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'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)
Subject:	Regulation for the AML Authority - Mandate for negotiations with the European Parliament (partial)

I. INTRODUCTION

1. On 20 July 2021, the Commission submitted to the Council and the European Parliament its package of legislative proposals to strengthen the EU's anti-money laundering (AML) and countering the financing of terrorism rules. This package consists of an AML Regulation[1], an AML Directive[2], a Regulation establishing a new EU AML Authority[3], and a recast of the Transfer of Funds Regulation[4].

1 ST 10286/21
2 ST 10289/21
3 ST 10287/21
4 ST 10290/21

2. The proposal for a new EU AML Authority aims to establish an agency that will contribute to the harmonisation and coordination of supervisory practices in the financial and non-financial sectors, the direct supervision of high-risk and cross-border financial entities and the coordination of financial intelligence units.

3. This draft regulation is based on Article 114 of the Treaty on the Functioning of the European Union (TFEU) (ordinary legislative procedure).

4. The European Data Protection Supervisor delivered an opinion on the proposal on 22 September 2021[5].

5. The European Economic and Social Committee delivered its opinion on the proposal on 8 December 2021[6].

6. The European Central Bank delivered its opinion on the proposal on 16 February 2022[7].

7. In the European Parliament, the Committees on Economic and Monetary Affairs (ECON) and on Civil Liberties, Justice and Home Affairs (LIBE) have the lead responsibility. Mr. Luis Garicano (ECON) and Mr. Emil Radev (LIBE) were appointed as co-rapporteurs, and their draft report was tabled on 2 June 2022.

II. STATE OF PLAY

8. The Council Working Party on Financial Services and the Banking Union and the Financial Services Attachés have discussed the proposal on multiple occasions since July 2021.

9. Following the Financial Services Attachés meeting of 9 June 2022, the Presidency proposed a set of compromise amendments with a view to reaching a partial negotiating mandate on the AML Authority regulation (excluding Article 4).

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5 ST 12202/21
6 ST 15211/21
7 ST 6348/22

10. Article 4, on the seat of the Authority, lays outside the agreement sought by the Presidency, and will continue to be discussed in the Council under the incoming Presidency.

11. The Presidency's compromise text, as contained in document 10507/22, gathers a broad support of delegations.

12. On 17 June 2022, the (ECOFIN) Council took note of the Presidency progress report on the AML package and highlighted the relevance of this legislative package.

III. CONCLUSION

13. The Permanent Representatives Committee is therefore invited to agree on the partial negotiating mandate with regard to the proposed AML Authority, as set out in document 10507/22.

14. Unless the Permanent Representatives Committee objects, this document and document 10507/22 will be made public by the General Secretariat of the Council after approval.

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