accordance with the applicable AML legal framework. Each signal includes specific indicators explaining the reason for its submission, such as fraud, internet fraud, corruption, or sanction evasion.

4.4.2 Modus operandi of each FIU

- Each national FIU has procedures in place to analyse the relevance for law enforcement of the signals received from banks.
- In general, these procedures include an initial check of the signals, a form of tactical analyses and in some cases a form of strategic analyses. There are different approaches in different countries, which leads to different analysis results.

- In Cyprus, first a check on the completeness and quality of the signal is done, before an initial intelligence check against (internal) databases. From July 2023 onwards, the signals are then given a risk score using a semi-automatic prioritization tool. Signals with risk categorization as Medium Serious or High are assigned to analysts for further processing.
 - In Germany, incoming signals are processed in a computer-assisted, automated analysis based on a risk-based approach. FIU analysts then examine especially those signals that exhibit certain predefined risk indicators. Here, a distinction is made between less and more complex cases. In addition, a new team within the FIU carries out complex, detailed analyses and evaluations using the FIU's database.
 - In the Netherlands, the FIU receives signals of unusual transactions. The main task of the FIU is to determine which of the unusual transactions are suspicious transactions. Those that are labelled suspicious are then passed on to law enforcement. All incoming signals are first matched to police databases using semi-automatic matching. Signals that are matched are declared suspicious and passed onto law enforcement. Then signals can be processed based on tactical analysis within themes that correspond with internal priorities, or based on strategic analysis of phenomena and trends with respect to money laundering. There is no risk classification applied to all signals.
 - In Poland, notifications submitted in connection with the time limit for GIIF's decision to block assets are given priority in terms of registration and analysis. The processing of other notifications consists primarily of a preliminary analysis based on an assessment of the risk of money laundering and/or terrorist financing.
 - In Spain, the FIU conducts an initial analysis of the reports and proposes how they should be handled. This proposal determines the content and depth of the analysis. The Spanish FIU analyses all the signals it receives but may classify them as (1) an individual analysis - when, due to their content, the strength of their indications, or other circumstances, they are considered sufficient to open a case for analysis - or (2) a basic analysis for other signals that do not require individualized analysis, but from which law enforcement authorities are informed about the operations and the individuals involved.
- Except for the Dutch FIU, each national FIU has developed a methodology to (automatically) assess the risk classification of the signals received from banks, and can ensure in this way that all signals are at least assessed for potential relevance even though not all FIUs can analyse all signals.

4.4.3 Analyses of money laundering by FIUs

- There are some differences between the FIU regarding the proportion of signals from banks that are passed on to law enforcement.
 - The FIUs in Cyprus, the Netherlands, and Poland pass along different percentages of signals to law enforcement: on average of 5.5% in Cyprus, between 9% and 18% in the Netherlands, and between 10 and 20% in Poland.³⁹
 - The Spanish FIU forwards a relatively high number of signals to law enforcement; in 2024, 98% of the signals received from banks, although the proportion they refer with individualized analysis varies over the period between 17% and 34%.

Overall, most FIUs pay no special attention to signals from banks that lead to irrelevant results. In Germany, the FIU and the Bafin, with the involvement of the Anti Financial Crime Alliance (AFCA)⁴⁰ expert panel, drew up a paper in 2023 covering scenarios which do not constitute reportable circumstances. Furthermore, the FIU, in consultation with other authorities, may identify standardized transactions that are not covered by the reporting obligation (negative typologies).

- Even though not all signals are used in tactical analyses, most FIUs do use the whole database (including the low-risk signals) as their basis for their strategic analyses.
 - The FIU in Cyprus, Germany, and Spain communicate findings with stakeholders.
- The Dutch FIU does not know exactly which share of the signals from banks are analysed and used in strategical or tactical analyses by the FIU.
- None of the national FIUs formally analyse the prevalence of signals for specific sectors or groups in its data. However, some FIUs (Cyprus, Germany, Netherlands) may focus on specific themes or industries in their strategic analyses.

4.4.4 Feedback to and from FIUs

- The FIUs in Cyprus and Germany do not receive adequate feedback on the use of the forwarded suspicious signals from law enforcement agencies in criminal cases, even though they have asked for an overview (Cyprus) or have procedures in place that indicate law enforcement is supposed to share this information (Germany). The Polish and Spanish FIU do receive this feedback.

³⁹ For Cyprus, the percentage does not include disseminations to the Police relating to ongoing cases or information purposes.

⁴⁰ AFCA is a public-private partnership in Germany that was founded in 2019 to improve AML measures. It brings together government agencies and businesses to share strategic information and develop new prevention strategies; https://www.zoll.de/DE/FIU/Anti-Financial-Crime-Alliance/anti-financia-crime-alliance_node.html.

- In general, the national FIUs seem to take a different approach to sharing information on the functioning of the anti-money laundering system related to banks between various public actors.
- In Cyprus, the FIU has various systems and mechanisms in place to ensure that relevant information regarding the functioning of the AML framework is effectively shared among public authorities.
 - In Germany, the FIU contributes to the sharing of relevant information on the functioning of the anti-money laundering system in various ways. For example, feedback is provided to banks on the relevance of their signals, they contribute to a methodological exchange with domestic authorities, work with the Anti Financial Crime Alliance, contribute to the National Risk Assessment, and contribute to international committees and project work.
 - In the Netherlands, the FIU does not share information in detail with public actors. It does, however, regularly pass on certain general information to supervisor DNB.
- In Spain, SEPBLAC acts as both a supervisory authority and a FIU, and there is good communication between both. In addition, the FIU informs the obliged entity about (1) of the percentage of signals it archives and that it sends to law enforcement or tax investigation forces, (2) the overall assessment of its signals (based on criteria of quality and relevance) and (3) the average assessment of the sector to which the obliged entity belongs so that they can be compared and thus encourage progressive improvement in the quality of communications. In addition, it carries out individual meetings or sectoral workshops sharing the average assessment of the sector and promoting the good practices detected so that the rest of the obliged entities can adopt them.
- The Cypriot and Dutch FIUs share some information with obliged entities about the quality of the signals received, if deemed necessary and on a case-by-case basis. The German FIU has published a relevant key points paper in 2023 with scenarios which do not constitute reportable circumstances, and conducts workshops with obliged entities on the quality of their signals.

In Box 5, we describe some examples of audit findings related to the quality of signals sent by banks to the FIU.

Box 5 Quality of signals sent to FIU by banks

The SAIs of Cyprus and the Netherlands included an examination of a sample of signals to gain insight into the quality of the signals received from banks by the FIU. For Cyprus, a sample of 101 signals was analysed, for the Netherlands, a sample of 1,015 signals.

(For more information about the samples, see Annex 3).

Cyprus

The evaluation revealed weaknesses in the overall quality and completeness of reporting; 1) Identification of parties involved, 2) Reason for submission to the FIU, 3) Report Indicators, 4) Supporting documentation, 5) Timeliness of submission.

The Netherlands

The analysis revealed overall noticeable quality differences between banks. Furthermore, the quality of the signals was not consistent within the banks. For some banks, differences were found in quality over time, i.e. in certain periods with high pressure from the supervisor to send signals to the FIU, the signals were generally of much less quality.

5 Challenges for SAIs during the national audits

5.1 Conclusion

The audit mandate of most participating national SAIs provides them with full audit rights to examine the issues that are the topic of this parallel audit. In the case of SAI Cyprus, however, the mandate extends only to the assessment of the operational efficiency of the CBC's activities. During the audit, SAI Cyprus faced challenges with the CBC regarding the legal interpretation of this provision. The German SAI experienced challenges concerning its access to certain Bafin files on banks. By the end of the audit fieldwork, access to 101 files remained blocked.

5.2 Challenges experienced by SAIs during their national audit

The relevant parts of the audit mandates of the SAIs involved in this parallel audit are summarized in Annex 3. In theory, the audit mandates give each SAI full audit rights to examine the topics of this parallel audit in their country.

This section gives an overview of the challenges that some SAIs encountered during their national audits nonetheless.

Cyprus

The audit of the Cyprus SAI was affected by differing interpretations between the Auditor General of the Republic of Cyprus and the CBC regarding the scope of the audit mandate. These differences affected the timely provision of requested information and, in some cases, resulted in limitations on access to specific data/information considered necessary/relevant for the audit, such as the reports of the Internal Auditor and the files where complaints are filed. While the SAI did receive a significant volume of documentation, not all audit questions could be answered to the standards appropriate to an audit.

Another main challenge was related to addressing concerns of the FIU over access to personal information included in certain reports. Alternative arrangements were made to ensure sufficient audit evidence to draw appropriate conclusions regarding the quality of signals received and their connection to actual money-laundering risks.

Germany

The German SAI experienced challenges concerning its access to certain Bafin files on banks. Bafin withheld access to certain files because they contained information originating from the ECB or foreign National Competent Authorities (national supervisors), and Bafin considered itself legally unable to pass on such information to the German SAI without the prior consent of the originating authority. Bafin stated that, based on Article 27(1) of the SSM Regulation, sensitive ECB information might not be disclosed to outsiders without approval. Moreover, Bafin assessed that based on the German implementation of the AMLD in national law, information received from foreign national supervisors may only be forwarded if the foreign competent authority had expressly agreed and only for purposes it had approved. The relevant section in the AMLD is Article 57b(3).

When the German SAI requested access to all relevant files for its sample of ten banks, Bafin initially granted access to 656 of 763 files but withheld 107 because, in its view, they contained ECB or foreign NCA information. Bafin contacted the ECB, AMLA and more than 50 foreign authorities to seek clearance before allowing access. Five months later, by the end of the audit fieldwork, only 6 of the 107 consent-dependent files had been released, while 101 remained blocked.

Netherlands

The Netherlands Algemene Rekenkamer experienced no specific challenges during the national audit.

Poland

The Polish Najwyższa Izba Kontroli (NIK) experienced no specific challenges during the national audit.

Spain

The Spanish Tribunal de Cuentas experienced no specific challenges during the national audit.

5.3 Different scopes and mandates

One of the challenges identified during the audit process was the different scopes and mandates of the SAIs involved in the parallel audit. The legal frameworks and audit competencies varied among participating countries, affecting the extent and depth of the audit work performed. In particular, whilst all other participating SAIs were able to

assess all aspects traditionally examined by a SAI when carrying out a performance audit, i.e. economy, efficiency and effectiveness, the mandate of the Cyprus SAI was restricted to the assessment of the operational efficiency of activities of the Central Bank of Cyprus. This limitation affected the comparability of findings and required additional coordination to ensure a coherent and balanced presentation of the overall audit results.

6 Outlook

A new European legislative package to combat money laundering was adopted in 2024. The package has three components: a regulation to establish AMLA, a regulation on anti-money laundering obligations in the private sector, and AMLD6.

Most of the legislative package will apply from July 2027. We examined what consequences the new EU rules would have for the FIUs and for supervision, for example by the establishment of AMLA.

FIUs

- Banks have to report to the FIU on the basis of subjective indicators, such as deviant client behaviour or transactions via high-risk countries, and objective indicators, for example transactions above a certain financial amount. Objective indicators always have to be reported to the FIU. In the new AML approach, the list of objective indicators will no longer apply in its current form. With the removal of the objective reporting obligation, FIUs expect to receive fewer signals.
- A new reporting line will be introduced from the FIU to AMLA, with an obligation to report key figures every year.
- The new package gives more powers to FIUs, including the power to freeze assets. FIUs and other reporting institutions can request the blocking or freezing of suspicious transactions.

Specifically for the Netherlands, the new AML package means that from now on gatekeepers must report suspicious transactions to the FIU, and the current lower threshold that banks can report *unusual transactions* is no longer valid.

Supervision

In 2027, AMLA is expected to select up to 40 high-risk financial institutions or groups operating in the EU for direct supervision, with direct supervision commencing in 2028. In addition, AMLA will exercise an indirect supervisory and convergence role in relation to other obliged entities, including through its oversight of national supervisors and its role in developing common supervisory methodologies.

At EU level, AMLA will assume certain direct supervisory tasks and powers in respect of the selected entities. It will determine the supervisory approach for those entities and will have powers to adopt supervisory measures and decisions addressed to them. AMLA's supervisory methodology is also expected to have broader implications, as it is

intended to promote more consistent AML supervision across the EU, including for banks that are not directly supervised by AMLA.

Possible consequences for SAIs

Earlier parallel audits by SAIs on banking supervision⁴¹ and preparations for banking resolution⁴² showed that entry into force of the European banking union as from 2012 deprived SAIs of access to information on banks.

- National SAIs no longer had access to supervisory and resolution information on SIs in their countries because this information is managed by the European Central Bank and the Single Resolution Board.
- National authorities are still responsible for LSI supervision and resolution, and, in principle, national SAIs still have access to this information. However, in practice, national supervisory and resolution activities for LSIs are now based on LSI guidance from the ECB and SRB, which can impair their access to all relevant audit information.

Information held by AMLA is covered by a confidentiality provision in the AMLA Regulation, and AMLA may exchange information with the ECB and national authorities only within the limits of the ECB regulatory framework, AMLD6 and other legal acts. Care should be taken to ensure that national SAIs retain access to all relevant information on banking supervision for banks that are not under direct AMLA supervision.

For the large majority of banks, national supervisors will remain responsible, while AMLA will supervise indirectly (“Supervisor of the Supervisors”). With AMLA setting the framework for national supervisors and coordinating their work, access from national SAIs to AMLA information will be necessary for auditing national AML supervisors. The SAIs of Cyprus and Germany encountered challenges while conducting their national audits as part of this parallel audit project (see section 5.2). Under the new AMLA regime, EU and national legislators should ensure that these challenges neither persist nor intensify. The participating SAIs intend to raise awareness of this issue.

⁴¹ Report by the SAIs of Austria, Cyprus, Finland, Germany and the Netherlands on Prudential supervision of medium-sized and small (“less significant”) institutions in the European Union after the introduction of the Single Supervisory Mechanism (2017). https://www.eca.europa.eu/sites/CC/Lists/CCDocuments/Task_Force_EBU/Task_Force_EBU.pdf

⁴² Report by the SAIs of Austria, Estonia, Finland, Germany, the Netherlands, Portugal and Spain on Preparation for resolution of medium-sized and small banks in the euro area (2020). https://www.eca.europa.eu/sites/CC/Lists/CCDocuments/Task_Force_EBU_2020/Task_Force_EBU_2020_EN.pdf

7 Conclusions

7.1 Conclusions – supervision

The supervisory practice of national authorities generally involves identifying, on an annual basis, the key risks affecting the functioning of banks and preparing an annual risk profile for each institution. This process is often based on the collection and analysis of substantial amounts of data from banks. In at least one country, the SAI found clear and significant data errors in the information used by the supervisor to prepare these risk profiles. Approaches to risk-based supervision vary across countries, and in some cases supervisory activities are not fully risk-based in practice.

The AML National Risk Analyses for Cyprus and Germany were outdated. An NRA is a government-led process used to identify a country's money-laundering risks. It supports jurisdictions in meeting FATF standards and in directing financial crime prevention efforts towards the areas of greatest need. NRAs should be updated in a timely manner so that risk assessments fully reflect the latest international and domestic developments, the risk-based approach is applied consistently and effectively, and supervisory resources are allocated efficiently.

National AML supervisors conducted different types and varying numbers of supervisory activities. In most countries, the audit findings and conclusions of AML supervisors, as well as their interventions at banks, were based on well-developed processes that were fully traceable for SAIs.

None of the national supervisory authorities had made specific efforts (for example, a dedicated project) to assess the effectiveness of AML supervision in combating money laundering. This also applies to assessing the preventive effect of AML controls implemented by banks. The audit in the Netherlands showed that, despite a lack of understanding of the results of AML activities, costs for banks rose by 16.7% between 2020 and 2024 and some customers have faced far reaching consequences.

National supervisory authorities are aware that measures taken by banks beyond strict compliance with AML legislation may have negative consequences for customers. This was observed in Germany, Cyprus, and the Netherlands in relation to de-risking practices by banks.

7.2 Conclusions – FIU

Each national FIU applies its own approach to analysing the signals it receives, resulting in differences in outcomes, including variations in the proportion of bank-submitted signals that are forwarded to law enforcement authorities. Overall, the analysis process generally includes an initial review of the signals, some form of tactical analysis and, in certain cases, strategic analysis.

Most national FIUs have developed a methodology for automatically, or partly automatically, assessing the risk classification of signals received from banks. This helps ensure that all signals are at least reviewed for potential relevance before a decision is made on which cases should undergo further analysis.

The extent of feedback exchanged between public actors varies across countries. While most countries have procedures in place for sharing such feedback, these procedures are not always consistently followed in practice.

7.3 Conclusions – challenges

The audit mandate of most participating national SAIs provides them with full audit rights to examine the issues that are the topic of this parallel audit. The Auditor General of the Republic of Cyprus faced challenges during the audit related to the AML supervision by the CBC, and to addressing concerns of the FIU over access to personal information included in certain reports. The German SAI experienced challenges concerning its access to certain Bafin files on banks. By the end of the audit fieldwork, access to 101 files remained blocked.

The establishment of AMLA will centralize parts of EU anti-money laundering supervision from 2028, with AMLA directly supervising 40 major financial institutions and indirectly supervising others through coordination with national authorities. With AMLA setting the framework for national supervisors and coordinating their work, access from national SAIs to AMLA information will be necessary for auditing national AML supervisors. The SAIs of Cyprus and Germany encountered challenges while conducting their national audits as part of this parallel audit project. Under the new AMLA regime, EU and national legislators should ensure that these challenges neither persist nor intensify. The participating SAIs intend to raise awareness of this issue.

Annex 1. Anti-Money Laundering Directives and Regulations

Short Title	Date	Transpose by/Apply from ⁴³	Reference
AMLD1	10 June 1991	1 January 1993	Directive 91/308/EEC
AMLD1 stated that certain entities, mainly operating in the financial sector and identified as 'obliged entities', should apply customer due diligence (CDD) requirements when entering into a business relationship, to identify and verify the identity of customers and beneficial owners, to obtain information on the business relationship and to monitor it. The directive also required obliged entities to inform competent authorities of any fact that might be an indication of money laundering (suspicious transaction reporting, STR).			
AMLD2	4 December 2001	15 June 2003	Directive 2001/97/EC
AMLD2 was adopted following the 1996 revision of the Financial Action Task Force (FATF) recommendations, which widened and defined the range of predicate offences of money laundering, and specified that STR had to be conveyed to a dedicated national 'financial intelligence unit' (FIU).			
AMLD3	26 October 2005	15 December 2007	Directive 2005/60/EC
AMLD3 reflected the 2003 FATF recommendations, creating 'special recommendations' on terrorist financing. They introduced a risk-based approach, which allowed some adaptation to the application of CDD, depending on the risk profile of the client and the product in particular. AMLD3 also introduced penalties for AML breaches.			
FTR	20 May 2015	26 June 2017	Regulation 2015/847/EU
AMLD4	20 May 2015	26 June 2017	Directive 2015/849/EU
AMLD4 and the regulation on traceability of transfer of funds (Fund Transfer Regulation – FTR) aimed at making fund transfers more transparent to help law-enforcement authorities to track down terrorists and criminals. Both instruments took the 2012 recommendations of the FATF into account, which provide detailed guidance on taking a risk-based approach to the implementation of CDD. It also broadened its scope and placed a new emphasis on transparency, by requiring that beneficial owners appear in national registers. Under AMLD4, a list of high-risk third countries that have deficiencies in their AML and countering the financing of terrorism (CFT) regimes has been compiled.			
AMLD5	30 May 2018	10 January 2020	Directive 2018/843/EU
AMLD5 updated the AMLD to better answer CFT concerns stemming from a succession of terrorist attacks faced by the EU. It strengthened FIUs' powers and access to information and promoted the exchange of information between FIUs.			
FTR2	31 May 2023	30 December 2024	Regulation 2023/1113/EU
AMLA	31 May 2024	1 July 2025	Regulation 2024/1620/EU
AMLR	31 May 2024	10 July 2027	Regulation 2024/1624/EU
AMLD6	31 May 2024	10 July 2027	Directive 2024/1640/EU
FTR2 aims at making it possible to trace transfers of crypto-assets. AMLA establishes the new Anti-Money Laundering Authority. AMLR provides for EU-wide rules on (i) the scope of obliged entities, (ii) internal policies, controls and procedures of obliged entities, (iii) customer due diligence, (iv) beneficial ownership transparency, (v) reporting obligations, (vi) record-retention and (vii) measures to mitigate risks deriving from anonymous instruments. It also establishes an EU-wide limit of €10 000 for large cash payments. AMLD6 concerns the institutional AML framework, with provisions relating to (i) supranational and national risk assessments, (ii) statistics, (iii) registers (beneficial owners, bank accounts, real estate), (iv) financial intelligence units (FIUs), (v) AML supervision, sanctions and whistleblowers and (vi) cooperation for AML purposes.			

⁴³ General date without exemptions for individual Articles which may have earlier applicable dates.

Annex 2. Audit criteria and questions

The audit criteria used in this parallel audit are based on relevant European legislation (AMLD), the previous standard framework that was used in the parallel audits on banking supervision and banking resolution, and OECD guidance.⁴⁴

Audit question 1: How are central aspects of the AMLD implemented into national law?	
Audit criteria: Member States deviate as little as possible from AMLD. Deviations from AMLD are related to relevant country-specific issues, and explicitly accounted for.	
Topics analysed	→ National implementation of articles in the AMLD related to customer due diligence measures (general, simplified, enhanced) by obliged entities. → National implementation of articles in the AMLD related to customer due diligence measures by obliged entities for Politically Exposed Persons (PEP). → National implementation of articles in the AMLD related to supervision on obliged entities by competent authorities (i.e. national financial supervisors). → National implementation of articles in the AMLD related to sanctions by competent authorities. → National implementation of articles in the AMLD related to the information that obliged entities have to send to the FIU when they observe suspicious transactions and/or activities. → OPTIONAL: Additional questions regarding EU infringement procedures due to late implementation and/or non-compliance, and national anti-money laundering laws on top of the AMLD ("gold-plating")

Audit question 2: How is national financial supervision on AMLD compliance of banks carried out, and what are the results of those supervisory activities?	
Audit criteria: The guarantees for successful AML supervision by the competent authority are in place and function as intended, the assessments of the competent authority are based on relevant and complete information which allows substantiated interventions, if necessary.	
Topics analysed	→ Readiness of the competent authority to carry out AML supervision on obliged entities → AML guidance by competent authority to obliged entities → AML supervision on obliged entities by competent authority in practice (risk approach and data gathering, data received, analysis, reporting, interventions) → Results of AML supervision → OPTIONAL Supervision by Minister of Finance on national supervisor

⁴⁴ See https://www.oecd.org/en/publications/risk-and-regulatory-policy_9789264082939-en.html

Audit question 3: To what degree do the signals the FIUs receive from the banking sector have a connection to actual money-laundering risks?

Audit criteria: The guarantees for successful use of signals by the FIU are in place and function as intended. The FIU analyses relevant signals and passes on information to other public actors. A system is in place which ensures that different public actors share information so that policy learning can occur.

Topics analysed	→ Readiness of the FIU to address anti-money laundering signals from obliged entities. → The amount of signals the FIU receives, analyses and transfers to criminal law enforcement. → The amount of signals the FIU receives and uses for tactical/strategic analyses of trend reports. → Feedback between the FIU, competent authorities, reporting instances and criminal law enforcement. → OPTIONAL: the use in practice of the FIU's signals by criminal law enforcement and possible bottle-necks.
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Annex 3. Audit mandate of SAIs and audit method

Audit mandate of SAIs involved

Cyprus	Germany	Netherlands	Poland	Spain
The Auditor General of the Republic of Cyprus has a legal mandate to carry out performance audits. SAI can audit operational efficiency of activities of CBC with respect to AML policy, since this competence does not derive from the CBC's participation in the ESCB.	BRH audits the Federal Government's accounts and its financial management with regard to regularity, compliance, economy, efficiency and effectiveness. Its remit covers not only revenues and expenditures, but also measures with potential financial effects. BRH can audit how federal authorities implement AML policy measures, the budgetary and economic management of federal immediate public-law legal entities such as Bafin, and FIU because it forms part of the federal customs administration.	NCA has a constitutional mandate to audit central government revenue and expenditure, ensuring public funds are used legally, efficiently, and effectively, as well as its associated institutions, and EU grants. Government Accounts Act describes NCA's powers regarding performance audits, and public funds outside central government, including full access to information (FIU and supervisor). Audits cannot relate to tasks and competences derived from ESCB.	The scope of the audit covered the functioning of the anti-money laundering and counter-terrorist financing system on the financial level.	This audit was carried out in accordance with the provisions of Article 45 of Organic Law 2/1982, on the Court of Auditors.

Audit methods used by SAIs

General issues

The period under review in this parallel audit is from 10 January 2020 until 8 July 2024. This period is chosen because it is in between the transposition date of AML5,⁴⁵ and the entry into force of AML6 from 9 July 2024 (with time for transposition until 10 July 2027 in general).

⁴⁵ Consolidated text: Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC. See: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02015L0849-20210630>

Each SAI has carried out the audit in its own country, within its own audit remit. At the same time, each SAI used the common audit framework that was developed as guidance for their national audit.

Obligated entities are companies and professionals who can identify risks related to money laundering. Examples are banking and investment companies, real estate brokers, debt collectors, accounting and auditing firms, etc. In this parallel audit, *we focus on banks* as the main obliged entity under examination. A bank is a credit institution as referred to in the Capital Requirements Regulation, Article 4.⁴⁶

Implementation

The main method employed by the SAIs in the parallel audit when examining how central aspects of the AMLD are implemented into national laws was desk research. The SAIs of the Netherlands and Spain also held meetings on this topic with relevant authorities.

Supervision

Private sector banks are not part of the audit remit of national SAIs. Therefore, in order to examine how supervision on AMLD compliance of banks is carried out – for the period under consideration – and what the results of the supervisory activities are, audit activities were carried out by the SAIs at the AML supervisor using desk research, meetings and interviews with the supervisor and other relevant actors if needed.

To answer the audit question, the SAIs that participated in the parallel audit were encouraged to analyse the activities of the national supervisor specifically for a selection of banks in their country. To choose the banks, the following guidance was used:

- Choose banks that have a national banking license in your member state;
- Choose, if possible, Significant Institutions (SI), i.e. banks whose total value of assets exceeds €30 billion. If there are no banks whose total value of assets exceeds €30 billion, choose banks with the highest total value of assets;
- Choose Less Significant Institutions (LSI), i.e. banks whose total value of assets is lower than €30 billion.

The table below shows how many SI and LSI banks each country has, and the number and types of banks included in the supervisory analysis.

⁴⁶ For more information, see <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R0575> and <https://www.dnb.nl/en/sector-information/open-book-supervision/open-book-supervision-sectors/banks/licence-as-a-bank-overview/definition-of-a-bank/>

Country	Cyprus	Germany	Netherlands	Poland	Spain
Number of significant banks (> €30 bn)	-	51	7	7	10
Number of less significant banks (< €30 bn)	6	1,126	76	544	100
Total € value banks (€ bn)	50	8,866	2,700	780	4,338
Number of banks for which supervision and FIU was audited (banks themselves were not audited)	3 (3 LSI)	10 (6 SI, 4 LS)	8 (4 SI, 4 LSI)	4 (4 LSI)	4

Since the supervisory data on banks are confidential, the SAIs do not disclose which banks' supervisory activities are audited by the national supervisor. Furthermore, because of the confidentiality of the data, the SAIs do not publish detailed information regarding their audit findings.

FIU

In order to answer the audit question regarding FIUs, audit activities were carried out by the SAIs at the national FIU using desk research, meetings, and interviews with the FIU and other relevant actors if needed. To gain insight on content and quality of signals FIUs receive from banks, SAIs were encouraged to get access to, and analyse, the information on signals from banks in FIU databases. These FIU data are highly sensitive and, in most cases, classified as government secrets. Therefore, additional precautions had to be taken by the SAIs that analysed these data.

Country	Cyprus	Germany	Netherlands	Poland	Spain
# Signals from banks analysed by the SAI in FIU database	101	-	1,015	-	-
Remarks on analysis of signals at FIU	Sample was taken from signals from the same 3 banks of which also supervision was audited. Of 1,769 signals by banks during the audited period, 101 signals were analysed.	-	Sample was taken from signals from the same 8 banks of which also supervision was audited. Of 672,085 signals by banks in 2023, 1,015 signals were analysed.	-	-

Annex 4. Key definitions used in this report

AMLA

European Anti-Money Laundering and Countering the Financing of Terrorism Authority, based in Frankfurt, which as from 1 January 2028 will directly supervise a selection of 40 financial institutions from EU countries.

AML/CFT or AMLD

Successive EU directives with the aim to strengthen anti-money laundering and financing of terrorism rules in EU Member States and place higher responsibility on regulated entities to fight financial crime.

Bank

A bank is a credit institution as referred to in Article 4 of the Capital Requirements Regulation (CRR). The CRR defines a credit institution as an undertaking the business of which is (i) to take deposits or other repayable funds from the public and (ii) to grant credits for its own account.

FIU

The Financial Intelligence Unit (FIU) is a national body or government agency which receives information by obliged entities on suspicious transactions, in particular those related to money laundering or the financing of terrorism.

Money laundering

Money laundering is the criminal process of illegally concealing the origin of money obtained from illicit activities.

Obligated entity

Obligated entities are defined in Article 2 (1) and (2) of AMLD5. Obligated entities have to apply client due diligence requirements such as identifying and verifying identity, monitoring transactions, and reporting suspicious transactions to national FIUs. Obligated en-



tities can be financial institutions (such as banks and insurers), legal professionals, accountants, tax advisors, real estate agents, trust/company service providers, and gambling services.

SAI

Supreme Audit Institutions (SAIs) are independent institutions which conduct audits of national government activities, providing oversight and accountability of the use of public funds and quality of government financial reporting. In some countries, SAIs are called court of audit, in others office of the auditor-general.

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