



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL JUSTICE AND CONSUMERS

The Director General

Brussels,  
JUST Ares(2019)xxxxxx

Mr. Jo Swyngedouw  
Interim Chairman  
European Banking Authority  
One Canada Square, Canary Wharf  
London E14 5AA  
United Kingdom

**Subject: Request to investigate a possible breach of Union law under Article 17 of Regulation (EU) No 1093/2010**

Dear Chairman,

I would like to inform you that the Commission, in its mandate as guardian of the treaties and pursuant to the provisions laid down in the 4<sup>th</sup> Anti-money laundering Directive (Directive (EU) 2015/849, as amended), has become aware of a number of allegations concerning money laundering through the Swedish bank Swedbank.

The allegations against Swedbank's failings in its anti-money laundering preventive processes and procedures have been notably supported by extracts from an internal report of the bank. The report indicates that large sums have been transferred into accounts open with the bank and its Estonian branch from 2008 until 2018. It remains unclear whether the funds had been subject to the required enhanced checks for funds originating in higher-risk jurisdictions and associated to politically exposed persons.

It is uncertain to what extent the competent national supervisors have acted within the mandates conferred upon them by the relevant Union law provisions. The Commission is aware of the decision by Finansinspektionen - the Swedish banking supervisor - to conduct a joint investigation with the three Baltic supervisory authorities (the Estonian and Latvian supervisory authorities and the central bank of Lithuania) to determine assess whether Swedbank has been in breach of the anti-money laundering regulations. There are however questions that can be raised in respect of the depth of such evaluation. Thus, in public statements, the Swedish Justice Ombudsman has indicated it opened an inquest into possible manipulation of internal documents relevant to the enquiries by the banking supervisor.

Against this background, and acknowledging efforts made by Swedish public authorities to clarify current developments concerning Swedbank as well as supervisory action taken at national level against the bank, I am writing to inform you that we consider that the

alleged deficiencies concerning the bank's activity could, if proven, amount to a serious threat to the integrity of the financial system of the Union.

The European Banking Authority is called to play an important role in promoting convergence of supervisory practices to ensure a harmonised application of prudential rules. In this context, Article 17 of Regulation (EU) No 1093/2010 mandates it investigating alleged incorrect or insufficient application of EU law by national authorities on issues that, amongst others, pertain to the AML/CFT legislation.

The Commission therefore calls on the European Banking Authority to make full use of its power to ensure that the above-mentioned financial institution satisfies the requirements laid down in the acts referred to in Article 1(2) of Regulation (EU) No 1093/2010 and investigate this possible breach or non-application of Union law.

We remain at your disposal to provide further elements that may guide your analysis into this matter.

Yours sincerely,

(e-signed)  
Tiina ASTOLA