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COVER NOTE

From:	European Economic and Social Committee (EESC)
date of receipt:	16 December 2021
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
Subject:	"Anti-Money Laundering Legislative Package" Proposal for a Regulation of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing [COM(2021) 420 final – 2021/239 (COD)]; Proposal for a Regulation of the European Parliament and of the Council establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) 1094/2010, (EU) 1095/2010 [COM(2021) 421 final – 2021/240 (COD)]; Proposal for a Regulation of the European Parliament and of the Council on information accompanying transfers of funds and certain crypto-assets (recast) [COM(2021) 422 final – 2021/241 (COD)]; Proposal for a Directive of the European Parliament and of the Council on the mechanisms to be put in place by the Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and repealing Directive (EU) 2015/849 [COM(2021) 423 final – 2021/250 (COD)] *- Opinion of the European Economic and Social Committee*

Delegations will find attached the above mentioned opinion.

Encl.:

OPINION

European Economic and Social Committee

Anti-money laundering legislative package



Proposal for a Regulation of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing

[COM(2021) 420 final – 2021/239 (COD)]

Proposal for a Regulation of the European Parliament and of the Council establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) 1094/2010, (EU) 1095/2010

[COM(2021) 421 final – 2021/240 (COD)]

Proposal for a Regulation of the European Parliament and of the Council on information accompanying transfers of funds and certain crypto-assets (recast)

[COM(2021) 422 final – 2021/241 (COD)]

Proposal for a Directive of the European Parliament and of the Council on the mechanisms to be put in place by the Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and repealing Directive (EU) 2015/849

[COM(2021) 423 final – 2021/250 (COD)]

ECO/555

Rapporteur: **Javier DOZ ORRIT**

Co-rapporteur: **Benjamin RIZZO**

Referral	European Parliament, 04/10/2021 Council, 08/10/2021
Legal basis	Articles 114 and 304 of the Treaty on the Functioning of the European Union
Section responsible	Economic and Monetary Union and Economic and Social Cohesion
Adopted in section	23/11/2021
Adopted at plenary	08/12/2021
Plenary session No	565
Outcome of vote (for/against/abstentions)	230/0/7

1. Conclusions and recommendations

1.1 Reports by the European Commission (2019) and the European Court of Auditors (2021), academic studies and now the Pandora Papers and other similar publications highlight the severity of the money laundering phenomenon in the EU. Current European legislation is largely inadequate in the face of coordination failures and national divergences.

1.2 The EESC strongly supports the Anti Money Laundering legislative package, in particular the creation and design of the new European Anti-Money Laundering Authority (AMLA) with direct supervisory powers. It should be given sufficient resources to become the core of an integrated European oversight and intelligence system.

1.3 The EESC agrees with the distribution of content between the first Anti-Money Laundering (AML) regulation - supervision of private institutions - and the 6th AML Directive - coordination of national supervisors and FIUs - and the provisions of both to harmonise national legislation and automate the recording and transmission of information.

1.4 Effectiveness in the fight against money laundering and related predicate offences requires a cultural change, and the effective involvement of organised civil society. The EESC reiterates its proposal for a European Pact to combat behaviour that damages the ethical and political principles of our democracies and undermines public goods. It also proposes the creation of a civil society advisory body, within AMLA, or under the European Commission and with AMLA participation.

1.5 The EESC proposes that the Regulation on crypto-assets, of the AML legislative package, be implemented as a matter of urgency. The Commission proposal for a Regulation on the crypto-assets market[1] is a step towards general regulation and should enter into force as a matter of urgency, but it does not replace all the instruments needed to defend against the financial and criminal risks of these financial products.

1.6 The EESC calls on the Commission to consider how to apply the legislative package to money laundering channels outside the financial system: the market in works of art and high-value assets; free ports, customs warehouses and special economic zones; certain commercial or trade transactions, real estate investments, gambling, etc. It considers that new European legislation will be needed in these areas.

1.7 The EESC proposes that Europol be given greater powers and sufficient resources to combat money laundering, the financing of terrorism and transnational organised crime and to coordinate national police forces in these areas. Effective coordination of the European Public Prosecutor's Office, which should be put in place without delay, Europol and the new AMLA may be the key to the practical success of the legislative package.

1.8 The EESC calls on the Commission to push for the urgent transposition in all Member States of Directive 2018/1673, which establishes a common definition of the offence of money laundering; and

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1 COM(2020) 593 final

for a new Directive on a common definition of related offences to be enacted, in which the corresponding penalties for these offences should fall within certain ranges.

1.9 The EESC is very concerned about the existence in the EU of a huge number of 'shell companies', which play a key role in money laundering and tax avoidance. It proposes that the authorities currently responsible and the future integrated supervisory system set up specific programmes to monitor these companies, managed by certain law firms, consultancies or tax advisors, in order to identify their real owners and those responsible for their transactions, and to investigate any crimes they may commit.

1.10 The EESC calls on the European Commission to examine the possibility of the AMLA being fully operational, including direct supervision, before 2026. In any event, the EESC calls on all the institutions involved to cooperate more closely in the interim in order to implement existing legislation more effectively.

1.11 The EESC considers it necessary to draw up a new, realistic and truthful list of high-risk third countries, including all those that facilitate money laundering. It also proposes that the European Commission enact a rule that companies and individuals involved in financial crime or money laundering should be excluded from public procurement procedures.

1.12 The EESC calls on the EU and national governments to protect the lives and integrity of journalists, employees and civil servants who denounce economic and political corruption, and considers the delay in transposing Directive (EU) 2019/1937 to be unacceptable

2. European Commission proposal and background

2.1 In July 2019, the European Commission (EC) presented its assessment of Anti-Money Laundering/Countering the Financing of Terrorism (AML-CFT). The Communication and the four evaluation[2] highlighted serious shortcomings in the implementation of existing legislation and divergences between Member States in the area of AML-CFT.

2.2 To address these problems, on 7 May 2020, the Commission published an AML-CFT Action Plan[3] and opened a public consultation on it. The Plan was based on six pillars: effective implementation of existing rules; a single EU rulebook; EU-level supervision; support and cooperation for FIUs; better enforcement of criminal law and strengthening the EU's role in the world. In its opinion entitled *Combat tax fraud, tax avoidance and money laundering*[4], the EESC expressed its support for the plan and its urgent development and implementation.

2.3 Following endorsement by the Council and the European Parliament and consultation, the Commission fleshed out the legislative proposals of the Plan in the legislative package of 20 July 2021, which includes the following proposals:

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2 COM(2019) 360 final, COM(2019) 370 final, COM(2019) 371 final and COM(2019) 372 final of 24/07/2019

3 C(2020) 2800

4 OJ C 429, 11.12.2020, p. 6

- a Regulation establishing a European AML-CFT Authority[5];
- an AML-CFT Single Rulebook incorporating part of the legislation[6];
- a new Directive, the sixth, revising some of the remaining legislation[7]; and
- the reform of the Funds Transfer Regulation to cover crypto-assets[8].

2.4 At the core of the legislative package is the creation of a new EU Authority (AMLA), which assumes direct supervisory powers, and strengthens coordination and cooperation powers with national authorities, with which it will ensure that EU rules are correctly and consistently applied by the private sector. In particular, it will:

- establish with national authorities a single integrated AML-CFT supervisory system;
- directly supervise some of the most risky financial institutions operating in a large number of EU Member States; AMLA will have sanctioning powers over these "selected obliged entities";
- supervise and coordinate national supervisors responsible for other financial and non-financial institutions and the application of EU rules and perform periodic assessments of some or all of the activities of one, several, or all financial supervisors, including the assessment of their tools and resources to ensure high-level supervisory standards and practices;
- promote and support cooperation between FIUs and facilitate cross-border communication and joint analysis.

2.5 AMLA will be governed by a Chairperson, an Executive Board of five members and a General Board with two membership structures and types of competence: supervisory and FIU; these will include the heads of the national supervisory and intelligence agencies to govern the integrated European system of supervision and financial intelligence. A member of the European Commission will be a member of the AMLA's governing bodies. The General Board_will include as observers representatives of the European Banking Authority (EBA) and the European Central Bank (ECB), whose competences and tools - Central Data Base and FiU.net - AML-CFT will be transferred to the new Authority. The AMLA will start its activities in 2024, and will fill all of its posts and start direct supervision in 2026.

2.6 The first EU AML-CFT Regulation extends the list of obliged entities to include crypto-asset service providers, crowdfunding platforms and migration operators (who facilitate the acquisition of residency and, in some cases, nationality for investors). Due diligence measures and controls are strengthened and made clearer. Requirements relating to third countries and politically exposed persons are revised. Similarly, requirements for beneficial ownership are clarified and new ones are introduced to mitigate the risk of criminals hiding behind intermediary layers. Action is taken against the misuse of bearer instruments and a maximum ceiling of EUR 10 000 is set for the use of cash.

2.7 In contrast to the private sector regulation, the 6th AML-CFT Directive focuses on its institutional system and its adaptation in each Member State. The proposal clarifies competences, tasks and access to information of FIUs, establishes a framework for joint analyses and provides a legal basis for the FIU.net system. The power of supervisors to act is strengthened and the mechanisms for cooperation between supervisors and with other authorities are improved. The interconnection of bank account registers is provided for.

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5 COM(2021) 421 final

6 COM(2021) 420 final

7 COM(2021) 423 final

8 COM(2021) 422 final

2.8 The proposed Regulation on transfers of funds and certain crypto-assets is a recast of Regulation (EU) 2015/847 on transfers of funds, with the aim of making the traceability and identification requirements for transfers of crypto-assets similar to those in place for funds. At the same time, crypto-asset service providers will be subject to the requirements of the AML Regulation for other financial operators.

3. General remarks

3.1 The 1st AML Directive was enacted in 1991. Since then, four other AML-FT directives and dozens of other complementary directives have been adopted, relating to the financial system or to related crimes and offences. The results of this endeavour, considered a priority by the EU authorities, have clearly been unsatisfactory to date.

3.2 There is widespread agreement on this, as already reflected in the Commission's 2019 assessments and those of institutions such as the European Parliament, in its resolutions of March 2019 and July 2020[9], and the Court of Auditors, in its report of June 2021, entitled *EU efforts to combat money laundering in the banking sector are fragmented and insufficiently implemented*[10], and in the vast majority of specialist, academic and think-tank analyses, notably the CEPS-ECRI Task Force Report[11].

3.3 Estimates of the volume of money laundering put it at between 1% of EU27 GDP (Europol and the European Commission) and 1.3% (Court of Auditors), i.e. between EUR 140 and 208 billion per year. More significantly, according to Europol, only around 1% of this volume is recovered. There have been numerous money laundering scandals involving major financial institutions in recent years, and it is significant that many of them would not have been uncovered without the application of European legislation or the intervention of supervisors. In other words, despite the efforts and willingness of the European Commission and the European Parliament, no progress has been made in terms of results in the fight against AML-CFT.

3.4 The International Consortium of Investigative Journalists (ICIJ)'s publication of the Pandora Papers has once again highlighted the scale of the problem of money laundering and related crimes, and the essential role of tax havens in facilitating these crimes. It is therefore hard to understand that the jurisdiction most often mentioned in the papers is not on the EU's list of "non-cooperative jurisdictions", and that Ecofin has just removed from the list another jurisdiction whose legislation makes it impossible to identify the true owners of companies and accounts.

3.5 The EESC draws the attention of the EU institutions and national governments to the need for robust protection of the life and integrity of journalists, employees and civil servants who report economic and political corruption. The Committee is concerned that a number of Member States have not started transposition procedures for Directive (EU) 2019/1937 on the protection of persons reporting breaches of EU law, and calls on the Commission to act to ensure its urgent transposition by the end of 2021.

3.6 The failures and inadequacies of EU AML-CTF policy have several causes, which have cumulative effects: (i) the fragmentation of competences between a variety of EU and Member State institutions;

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9 EP Resolution 26/03/2019 and EP Resolution 10/07/2020

10 ECA: Special Report 13/2021

11 CEPS-ECRI: TF Report: AML in the EU; 01/2021.

(ii) the lack of a single EU AML-CFT supervisor; (iii) the limited tools available to competent EU bodies; (iv) poor coordination, both in prevention initiatives and in taking action against identified risks, and the delay in implementing them;(v) shortcomings in the workings of supervisors and FIUs in many countries; (vi) the transposition of the directives has been very late and with significant differences between Member States, leading to administrative and judicial proceedings by the European Commission; (vii) insufficient awareness, in quite a number of countries, of the importance of firmly combating money laundering and related crimes; and (viii) the differences arising from the divergent definitions of offences in the criminal codes, starting with money laundering itself, and the associated penalties; (ix) inadequate investigation of related predicate offences, in particular in third countries; and x) the lack of political will on the part of some EU governments to adopt and implement European standards. The geographical and sectoral differences arising from all these factors help financial criminals to design the most convenient networks for their illicit trafficking.

3.7 In some situations, cooperation between EU institutions has not been seen as necessary. This is the case with the cooperation between the European Commission and the EBA in the process of investigating breaches of EU law, which has led the Court of Auditors to state that this process "lacks effectiveness"[12]. Nor has European External Action Service (EEAS) cooperation with the EC always been effective in drawing up the list of "high-risk third countries" in AML-CFT[13]. The 2019 European Commission list, supported by the EP, was ultimately rejected by the Council and the list adopted in May 2020 is an adaptation of the FATF list, and has notable absences.

4. The EESC opinion

4.1 The EESC expresses its full support for the Commission's legislative package, because it believes that its correct and prompt implementation could be very useful in reversing an unsustainable situation such as the one briefly described in the previous section. In particular, it supports the creation and design of the AMLA which, while exercising its direct supervisory powers, becomes the core of a European AML-CFT supervisory (and intelligence) system, integrating national supervisors and FIUs in its General Board and, as observers, the other EU institutions involved.

4.2 The EESC agrees with the distribution of content between the first regulation and the 6th Directive and the provisions of both to standardise national legislation and facilitate the operation of national FIUs and supervisors in key areas: records and reporting and the investigation of suspicious transactions through (SARs), using standardised techniques. The emphasis on fulfilling the various obligations of the authorities within the shortest possible timeframes is highly desirable in order to overcome one of the main current problems. The EESC believes that the proposed legislation adheres to the European data protection framework and the rights of individuals and companies that will ultimately be protected by the Court of Justice of the European Union (CJEU).

4.3 The EESC calls on national governments and European civil society organisations to support the adoption and proper implementation of this legislative package. Neither the EU nor the Member State can afford to maintain the current situation. Even less so when the fight against the health, economic and social consequences of the COVID-19 pandemic and for the recovery of the economy is requiring the Member States and the EU to substantially increase public resources. As the CEPS-ECRI Report

12 ECA, Ibid, point 86. In 10 years, the EBA Board of Supervisors has not conducted any AML-FT investigations on its own initiative. Having no legal obligation to respond in a timely manner to requests, it has only investigated two of the four complaints filed by the European Commission.

13 ECA, Ibid, points 26 and 28.

states: *'Attempting to stop, or at least significantly reduce money laundering is a moral imperative in any democratic society, where all citizens are free and equal before the law, in a fair system of cooperation[...] Lack of clarity, delays and inefficiency will only invite more money laundering'*[14].

4.4 The EESC is aware of the importance of public-private partnerships in this area. In some countries, research capacity is largely located in the private sector[15]. While calling on the EU institutions, when implementing the legislative package, to do everything in their power to promote the improvement of national supervisory institutions and FIUs, the Committee also wants them to facilitate public-private partnerships in this area as much as possible.

4.5 Improving the effectiveness of the fight against economic and fiscal crime probably requires, in many countries, a cultural change and greater involvement of civil society. This was one of the motivations behind the EESC proposal for a European Pact against tax crime, tax avoidance and money laundering[16]. It is along the same lines that the EP is in favour of *"[...] restoring public confidence, ensuring fair and transparent tax systems and ensuring tax justice"*[17]. To help achieve this, the EESC proposes that a civil society consultative body be set up within the AMLA[18], or as a body under the EC in which the AMLA also participates, so that CSOs and the Committee itself can become more actively involved in the AML-FT fight and contribute their own experiences and proposals. EU institutions and organised civil society must act together to inform European citizens about the very negative impact that money laundering and related crimes have on public goods and on the principles of justice and fairness on which democracy is founded.

4.6 Europol and other experts believe that since the outbreak of the COVID-19 pandemic, money laundering and related crimes, particularly those committed by electronic means and through the use of crypto-currencies and other crypto-assets, have been on the increase[19]. The EESC therefore believes that there is every justification for adopting a regulation that treats them in the same way as other transactions, making it compulsory to identify the real owners. The proposal for a Regulation[20] on the crypto-assets market is a step towards general regulation and should enter into force as a matter of urgency, but it does not replace all the instruments needed to defend against the financial risks and criminal offences of these financial products.

4.7 The EESC, the EP and other institutions have highlighted the risk posed by the existence in the EU of hundreds of thousands of "shell companies"[21], legalised and managed by certain law firms, consultancies or tax advisors, most of which are used for money laundering and other related predicate

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14 CEPS-ECRI t, Ibid p. 2

15 CEPS-ECRI , Ibid p. iv

16 EESC opinion *Combatting tax fraud, tax avoidance and money laundering*, points 3.4, 3.5 and 3.6, OJ C 429, 11.12.2020, p. 6

17 EP Resolution of 10/07/2020 on the AML-FT Action Plan

18 Since their creation and in order to help facilitate consultation with stakeholders, EBA, ESMA (European Securities and Markets Authority) and EIOPA (European Insurance and Occupational Pensions Authority) have Stakeholder groups, formed by members representing in balanced proportions Private companies, Consumers, Users, Employee's representatives of sectoral companies, and top-ranking academics

19 Europol-EFECC: *Enterprising criminals. Europe's fight against the global networks of financial and economic crime (06/2020)*; and WCA: COVID 19 opened the doors for a new wave of money laundering

20 COM(2020) 593 final

21 "shell company" or "phantom" or "fictitious": company with no real economic activity in the country where it is registered and no or very few employees. Some of them are used for money laundering, tax avoidance or to circumvent the posting directive. See: EPRS, 10/2018: "An overview of shell companies in the European Union"; IMF, F&D, 09/2019: Damgaard, Elkjaer and Johannesen: The Rise of Phantom Investments and EESC opinion *Combatting tax fraud, tax avoidance and money laundering*, OJ C 429, 11.12.2020, p. 6

offences, as well as for tax avoidance. Huge amounts of capital flows through them. The competent authorities, today, and the new European supervisory system will have to set up specific programmes implementing the rules for identifying the beneficial owners of these companies and the issuers and recipients of their transactions in order to be able to prosecute the economic and financial crimes committed by many of these companies. No company, or any other type of entity susceptible to be used in money laundering or terrorist financing operations, should be allowed to register in any Member State if the ultimate owners are not known, or are related to such activities.

4.8 The EESC considers that there is a strong need for Member States to urgently complete the transposition of Directive 2018/1673, which provides for a common definition of the crime of money laundering. The EESC proposes a new directive laying down common definitions of related offences in the laws of the Member States and that the corresponding penalties for these offences should fall within certain ranges. Article 83 of the TFEU explicitly mentions money laundering and related cross-border offences among those whose definitions and penalties can be harmonised by means of European minimum rules.

4.9 The EESC calls on the European Commission to examine the possibility of the AMLA being fully operational, including direct supervision, before 2026. In any case, the EESC calls on the European Commission and the other institutions involved to strengthen their cooperation in the meantime to implement existing legislation more effectively following the comments made by the EP and the ECA. This applies in particular to the EBA - and its new AML Committee -, the ECB and Europol. The EESC also calls on the European Commission, the EEAS and Europol to carry out a new analysis of third countries likely to be included in a new EU list of AML-FT non-cooperators as soon as possible.

4.10 The EESC appreciates the great importance that the European Public Prosecutor's Office could have in the AML-FT fight and calls on the European institutions and the Member States to facilitate its full implementation without further delay. It regrets the obstacles placed by some governments to the completion of the process, in particular by some governments that have recently held the temporary presidency of the EU. The Committee agrees with the EP in calling on the European Commission to consider the proposal to establish a European framework for cross-border financial and tax crime investigations.

4.11 The transnational nature of money laundering makes it necessary to step up coordination between national police forces and intelligence services. At the same time, the EESC believes that it would be very useful to give Europol greater powers and sufficient human and material resources to combat money laundering and the financing of terrorism (ML-FT) and transnational organised crime, and to coordinate national police forces. Effective coordination of the European Public Prosecutor's Office, the new AMLA and Europol could be the key to the practical success of the new legislative package.

4.12 The EESC believes that a new, realistic and truthful list of non-cooperative jurisdictions should be drawn up. It also proposes that the Commission draw up a directive stipulating that companies and individuals involved in financial crime or money laundering should be excluded from any public procurement process.

4.13 The EESC also believes that the current relationship between FIU of Member States should be kept and included in the new structure of the AMLA. The information and strategic alliances built over the years between FIUs of different Member States cannot be lost.

4.14 A significant proportion of money laundering takes place outside the financial system, through the use of cash for the purchase of goods that are subsequently legalised or stored, or through certain commercial transactions. The EESC calls on the Commission to study how the proposed legislative package could be applied most effectively to the market in works of art, and high-value assets and their storage in free ports, customs warehouses and special economic zones, as well as to certain commercial transactions, commercial transactions involving interest-free loans repaid in a country of destination, real estate investments and transactions with gambling companies. The results of such a study should, where appropriate, serve as a basis for further legislative proposals to combat money laundering and related offences.

4.15 The activity of the vast majority of non-profit civil society organisations strengthens democracy by making it participatory, as well as being an economic sector of growing value. Many of them have actually been fighting against money laundering and contributing to revealing money laundering practices. Nevertheless, some non-profit civil society organisations might be used in money laundering operations. For this reason, when designing policies regarding non-profit civil society organisations, a risk assessment in this sector must be very careful, in order to detect cases of the use of such organisations for illegal purposes, without promoting curbs on their development or allowing authoritarian governments to attack organisations that criticise them.

5. Specific Comments

5.1 During the pandemic, in addition to an increase in virtual transactions and greater use of crypto-assets, the market for NFT (Non Fungible Tokens)[22], which move money across borders (USD 2.5 billion in the first half of 2021) using blockchain technology, has taken off. The EESC proposes that NFT (marketplace) operators be included in the list of obliged entities. Similarly, "non-cash transactions", which are being used for money laundering, need to be monitored.

5.2 The pandemic has reduced the use of cash. This, together with the decision to stop printing EUR 500 notes, has created a need for criminals to 'launder' this money and insert it into the real economy. The EESC therefore recommends that the European Commission study the possibility of reducing the cash transaction limit to below EUR 10 000, taking into account the different situations in the various Member State.

5.3 The EESC considers it essential that FIUs function properly. This requires sufficient and high-level technical and human resources. Their capacity to work together with other FIUs and EU authorities must be strengthened, with compatible standards, procedures and IT tools, and sufficient and comparable training for all their staff. The AMLA should cooperate with the competent national authorities to maximise the efficiency of its work. The Committee calls on national governments, especially those that have been mentioned in the CSRs of the European Semester, to prioritise the objective of the smooth operation of FIUs and to promote effective cooperation with the European authorities.

5.4 The EESC believes that the high professional quality, experience, independence - in the sense of only defending the interests and values of the EU - and honesty of AMLA managers and other AMLA staff are essential for its proper functioning. Rigour and transparency must therefore govern the selection

22 Reuters, 6/06/2021: NFT sales volume

process. The Committee proposes that the Commission produce a list of principles and values which inform the initial recruitment processes and which may be taken into account in the Code of Ethics to be drawn up and approved by the Authority's bodies.

5.5 The EESC reiterates the proposal[23] - in line with that of the EP - to phase out residence by investment schemes, and ban those of nationality, and, in the meantime, to rigorously check that those who benefit from them have met their legal obligations in their countries of origin and are not engaged in money laundering operations.

5.6 The EESC proposes that the European Commission create a database to provide SMEs with information on sanctions on individuals and companies, and their duration, in relation to terrorist financing.

5.7 The AMLA must be provided with a budget sufficient to meet the major challenges that its objectives and missions will present it with. An effective AML-FT fight will significantly improve the tax revenues of the Member States, which need to face the challenges of green and digital transformations and their just transitions, as well as being a factor in improving their social and political cohesion. Consideration should be given to the cost to companies of meeting the new legal obligations, which need to be regularly assessed for their effectiveness. The EESC proposes that the AMLA be financed from the EU budget.

5.8 A crucial aspect of successful AML-TF is the availability of good interconnected databases and registers of beneficial ownership of accounts, property, trusts or trustees and transactions, and that these are readily accessible to authorised persons. With the increasing size and speed of access to these registers and databases, the requirement for protection of personal data is increasing. The EESC believes that this is an issue that needs to be addressed with the utmost attention.

Brussels, 8 December 2021

Christa SCHWENG

The president of the European Economic and Social Committee

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23 OJ C 47, 11.2.2020, p. 81 and OJ C 429, 11.12.2020, p. 6