



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Danièle NOUY

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Miguel Urbán Crespo
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 02 May 2016

Re: Your letter (QZ-41)

Honourable Member of the European Parliament, dear Mr Urbán Crespo,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 12 April 2016.

Please note that the prevention of the use of the financial system for the purpose of money laundering or tax evasion is not one of the tasks of the ECB. Monitoring of compliance with anti-money laundering legislation and local and international taxation laws is a matter for the relevant national competent authorities.

However, consistent with Recitals 28 and 29 of the SSM Regulation¹, whenever, in the exercise of its functions under Article 4 of the Regulation, the ECB becomes aware of information leading it to suspect non-compliance with anti-money laundering laws in supervised significant banks or groups, the ECB reports its suspicions to the relevant Member State's competent authority.

Accordingly, the ECB has not sought access to the documentation underlying the International Consortium of Investigative Journalists' investigation, widely referred to as the "Panama Papers". The ECB is, nevertheless, committed to cooperating with national competent authorities in monitoring developments closely and taking action where appropriate. From a prudential supervisory perspective, the ECB is aware of the impact that non-compliance with legal requirements may have on the reputation and the solvency of a credit institution. To this end, the ECB has identified conduct risk – of which non-compliance with anti-money laundering and taxation laws are constituent elements – as one of the key risks for the euro area banking system. The ECB therefore takes evidence of money laundering into account when taking supervisory measures relating to corresponding risk or governance issues, e.g. a potential confiscation of assets, criminal procedures against

¹ Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.

staff members of supervised institutions and fines. Evidence of money laundering is also of relevance in the ECB's fit and proper assessment of persons responsible for the management of banks.

Yours sincerely,

[signed]

Danièle Nouy