

MEMORANDUM



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Finansinspektionen's work with money laundering supervision

Basis for the public hearing in the Committee on Finance 7 March 2019

Summary

Money laundering supervision aims to check that firms are following the rules and regularly developing and improving their work to prevent money laundering. This supervision is risk-based in accordance with current legislation. Approximately 2,000 firms fall under FI's supervision with regard to the anti-money laundering regulations.

When it comes to Swedish banks' subsidiaries in the Baltic region, the primary responsibility for the supervision lies with the authority in the country where the subsidiary is operational, and national rules apply. Therefore, FI is not able to conduct its own supervision of the subsidiaries at their location in the Baltic countries, review customers or transactions or intervene against these banks. The key component in effective supervision of banks with operations in several countries is collaboration between the competent authorities.

The recent reports in the media about the serious deficiencies in the handling of money laundering in the Baltic countries shows that FI and other supervisory authorities should have done more to coordinate the supervision of banks with operations in several countries. As previously announced, FI has initiated together with the supervisory authorities in Estonia, Latvia and Lithuania an investigation into the Swedish banks' handling of money laundering.

The collaboration between the authorities must also be strengthened to achieve effective supervision. FI and other authorities have now begun to work on the creation of a closer strategic and operational collaboration regarding how anti-money laundering efforts within the financial sector in the region can be strengthened. FI will shortly a meeting in the near future for the highest responsible persons at FI's counterparts in the Nordic and Baltic countries.

FI will redistribute resources already this year to strengthen money laundering supervision. FI also requested an additional SEK 10 million per year in appropriations to strengthen money laundering supervision from 2020 onward.