



**MINISTRY OF INDUSTRY, BUSINESS  
AND FINANCIAL AFFAIRS**

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Executive Vice-President for An Economy that Works for People and  
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Markets Union  
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**MINISTER FOR INDUSTRY,  
BUSINESS AND FINANCIAL  
AFFAIRS**

**24 August 2020**

**Dear Executive Vice-President Valdis Dombrovskis**

It is with pleasure that I send you the Danish government response to the European Commission's public consultation on an action plan for a comprehensive Union policy on preventing money laundering (ML) and terrorist financing (TF).

Strengthening our fight against ML and TF is a high priority for Denmark, and this consultation deals with a range of significant aspects and possible initiatives that we find of key importance.

In recent years, we have done much at national level aimed at preventing and combating ML and TF, including strengthening our toolbox, our supervisory intensity and the regulatory framework. This, together with the adoption and implementation of the fifth AML/CFT Directive, sets a high bar for our AML/CFT efforts. But more can and must be done.

Given the fact that ML and TF often is cross-border in nature, we find it important that the European framework is robust and enables institutions and authorities to combat ML/TF. Therefore, we support transforming relevant rules in the AML/CFT Directive into a regulation. However, further harmonisation should not lower standards in Member States with strong national regimes. Furthermore, it would be relevant also to focus on the interaction between an AML/CFT regulation and other regulation, such as GDPR, and address potential conflicting provisions hindering effective prevention of ML/TF.

A key point in the action plan is the question of conferring certain AML/CFT supervisory tasks and powers to an EU supervisory body. Overall, we support the creation of an EU AML/CFT supervisory body.

The possible tasks and responsibilities of such an EU supervisory body should be considered thoroughly to ensure that it leads to a strengthening of our AML/CFT efforts. As a starting point, the EU body should focus on financial institutions with the possibility to expand its responsibility to other obliged entities afterwards based on a step-by-step approach.

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The EU AML/CFT supervisory body should be responsible for direct supervision, following a risk based approach assessing the activities performed by the institution. Particular attention should be given to larger credit institutions with cross-border financial transactions. To be truly effective, it is of great importance that there is a clear division of tasks and responsibilities between the EU supervisory body and national authorities. We should generally ensure an efficient division of labour between such an EU AML body and national AML authorities with fast and smooth interactions. National AML authorities should continue to play a key role in a new integrated AML system.

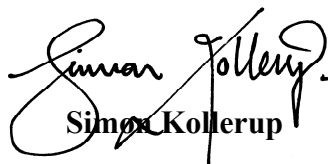
A key task for an EU body should also be to coordinate between national supervisor e.g. in cross-border cases and facilitating information exchange between entities under national oversight, clarifying potential disputes, and providing expert assistance in complex cross-border cases.

ML and TF poses a threat to the integrity and stability of the financial system across the world. The EU has a central part to play at both European and international level and we find that the EU could take an active role in fostering coordination between Member States at an international level while maintaining Member States' individual presence and voice. Creating a framework to facilitate a faster implementation of international (FATF) standards should likewise be a priority.

Overall we believe that if executed right, the initiatives in the action plan could make a real difference in the fight against ML and TF. We look much forward to the coming realisation of the action plan.

Attached please find our replies to the consultation document. As always, I remain at your disposal should you have any questions or comments.

Yours sincerely,



Simon Kollerup