
EBA FINAL REPORT

ON COMPETENT AUTHORITIES' APPROACHES TO THE ANTI-MONEY LAUNDERING AND COUNTERING THE FINANCING OF TERRORISM SUPERVISION OF BANKS

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Abbreviations

AML	Anti-money laundering
AMLA	The Authority for Anti-Money Laundering and Countering the Financing of Terrorism
CFT	Countering the financing of terrorism
EBA	European Banking Authority
ECB	European Central Bank
EEA	European Economic Area
ESAs	European Supervisory Authorities
EU	European Union
EuReCA	European reporting System for material CFT/AML weaknesses
FATF	Financial Action Task Force
FIU	Financial intelligence unit
IMF	International Monetary Fund
ML/TF	Money laundering and terrorist financing
Moneyval	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
MoU	Memorandum of Understanding
MS	Member State of the European Union and European Economic Area
NCA	National competent authority
NRA	National risk assessment
SNRA	Supranational risk assessment
SRA	Sectoral risk assessment
SREP	Supervisory Review and Evaluation Process
WB	World Bank Group

Executive Summary

Between 2018 and 2024, EBA staff reviewed the effectiveness of 40 national competent authorities' (NCAs) approaches to tackling money laundering and terrorist financing (ML/TF) risk in the EU's banking sector. At the end of each review, EBA staff provided bilateral feedback to NCAs and where necessary, made recommendations on the steps they could take to improve.

This report summarises the findings from a stocktake of the progress made by NCAs. The focus is on aspects related to AML/CFT supervision and cooperation, because the standards on risk assessment and enforcement will benefit from a higher degree of standardisation under the new EU AML/CFT framework.

In terms of AML/CFT supervision, NCAs put in place AML/CFT supervisory strategies and supervisory plans. They enhanced their supervisory manuals to ensure that AML/CFT supervision becomes more consistent and effective, and took significant steps to use all supervisory tools available to them in a more strategic way. In several cases, work to address recommendations flowing from these reviews was still underway.

In terms of cooperation, NCAs made substantial efforts to strengthen coordination and information exchange with relevant public authorities within their Member State. In most cases, this included cooperation arrangements with the FIU and tax authorities and where applicable, other competent authorities with shared supervisory responsibilities. In some MS, further improvement is needed. Additionally, while many NCAs implemented effective mechanisms to cooperate with prudential supervisors, progress among nearly half of all NCAs remained limited. Finally, in terms of international cooperation, NCAs have made significant progress in putting in place sound and effective communication with their counterparts in other jurisdictions, both within the Union and with competent authorities from third countries.

Across all areas under review, challenges encountered by NCAs that hampered reform efforts included staff shortages, budget limitations and more recently, the reallocation of resources in anticipation of the transition to the new EU AML/CFT framework and to ensure the sector's compliance with successive EU restrictive measures regimes.

In spite of those challenges, information provided by NCAs as part of this stocktake suggest that the effectiveness of AML/CFT supervision and domestic and international cooperation in the EU has improved overall. This will facilitate the effective implementation of the new AML/CFT package and support the work of the new EU Anti-Money Laundering Authority (AMLA).

This report concludes the EBA's AML/CFT review project. It provides AMLA with an up-to-date view of the state of AML/CFT supervision in the EU and forms a basis for indirect AML/CFT supervision that will fall to AMLA going forward.

1. Background and legal basis

1.1 Background

1. The EU has a comprehensive legal framework to tackle ML/TF risk. The risk-based approach is at the centre of this framework.
2. Several high-profile ML/TF cases involving European banks raised questions about the effective application of this legal framework. That is why, in 2018, the EBA decided to review the effectiveness of NCAs' approaches to tackling ML/TF risk in banks through AML/CFT and prudential supervision, and to use its findings to support individual NCAs' AML/CFT efforts and strengthen the regulatory framework. Since then, the EBA has assessed all NCAs in all EU/EEA MS. Each review covered three years of supervisory activities and involved an off-site review of documents as well as on-site and off-site meetings with NCAs and other stakeholders. The EBA provided detailed, written feedback to each NCA that was assessed as part of these reviews. It also published summary reports after each of the four assessment rounds.
3. This report summarises the findings from a stocktake of the progress made to address the EBA's findings and recommendations by each of the 39¹ NCAs responsible for tackling ML/TF risk in banks in all EU/ EEA Member States.

1.2 Legal basis

4. The legal basis for the EBA's implementation reviews is set out in Articles 1, 8(1), 9a and 29(1) and (2) of the EBA Regulation, which confers on the EBA a duty to ensure effective and consistent supervisory practices, to contribute to the consistent and effective application of Union law and to contribute to preventing the use of the EU's financial system for ML/TF purposes. To this effect, the EBA can carry out peer reviews and investigate potential breaches of Union law, and it can take other measures such as staff-led implementation reviews to assess NCAs' responses to specific compliance challenges.

1.3 The obligations of the NCAs

5. Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing aims, inter alia, to bring EU legislation in line with the International Standards on Combating Money Laundering and the Financing of Terrorism and Proliferation that the FATF, an international AML/CFT standard-setter, adopted in 2012. Directive (EU) 2015/849 prescribes that NCAs should carry out AML/CFT supervision on a risk-sensitive basis. The guidelines and opinions published by the EBA or

¹ During the follow-up process one NCA informed the EBA that they are no longer the national competent authority for AML/CFT matters in their member state.

the ESAs' Joint Committee set out the steps NCAs should take to implement this approach in practice. They are listed in the Annex to this report.

2. Methodology

2.1 Implementation review methodology

6. AML/CFT implementation reviews are EBA staff-led, qualitative assessments of the NCAs' approaches to the AML/CFT supervision of banks. They do not result in a score, a compliance rating, or a simple 'pass' or 'fail'. Instead, the purpose of these reviews was to identify areas for improvement and to support individual NCAs' AML/CFT efforts.
7. Each implementation review was carried out in line with a written methodology and on the basis of the NCAs' responses to a set of core questions that were sent to all NCAs together with requests for documentary evidence. These responses and information obtained from the documentation were complemented by in-depth interviews of AML/CFT and prudential supervisors, and of relevant external stakeholders including FIUs, trade associations and a sample of banks, during the on-site visit of each implementation review. The review took into account the specific circumstances of each NCA and Member State while focusing on:
 - (a) NCAs' approaches to assessing ML/TF risks,
 - (b) NCAs' approaches to supervising banks' risk-based approaches to AML/CFT, including supervisory follow-up and the imposition of dissuasive, effective and proportionate sanctions (fines), and
 - (c) domestic and international cooperation in relation to AML/CFT, including cooperation between AML/CFT and prudential NCAs and the extent to which this cooperation supports AML/CFT and prudential NCAs' work to ensure banks' safety and soundness and the integrity of the banking sector.
8. Wherever possible, and to the extent that this was relevant, implementation review teams also used information that NCAs prepared for international AML/CFT assessments, such as those led by the FATF, Moneyval, the Council of Europe or the IMF; however, the conclusions of implementation reviews could differ from the conclusions of these assessment bodies due to differences in the methodology and scope, and also the level of intrusiveness. Each implementation review concluded with the review team, based on its findings, providing feedback and recommending specific actions to each NCA.
9. During these reviews EBA staff were supported by members of a small network of AML/CFT experts from NCAs. Members of this network were selected based on their supervisory and policy skills and AML/CFT expertise. They acted on the EBA's behalf for the purpose of these reviews.

2.2 Follow-up review methodology

10. In accordance with the implementation review methodology, NCAs were expected to provide the EBA with information on the steps they had taken to address the review team's findings and recommendations one year after the review took place.
11. In 2024, the EBA concluded the implementation review process. Considering the time passed since the first implementation review had taken place, and the importance of providing AMLA with an up-to-date view of the state of AML/CFT supervision in the EU, the EBA decided to carry out a final stocktake of the actions taken by all 40² NCAs that were assessed as part of this review process to ascertain progress made.
12. As a first step, the EBA carried out an overall assessment of the follow-up letters provided by NCAs a year after their review had taken place. The EBA focused on aspects related to AML/CFT supervision and cooperation, because the standards on risk assessment and enforcement will benefit from a higher degree of standardisation under the new EU AML/CFT framework, including on the basis of the EBA response to the European Commission's Call for Advice³ that the EBA will submit in October 2025.
13. As a second step, to ensure comparability of responses, all NCAs were requested to fill out a questionnaire, regardless of whether their review had taken place either more than or less than one year ago, in which NCAs outlined the latest insights on how they improved the effectiveness of their supervisory practices.
14. As a final step of the follow-up methodology, EBA staff conducted bi-lateral interviews with some NCAs to follow up on specific points of interest emerging from the desk-based analysis (step one and two).

² During the follow-up process one NCA informed the EBA that they are no longer the national competent authority for AML/CFT matters in their member state.

³ [Provisional request for advice to the European Banking Authority regarding regulatory technical standards and guidelines under the future anti-money laundering / countering the financing of terrorism framework.](#)

3. AML/CFT supervision

15. The four summary reports issued by the EBA show that over the course of the project, NCAs have taken important steps to strengthen AML/CFT supervision. These steps include making their approach to AML/CFT supervision more risk-based, including by developing or refining supervisory strategies. It also included setting up stand-alone AML/CFT units or departments with dedicated expert staff, and significantly increasing their AML/CFT supervisory resources.

3.1 Supervisory strategies

16. To ensure that NCAs' approaches to AML/CFT supervision are effective and proportionate to the level of ML/TF risk associated with the sector and individual obliged entities, it is imperative that NCAs have in place a supervisory strategy. Such a strategy should set clear objectives for their approach to AML/CFT supervision, outline the action to be taken by NCAs within a defined timeframe and with the available resources, and describe how this strategy will be implemented through successive supervisory plans.

Summary of findings from previous review rounds

17. Throughout all four rounds of implementation reviews, NCAs experienced challenges in determining and implementing a longer-term AML/CFT supervisory strategy. Where NCAs did not have in place an AML/CFT supervisory strategy, this affected the effectiveness of their approach to AML/CFT supervision. Where an AML/CFT supervisory strategy was in place, findings often related to the fact that the strategies did not meet the requirements of paragraph 4.4.2 of the EBA's risk-based supervision guidelines, or that they were insufficiently detailed and not fit for purpose.

EBA's assessment of NCA's progress made

18. The EBA analysis of the NCAs' responses to the one-year follow-up request, questionnaire and the bilateral interviews, where applicable, shows that:
- **The majority of the NCAs now have a supervisory strategy in place.** Almost half of all NCAs did not have an AML/CFT supervisory strategy in place at the time the implementation review took place. Of these, 71% have put in place a supervisory strategy since then. The remaining 13% of all NCAs nevertheless are either in the process of establishing one or still do not have a supervisory strategy in place.
 - **NCAs have taken important steps to strengthen their supervisory strategy.** Just over half of all NCAs had a supervisory strategy in place at the time of the review, but these strategies were not fully aligned with paragraph 4.4.2 of the EBA's risk-based supervision guidelines. Sixty-four percent of these NCAs have addressed the EBA's

review team's recommendations to ensure alignment with these supervisory standards. The measures taken by NCAs include:

- (a) steps to ensure adequate supervisory coverage of the sector and monitoring commensurate with the ML/TF risk of the sector,
 - (b) refined cycles of supervisory activities according to which obliged entities in each risk category will be supervised,
 - (c) setting out how the NCA implements their supervisory strategy through consecutive supervisory plans, and
 - (d) a more comprehensive and targeted use of the type of supervisory tools at NCAs' disposal to tackle the different types of risks identified by them.
19. By 12 March 2025, most NCAs that had yet to fully address the EBA team's findings and recommendations were in the process of doing so, as their implementation reviews had concluded only recently.
20. Overall, NCAs made notable efforts to put in place a supervisory strategy and to address their findings and recommendations related to these strategies. Nevertheless, more progress is still needed in a substantial minority of the NCAs to ensure that the review findings and recommendations in relation to supervisory strategies are addressed and that these strategies are fully in line with the EBA's risk-based supervision guidelines.

3.2 Supervisory plans

21. A comprehensive annual or bi-annual supervisory plan should explain how NCAs will implement their supervisory strategy in practice, the supervisory tools that they will apply to achieve their supervisory strategy's objectives and how they will allocate supervisory resources in a way that is commensurate with the obliged entity's risk profile. It is also important that the plan provides for contingencies in cases where new or emerging risks are identified and that the AML/CFT supervisory plan is sufficiently independent from the prudential supervisory plan.

Summary of findings from previous review rounds

22. The findings of the four EBA summary reports show that most of the NCAs had an AML/CFT supervision plan in place. However, the link between NCAs' ML/TF risk assessments and their supervisory strategy, where one existed, was often unclear. Contingency plans were also not always in place, which meant that NCAs struggled to act on risks that had crystallised or emerged during the period covered by the supervisory plan. For those NCAs that had not put in place a comprehensive supervisory plan, coupled with limited or no strategy, it was not always clear on what basis they were adjusting the nature, frequency and intensity of supervision.

EBA's assessment of NCA's progress made

23. The analysis by the EBA of all the information provided by NCAs in relation to supervisory plans shows that:
- **Almost all NCAs now have a supervisory plan in place.** Seventy-five percent of those NCAs that did not have an AML/CFT supervisory plan at the time of the implementation review reported that they have since put one in place. The remaining small number of NCAs were in the process of preparing their supervisory plan.
 - **NCAs have taken steps to ensure that their supervisory plan complies with the requirements of the EBA's risk-based supervision guidelines.** The measures taken by NCAs to address the EBA's findings and recommendations include:
 - (a) enhanced focus on the use of entity-level risk assessments to fine tune NCAs choice of supervisory tools,
 - (b) including both off-site and on-site supervisory activities in the supervisory plan,
 - (c) coordination of the AML/CFT supervisory plan with prudential supervisors, and
 - (d) ensuring alignment of NCAs supervisory plan with their supervisory strategy.
24. Thirty-six percent of NCAs had not yet addressed all findings and recommendations and 7% of NCAs provided insufficient information to assess their steps taken to address the findings and recommendations. In most of these NCAs, remediation efforts were still underway because their implementation reviews had been conducted only recently.
25. To conclude, the EBA analysis shows an overall commitment by NCAs to further strengthening their approach and good progress is made to ensure NCAs supervisory plans are conducive to effective outcomes.

3.3 Supervisory manual

26. The steps NCAs take to assess obliged entities' AML/CFT systems and controls should be set out in a supervisory manual to ensure the application of the supervisory tools and professional judgment in a consistent way. Provisions should be specific to AML/CFT supervision and should include sufficient detail to effectively guide supervisors in their job, while allowing for flexibility, their expert judgment and adjustments as necessary.

Summary of findings from previous review rounds

27. As highlighted in the four summary reports issued by the EBA, most NCAs had put in place a supervisory manual.
28. Nevertheless, these manuals were not always sufficiently comprehensive or detailed to ensure the consistent application of supervisory tools and professional judgement. For

example, they did not explain how staff should adjust the intensity and intrusiveness of supervision or outlined how to assess the effectiveness of banks' AML/CFT systems and controls. As a result, many NCAs did not challenge banks' approaches and they did not do enough to satisfy themselves that banks' systems and controls were effective.

EBA's assessment of NCA's progress made

29. The analysis by the EBA of all the information provided by NCAs shows that:

- **All NCAs now have a supervisory manual or are in the process of preparing one.** Furthermore, 81% of NCAs that had a supervisory manual at the time of their onsite review reported that their manuals had been revised in light of the EBA's findings and recommendations. The remainder either did not receive any recommendations or action points in relation to their supervisory manual, or they are currently updating it. Measures taken by NCAs include, for example:

- (a) providing criteria for selecting the most appropriate supervisory tool,
- (b) providing guidance on how to assess the adequacy and effectiveness of obliged entities' AML/CFT systems and controls,
- (c) providing for a framework for cooperation with prudential, national and foreign supervisory authorities, and
- (d) enhancing customer sampling policies.

30. Nevertheless, for 25% of NCAs, findings and recommendations have been insufficiently addressed and 12% of NCAs provided insufficient information to assess their steps taken to address the findings and recommendations. However, for most of these NCAs remediation efforts were underway due to their implementation reviews having been conducted only recently.

31. In summary, NCAs' actions show a strong commitment to further enhance their supervisory manuals. More work would still be needed for just over a quarter of all NCAs to make their AML/CFT supervision more consistent and effective.

3.4 Supervisory tools

32. NCAs should have a range of offsite and onsite supervisory tools at their disposal. They should also have a good understanding of those tools to choose those that are likely to have the greatest impact on obliged entities' compliance, to cover a larger part of a sector, and to ensure an efficient use of supervisory resources.

Summary of findings from previous review rounds

33. During the four rounds of reviews, it became apparent that although NCAs had a range of on-site and off-site supervisory tools available to them, only a minority of NCAs used these

tools effectively or strategically. Most relied instead on just one supervisory tool, irrespective of their supervisory objectives. This meant that these NCAs were unable to make the best use of often limited supervisory resources and that, in many cases, the population of actively supervised banks was limited, restricting NCAs' ability to identify and address vulnerabilities in their sector. Specifically in relation to off-site supervisory measures, those used by NCAs were rarely targeted or intrusive, with a review of banks' responses to the NCA's annual AML/CFT questionnaire being the most commonly cited offsite supervision tool.

EBA's assessment of NCA's progress made

34. The analysis by the EBA of the information provided by NCAs shows that:

- **Most NCAs have taken steps to use their supervisory tools more strategically and effectively, in line with the EBA's findings and recommendations.** Furthermore, 90% of NCAs with findings in relation to intrusiveness revised their approach (e.g. by using analytical tools to support supervisors in testing the quality of banks AML/CFT systems and controls). The remaining NCAs emphasised that their revisions were ongoing. Measures taken by NCAs to strengthen the use of supervisory tools include:
 - (a) defining follow-up measures depending on the severity of shortcomings, including monitoring of progress of follow-up measures imposed to address deficiencies,
 - (b) ensuring strategic use of all supervisory tools at the NCA disposal (e.g. performing joint inspections),
 - (c) the use of external parties to carry out specific supervisory tasks,
 - (d) enhancing feedback and guidance to the sector, and
 - (e) introducing new additional supervisory tools for supervisors to use.

35. **Overall, 66% of NCAs have now largely or fully addressed the recommendations that had been issued to them.** In most of the remaining cases, reforms were still underway due to their implementation reviews having been conducted only recently.

36. This means that NCAs have made substantial progress in strengthening the use of all supervisory tools to make supervision more strategic and effective.

4. Cooperation

37. The four summary reports issued by the EBA show that NCAs had taken important steps to improve cooperation. At the domestic level, NCAs had enhanced the effectiveness of cooperation mechanisms with the Financial Intelligence Units ('FIUs') and tax authorities, and the cooperation with prudential supervisors was much more effective. At the international level, NCAs were using AML/CFT colleges as an effective tool to exchange information and made significant progress in cooperating more effectively with supervisors in other Member States and third countries on a bilateral basis.

4.1 Domestic cooperation

4.1.1 Cooperation between domestic NCAs that share supervisory responsibility

38. In some Member States, several NCAs are responsible for the AML/CFT supervision of the banking sector. In those cases, for supervision to be effective, it is important that those NCAs coordinate their actions and exchange relevant information on the ML/TF risks and AML/CFT issues that they have identified.

Summary of findings from previous review rounds

39. In eight of the nine Member States in which more than one NCA is responsible for the supervision of the banking sector, the cooperation mechanisms in place were not used efficiently or effectively. As a result, these NCAs often had inconsistent approaches and were unable to access all information relevant for their supervisory or ML/TF risk assessment purposes.

EBA's assessment of the progress made

40. **Cooperation between NCAs improved in almost all Member States in which more than one NCA is responsible for the AML/CFT supervision of the banking sector.** Out of the 15 NCAs, eight either fully or largely addressed the findings made in relation to the insufficient cooperation with their counterpart. Five NCAs also made efforts to address the findings which were considered insufficient by the EBA. The two remaining NCAs (located in different Member States) did not provide sufficient information on the progress they had made. It should however be noted that all the NCAs that had not fully or largely addressed the findings except one had been assessed recently, which may explain why the remediation efforts were still underway.

41. Measures taken included, for instance:

- (a) developing an MoU to specify the rules and processes applying to cooperation,
- (b) agreeing on a clearer allocation of tasks between the different authorities to avoid duplication of tasks and exchanging the necessary information to ensure a consistent approach, and
- (c) organising more frequent meetings between the different authorities.

42. Overall, NCAs made substantial efforts to coordinate and exchange information more effectively, when they share the responsibility of supervising the banking sector. These efforts led to a clearer allocation of responsibilities and a better flow of information, even though in some Member States, more progress would still be needed.

4.1.2 Cooperation with FIUs, tax authorities and law enforcement agencies

43. Certain actors such as FIUs, prudential supervisors and tax authorities hold information that can inform NCAs' AML/CFT supervisory strategy and actions. It is therefore important to ensure a good flow of information between these actors and NCAs, that NCAs have access to all the information they need to effectively supervise their obliged entities.

Summary of findings from previous review rounds

44. Throughout the four rounds of implementation reviews, NCAs made notable efforts in formalising their cooperation with the FIUs and tax authorities. In particular, all NCAs assessed during the last round had put in place cooperation mechanisms (such as MoUs). However, in most cases the information was not flowing smoothly, and cooperation was not regular or ongoing. This was often due to reliance on informal ad hoc exchanges, rather than a systematic approach such as scheduled meetings between the NCAs and the FIU, although they were often envisaged in the formal agreements.

EBA's assessment of the progress made

45. The analysis by the EBA of all the information received from NCAs shows that:

- **Most NCAs now have formalised cooperation agreements with the FIU.** Regarding NCAs that had formalised the cooperation with the FIU at the time of the review but were not using the existing communication channels sufficiently effectively, 38% had put in place effective measures to cooperate and share information more effectively. However, 50% have taken insufficient steps to achieve this objective and 12% did not demonstrate that they had taken any steps to address the review team's findings. Overall, for 20% of the NCAs, the EBA was unable to assess whether the lack of cooperation was now addressed. However, about two thirds of the NCAs that had not fully or largely addressed the findings were assessed recently, which may explain why the remediation efforts were still underway.

- **Most NCAs have formalised cooperation with tax authorities.** At least one third of the NCAs that had not formalised cooperation with tax authorities had since put in place a cooperation arrangement. Another third of the NCAs explained that the formalisation of the cooperation agreement was ongoing. The remaining third did not demonstrate that they had formalised a cooperation agreement with tax authorities or that they were in the process of doing so. Lastly, all the NCAs that had formalised the cooperation with tax authorities but were not effectively cooperating with tax authorities, were found to have largely improved in that area. This means that the majority of the NCAs had already enhanced their cooperation with tax authorities or are on track to benefit from it. However, 75% of the NCAs that had not fully or largely addressed the findings were assessed recently, which may explain why the remediation efforts were still underway.

46. The measures taken by NCAs to address the findings include notably:

- (a) putting in place an MoU between the NCA and the FIU, tax authorities and/or law enforcement agencies to formalise the cooperation processes,
- (b) putting in place specific processes, including dedicated contact points and specifications of the type of information that should be exchanged between the different entities,
- (c) increasing the scope and frequency of the exchanges,
- (d) developing a specific IT tool to facilitate the exchange of information between the different entities, and
- (e) establishing dedicated subgroups, within the national AML/CFT cooperation mechanism, to foster cooperation between the NCA, on the one hand, and the FIU, tax authorities or law enforcement agencies, on the other hand.

47. Overall, NCAs have made substantial efforts to put in place a cooperation arrangement with the FIU and tax authorities, even though a small minority did not demonstrate that they have put in place such cooperation arrangements. However, almost half of all NCAs still do not use the existing cooperation channels sufficiently effectively in practice, and need to further improve in this area.

4.1.3 Cooperation with prudential supervisors

48. Prudential supervisors are in privileged position to identify certain types of ML/TF risks such as, for example, risks stemming from an institution's business model or governance structure, or risk that may result from the acquisition of a qualifying holding or the appointment of a new key function holder. Conversely, ML/TF risks may have a significant, adverse impact on an institution's safety and soundness. Therefore, effective cooperation between prudential and AML/CFT supervisors is crucial to meeting both AML/CFT and prudential supervisory objectives.

Summary of findings from previous review rounds

49. Throughout the four rounds of implementation reviews, the cooperation with prudential supervisors was repeatedly identified as a challenge for NCAs. Such cooperation was often hampered by limited awareness among most prudential staff of indicators or warning signals that would suggest that the involvement of AML/CFT experts was warranted. Furthermore, where AML/CFT training was offered to prudential supervisors, it was generic training on AML/CFT and often not mandatory. This meant that a comprehensive approach to tackling ML/TF risk could not always be ensured or enforced.

EBA's assessment of the progress made

- The analysis by the EBA of all the information received from NCAs shows that **most NCAs that were not cooperating sufficiently effectively with prudential supervisors made a good effort at putting in place effective cooperation channels**. More specifically, 57% of the NCAs that were criticised for not cooperating sufficiently effectively with prudential supervisors had fully or largely addressed this finding. Twenty-six percent of the NCAs put in place certain measures to enhance cooperation with prudential supervisors but those measures were insufficient to address the findings. The remaining 17% did not demonstrate that they had taken any steps to enhance cooperation with prudential supervisors. However, it should be noted that more than half of the NCAs that had not fully or largely addressed the findings were assessed recently, which may explain why the remediation efforts were still underway.
50. Measures put in place to strengthen cooperation with prudential supervisors included, for instance:
- (a) where the NCA is also responsible for the prudential supervision of banks, clarifying the rules applicable to cooperation with prudential supervisors in the NCA's internal guidance and/or putting in place new processes to foster the exchange of information,
 - (b) where a distinct authority is responsible for the prudential supervision of banks, putting in place an MoU to clarify the rules applicable for exchanging information and the channels that should be used for this purpose,
 - (c) organising regular meetings with prudential supervisors to exchange information; and
 - (d) putting in place a new training program for prudential supervisors.
51. Overall, most NCAs made good progress in implementing effective mechanisms to cooperate with prudential supervisors, but the progress made by a minority of the NCAs remained more limited.

4.2 International cooperation

52. Many banks have establishments in other Member States and third countries. Where that is the case, AML/CFT supervisors need to exchange information with their counterparts in those countries to properly understand the ML/TF risks to which those banks are exposed and identify the weaknesses that may exist in their AML/CFT defenses. It is therefore essential that information can flow between them.

Summary of findings from previous review rounds

53. Throughout the four rounds of implementation reviews, supervisors made notable efforts to improve cooperation with international stakeholders. Supervisors started setting up AML/CFT colleges in 2020 and improved their effectiveness over time. The NCAs assessed during the last round were using colleges to exchange useful and relevant information that could inform their understanding of the ML/TF risks to which banks were exposed. Where multiple NCAs were responsible for the supervision of the banking sector, though, it was generally the case that only one of them participated in the college and generally did not consult with the others before the meetings, nor did it debrief them after the meetings. Finally, the bilateral cooperation with third country authorities remained a challenge during round 4, as half of the NCAs still had limited to no engagement with those authorities, despite the presence of the country's banking groups in other jurisdictions or their having foreign branches under their supervision.

EBA's assessment of the progress made

54. The analysis by the EBA of all the information received from NCAs shows that:
- **Most NCAs are cooperating effectively with their counterparts in third countries and other Member States on a bilateral basis.** About 55% of all NCAs for which the review team issued findings on the effectiveness of the bilateral cooperation with their counterparts in other jurisdictions (other Member States or third countries) had fully or largely addressed these findings. Twenty percent had insufficiently addressed these findings. The remaining 25% either had not taken any steps to address the findings or the EBA was unable to assess the progress made due to the lack of relevant information. It should however be noted that half of the NCAs that had not fully or largely addressed the findings were assessed recently which may explain why remediation efforts were still underway.
55. **AML/CFT colleges are functioning well and are an important cooperation tool.** Where the review team made recommendations on how to better cooperate through AML/CFT colleges, these recommendations were fully or largely addressed by two thirds of the relevant NCAs. Seventeen percent insufficiently addressed these recommendations and the remaining 17% did not demonstrate that they addressed the recommendation. This is consistent with the findings from the latest EBA's Report on the functioning of AML/CFT colleges, which shows that NCAs had made significant progress in recent years in using colleges as an effective supervisory tool to cooperate and exchange information with one

another. Bilateral cooperation with third countries remains more challenging at this stage, even though NCAs also made progress in that area. A few NCAs appeared to have made limited improvements to their approach⁴.

56. The measures taken included, for instance:

- (a) signing an MoU with new third country authorities,
- (b) setting up new AML/CFT colleges, and
- (c) increasing their participation in colleges set up by other NCAs.

57. Overall, NCAs have made significant progress in putting in place a sound and effective communication with their counterparts in other jurisdictions, both within the Union and with third countries. NCAs were now using AML/CFT colleges as an effective supervisory tool to exchange relevant information on the ML/TF risks and AML/CFT issues identified in the different Member States.

⁴ Further information on the progress made by NCAs in using AML/CFT colleges in an effective manner in 2024 and 2025 may be found in the upcoming EBA's report on the functioning of colleges in 2024-2025.

5. Challenges encountered by NCAs

58. Reflecting on the information provided in the preceding chapters, it is evident that reforms by NCAs to remediate their findings and incorporate the recommendations provided in relation to AML/CFT supervision and cooperation were often still underway due to implementation reviews having been conducted only recently.
59. Nevertheless, the following challenges encountered by NCAs during assessment and implementation, and building on the EBA's experience, may have hampered NCAs' ability to reform and take action and may have to be considered:
- Concurrent external assessments with divergent methodologies and areas of focus: NCAs often undergo several assessments simultaneously, for example by Moneyval, FATF, WB, IMF, and the Council of Europe. This can create pressure on resources if not sequenced or aligned. In addition, where areas of focus and resulting action points diverge, competent authorities have to take decisions on the type of recommendations they will prioritise.
 - Strengthening national cooperation takes time: Improving cooperation, particularly when AML/CFT responsibilities span multiple authorities and can be resource-intensive, although benefits such as improved coordination and reduced duplication are clear.
 - Significant changes to the legal and institutional EU AML/CFT framework require substantial commitment by NCAs. For example, the negotiation of a new EU regulatory framework requires the support of expert staff from NCAs, while domestic reforms that could be resource-intensive may be delayed until the new framework is in place.
 - Resource and skills gaps: Staff shortages and budget limitations hinder effective supervision, especially with more entities to oversee, increasing complexity of risks, and the need for new expertise (including in relation to, for example, crypto asset services). However, when AML is not positioned as a strategic priority, such as in cases where political will is limited, resource allocation tends to follow suit.
 - Geopolitical uncertainty: a growing array of EU and international sanctions has created additional supervisory complexity and, in some cases, triggered the allocation of additional responsibilities without a commensurate increase in staff.
60. In spite of these challenges, information provided by NCAs as part of this stocktake suggest that the effectiveness of AML/CFT supervision and domestic and international cooperation in the EU has improved overall, reflecting the impact of the EBA's efforts.

6. Conclusion

61. NCAs have made significant progress over the past six years in adopting a risk-based approach to AML/CFT supervision. Most NCAs now have dedicated AML/CFT strategies, targeted supervisory plans, and manuals that guide supervisors and ensure consistency across the sector. They are also cooperating more effectively with relevant stakeholders at the national level and across borders. The EBA's work has been instrumental to this.
62. Looking ahead, the AMLA will continue the EBA's work to make AML/CFT supervision in the EU more effective. Findings from the EBA's reviews of NCAs' approaches to tackling ML/TF risk suggest that key areas for attention will include:
- With regard to AML/CFT supervision:
 - (a) Supervisory strategies: ensure that AML/CFT strategies clearly articulate how ML/TF risks across sectors are addressed and how adequate coverage across each sector is ensured.
 - (b) Supervisory planning: ensure that supervisory plans are sufficiently comprehensive, including clear, measurable performance indicators to monitor execution.
 - (c) Supervisory manuals: ensure that supervisory manuals are sufficiently detailed, address the various tools available to NCAs, and provide guidance on their appropriate use for different supervisory objectives. Manuals should equip supervisors to evaluate obliged entities' AML/CFT controls effectively, including how to tailor supervisory intrusiveness (such as using robust sampling or targeted on-site testing).
 - With regard to domestic cooperation:
 - (a) Domestic supervisory collaboration: Ensuring that collaboration between prudential and AML/CFT supervision remains strong so that ML/TF risks are properly factored into ongoing prudential oversight. Internal policies and manuals should lay out specific processes for information exchange and cooperation, including clear methodologies for integrating ML/TF risks into the SREP and for involving AML/CFT experts in SREP activities. Robust, targeted AML/CFT training for prudential supervisors should be a priority to improve awareness and facilitate smooth coordination.
 - (b) Cooperation with FIUs: Regular and structured information sharing between NCAs and FIUs should be institutionalised further, ideally through formal agreements, regular meetings at multiple staff levels, and efficient information flows.
 - (c) Engagement with tax authorities: Arrangements such as MoUs and structured processes for regular, strategic information exchange should be in place to support effective supervision.

63. With regard to international cooperation AML/CFT colleges have become a key tool to share information and coordinate among EU NCAs, but cooperation with authorities in third countries remains more limited and should be strengthened. This is particularly important with regard to:

- (a) establishing cooperation agreements and MoUs with non-EU counterparts,
- (b) ensuring robust supervision of branches of foreign banks within Member States, and
- (c) deepening the understanding of ML/TF risk exposures for banking groups operating internationally.

7. Annex

List of key AML/CFT instruments mentioned in this report and throughout the summary reports

AML/CFT supervision	EBA (2024): Guidelines on the characteristics of a risk-based approach to AML/CFT supervision and the steps to be taken when conducting supervision on a risk-sensitive basis – the Risk-Based Supervision Guidelines (amending Joint Guidelines ESAs/2016/72)
AML/CFT systems and control	EBA (2021): Guidelines on customer due diligence and the factors credit and financial institutions should consider when assessing the ML/TF risk associated with individual business relationships and occasional transactions – the ML/TF Risk Factors Guidelines
ML/TF risk	EBA (2025): Fifth Opinion on the risks of ML/TF affecting the European Union’s financial sector
Authorisations	EBA (2021): Guidelines on a common assessment methodology for granting authorisation as a credit institution under Article 8(5) of Directive 2013/36/EU
Qualifying holdings	ESAs (2016): Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector
Suitability	EBA, ESMA (2021): Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body (revised) [revised Guidelines currently under revision]
Governance	EBA (2021): Guidelines on internal governance under Directive 2013/36/EU – second revision [revised Guidelines currently under revision]
Ongoing prudential supervision	EBA (2022): Guidelines on common procedures and methodologies for the Supervisory Review and Evaluation Process (SREP)
Cooperation	EBA (2021): Guidelines on cooperation and information exchange between prudential supervisors, AML/CFT supervisors and financial intelligence units under Directive (EU) 2013/36/EU ESAs (2019): Joint Guidelines on cooperation and information exchange for the purpose of Directive (EU) 2015/849 between NCAs

supervising credit and financial institutions –
the AML/CFT Colleges Guidelines

For a complete list of the EBA's regulatory instruments, opinions and reports on AML/CFT, please refer to the EBA's AML/CFT website using the link below:

[Anti-Money Laundering and Countering the Financing of Terrorism | European Banking Authority](#)



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