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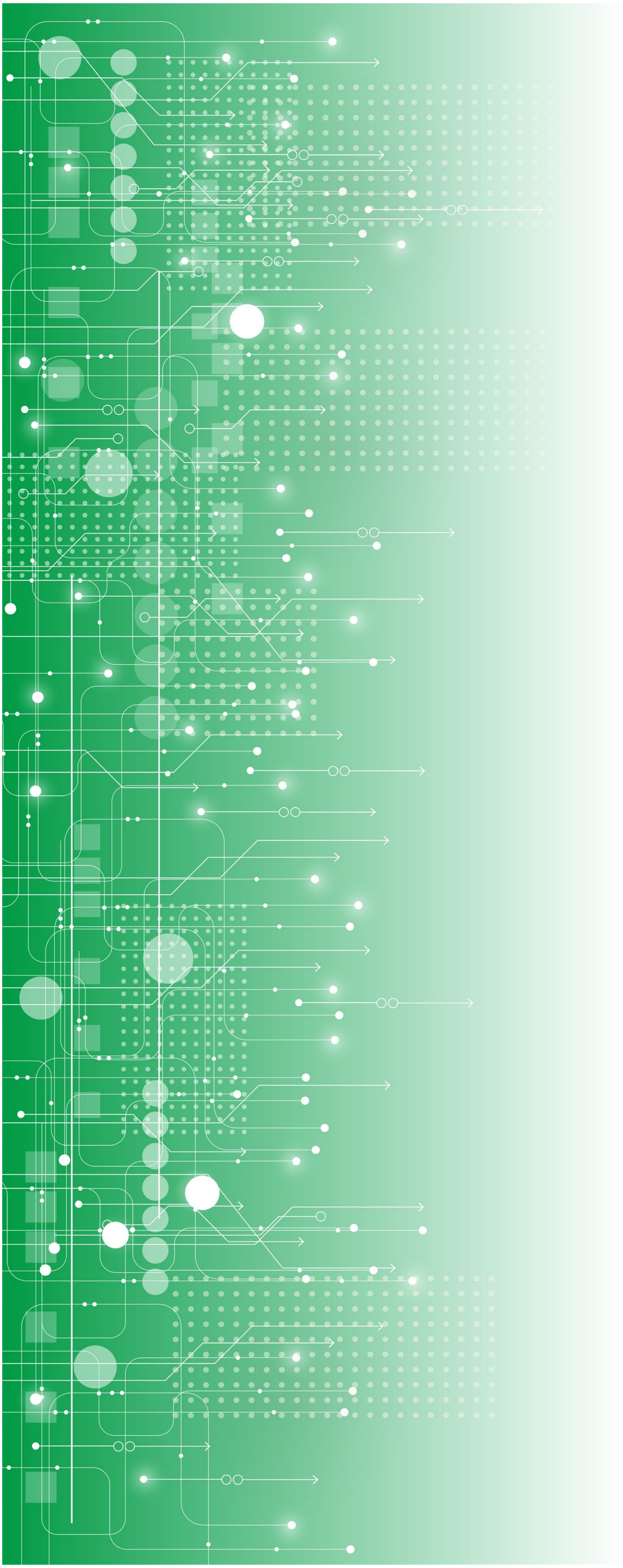
Deloitte AMLA Center of Competence White Paper 2026

The establishment of the European Union Authority for Anti-Money Laundering and Countering the Financing of Terrorism – AMLA

Opportunities and challenges for effectively addressing financial crime risk management within the Union and globally



Executive summary

Tackling domestic and cross-border financial crime is imperative for ensuring the safety and soundness of the global financial system and critical to the protection of citizens everywhere from economic abuse by malign actors.

Building on earlier work which evaluated this matter in the global context, this new Deloitte White Paper analyzes the issues surrounding effectiveness in financial crime risk management through the prism of the establishment of the European Union Authority for Anti-Money Laundering and Countering the Financing of Terrorism – AMLA.

The paper aims to examine key areas which will help with the success of AMLA – both within the EU and internationally – and offers insights on how the Authority can further the collective aims of better detecting, disrupting, and ultimately preventing financial crime.

Background

Since 2019, Deloitte has published a series of White Papers evaluating the effectiveness of the international framework for identifying, disrupting, and mitigating financial crime and analyzing the inherent threat illicit flows pose to global financial stability.[1]

Building on that work, this White Paper focuses on the establishment of the European Union (EU or the "Union") Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA or the "Authority"), an organization which will become a key pillar in the fight against economic criminal activity in both the EU and around the world.

During the period at roughly the halfway mark to operationalization of the Authority, we have explored its objectives as set out in EU law, the opportunities it presents in addressing financial crime risk, and the challenges which AMLA may face as it works to achieve its goals. We further aim to identify areas where the public and private sector can work together to maximize its potential and examine ways for the Authority to assist in increasing systemic effectiveness.

The paper takes a global perspective on these issues and evaluates opportunities for AMLA to work together with international organizations, third countries (non-EU) and the private sector to stem the flow of cross-border financial crime, and we examine areas of emerging risk in the system which will directly impact AMLA and its obliged entities. The paper also purposely focuses on themes which have arisen in our previous papers in order to further efforts at EU level linked to wider, international reform initiatives. The paper is divided into three areas:

01. The Context for Improving Financial Crime Risk Management Effectiveness

02. The Mandate and Process for the Establishment of AMLA

03. Key Issues for Ensuring the Effectiveness of AMLA within the EU and Global Anti-Financial Crime Framework

The analysis and recommendations outlined in the White Paper were prepared through a combination of research and consultations across a range of public and private sector experts in the EU, major third-country jurisdictions, and multilateral bodies tasked with Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) responsibilities.

There is broad consensus that AMLA will play a vital role in the future of the anti-financial crime framework globally. Ensuring its effectiveness will go a long way in helping the EU and the international community achieve the objective of a safer and sounder cross-border financial system.

[1] For further information, please see: Deloitte/IIF Global Framework for Fighting Financial Crime White Papers 2019, 2021 and 2024

01.

The context for improving financial crime risk management effectiveness

The need for authorities like AMLA arises from learning from failures in the past as well as the real and present threat posed by bad actors misusing the global financial system and the deleterious consequences this abuse imposes on citizens everywhere.

Data continues to point to exceptional levels of growth in financial crime, with estimates approaching over four trillion US dollars in illicit flows globally.[2]

With a projected eighty five billion US dollars' worth of economic crime flowing through Europe, the Middle East, and Africa (EMEA) alone, the recoupment rate of this activity is low, with the United Nations Office on Drugs and Crime (UNODC) having estimated that less than 1% of global illicit financial flows are recovered each year.[3]

Overall, specific risks to financial integrity continue to expand, with the money associated with drug trafficking and human trafficking growing in double digit percentages annually.[4] Ongoing armed conflicts in different regions have heightened concern for terrorist and proliferation financing and are exacerbated by the effects of the evasion of financial sanctions. Threats posed by cross-border organized crime syndicates expose gaps in jurisdictional oversight and multilateral cooperation.

These issues are compounded by the rate at which criminals are adapting to new ways of facilitating crime. It's been well recognized that the speed at which money now moves domestically and internationally has heightened risks in the system. The misuse of cryptocurrencies and novel payment channels can enable the rapid and often undetectable means for the proceeds of crime to cross borders.

Expansion in organized fraud globally has also evolved and adapted to technological changes, including the use of virtual private networks and end-to-end encryption for communications.[5] Artificial Intelligence (AI), while also a means to help detect and disrupt crime, can be used to enhance criminal capabilities. Targeting and preparation for fraud and augmented anonymity that derails detection are areas which will continue to present opportunities for criminals and challenges for those in both the public and private sectors tasked with anti-financial crime mandates.[6]

In the European context, specific issues persist. While the financial technology industry continues to expand, seventy percent of competent authorities in the EU report high or increasing money laundering and terrorist financing (ML/TF) risks in this sector.[7] There is a notable lack of robust AML/CFT controls in the cryptocurrency industry and the number and complexity

[2] Nasdaq/Verafin: *Global Financial Crime Report 2026*

[3] IBID and UNODC, Factsheet on Money Laundering

[4] Nasdaq/Verafin: *Global Financial Crime Report 2026*

[5] UNODC: *Organized Fraud Issue Paper,* 2026

[6] IBID

[7] European Banking Authority: *Opinion of the European Banking Authority on money laundering and terrorist financing risks affecting the EU's financial sector,* July 2025

of EU sanctions packages continues to pose compliance challenges. Overall, it is acknowledged that while awareness of risk from money laundering and terrorist financing continues to grow across the Union, the effectiveness of AML/CFT systems remains uneven.[8]

Though there is a clear case that the delivery of effective outcomes for financial crime risk management continues to be impeded, opportunities are present for improvement.

At the heart of the global approach in addressing illicit flows is the Financial Action Task Force (FATF). The agenda of FATF continues to focus on gaps in the oversight of virtual assets, derailing cyber enabled fraud, strengthening asset recovery, and responding to the exploitation of AI.[9] This is coupled with strengthening and supporting the FATF standards to help ensure a more uniform, global approach in tackling economic crime. The Financial Stability Board (FSB) has also prioritized initiatives to reduce fraud in the context of their work on enhancing cross-border payments[10] and the UNODC and Interpol have championed an international approach to fraud disruption coupled with public/private sector cooperation.[11]

Jurisdictionally, and at the FATF, there has been increasing focus on prioritization in addressing risk. This includes establishing national AML/CFT priorities for financial institutions to incorporate into their AML/CFT programs, and for regulators and examiners to incorporate into rules, guidance, and review. Programs and policies to expand information sharing also continue apace, with public/private partnerships expanding and countries looking at ways to enable FIs to securely share information on customers or transactions where they cross material risk thresholds in order to better identify and disrupt illicit networks and enhance Suspicious Activity Report (SAR) filings.

Ultimately, the last decade has seen an uptick in recognition globally of the need to address financial crime risk management in a better way and has led to the establishment of new means to help achieve that objective. However, problems continue to persist heighted by geopolitical risks which can arise on an almost daily basis.

Ensuring authorities like AMLA are equipped to better tackle the issues inherent in stopping money laundering and terrorist finance will ultimately help achieve better outcomes not just in their jurisdiction of establishment, but globally.

[8] IBID

[9] Outcomes of the FATF Ministerial Meeting – April 2026

[10] Financial Stability Board: *Reforming Cross-border payments: keynote speech at the FSB Payments Summit,* 12 March 2026

[11] Interpol: *Global Financial Fraud Threat Assessment,* March 2026

02.

The mandate and process for the establishment of AMLA

The EU AML Package – consisting of the Anti-Money Laundering Authority Regulation (AMLR), a sixth Directive on AML/CFT (AMLD6) and a revision of the 2015 Regulation on Transfers of Funds in order to include transfers of crypto assets – was developed and set in law with the intention of addressing the issues raised in section one of this paper in a manner which hitherto fore had been lacking across the Union. A key component of the AMLA-R was the establishment of AMLA as the EU agency set up to coordinate national authorities and ensure the correct and consistent application of EU rules.

AMLA is charged with directly supervising selected systemically relevant financial sector entities (initially forty) that operate on a cross-border basis, and which present a high risk of money laundering and terrorism financing, as well as indirectly supervising other entities in the financial and non-financial sectors. It will provide a supporting and coordinating function across Financial Intelligence Units (FIU) and supervisors, help develop the Single Rulebook for AML/CFT, and complement EU AML/CFT rules through regulatory and implementing technical standards and guidelines.[12]

AMLA came into legal existence in 2024 with milestones set each year leading to the start of direct supervision the second half of 2028. In the interim, the Authority will, inter alia, work on supplementing technical standards (RTS[13], ITS[14]) and guidelines to the AML package, select forty obliged entities to be directly supervised, and build staffing and data infrastructure.[15]

In February 2026, AMLA published its Single Programming Document (SPD) outlining objectives, planned activities and the resources required to deliver them from 2026 to 2028. These are translated into action via five interlinked activities that will shape AMLA's work with an impact across the three years covered in the SPD. Specifically, these are (i) delivering on core regulatory mandates, (ii) advancing direct supervision, (iii) operationalizing the FIU framework, (iv) laying the foundations for

[12] Anti-Money Laundering and Countering the Financing of Terrorism Authority (AMLA), Mission and Goals, 2025

[13] RTS = Regulatory Technical Standards

[14] ITS = Implementing Technical Standards

[15] IBID

indirect supervision and oversight, and (v) building AMLA's risk frameworks.[16] In May 2026, AMLA published a reporting package for the identification of provisionally eligible obliged entities as a preparatory step toward the first selection cycle for entities that will come under AMLA's direct supervision from 2028. This comes alongside consultations on, inter alia, harmonized supervision and key mandates for the private sector, and home-host supervisory cooperation. AMLA has also published a report on findings from their 2025 Stakeholder Roadshow.

The SPD is ambitious and will help build the foundation for the Authority as it delivers on its obligations and objectives. However, it has been observed that challenges will likely arise concerning such issues as institutional fragmentation and a lack of integrated supervisory culture across the Union.[17] Specifically, there is recognition that ML/TF risks need to be better integrated into the supervisory process, while predictable interaction and coordination between supervisory authorities needs to be prioritized.[18]

These are core issues, however, as seen through the research for this paper, other areas also warrant further exploration – particularly on how AMLA coordinates not just across Union agencies, law enforcement and FIUs, but also with third country authorities and international organizations. AMLA will furthermore need to be cognizant of avoiding a tick-the-box approach to supervision and examination versus a focus on effective application of the risk-based approach as emphasized by the Financial Action Task Force (FATF), how harmonized reporting on suspicious activity and customer information can facilitate potential gains while mitigating risk, and how to efficiently address emerging challenges to cross-border criminality in a fast-changing world.

Lastly, though important strides have been made through, *inter alia*, the AMLR, the Anti-Money Laundering and Terrorist Financing Directive V, and the Capital Requirements Directive V, to clarify the legal basis for information sharing on financial crime matters, further work is needed. This is specifically true in terms of how AMLA will interact with relevant public sector authorities on exchange of information and how public/private cooperation can be enhanced and supported across the Union and multilaterally with third countries.

[16] AMLA Single Programming Document (SPD) February 2026

[17] Hertie School, Jacque Delors Center – Markus Tiemann: *Policy Brief, Follow the Money, AMLA! – How to unleash the EU's new AML watchdog,* October 2025

[18] IBID and ECB: Claudia Buch: *AMLA and ECB Banking Supervision – strengthening cooperation*, February 2026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03. Key issues for ensuring the effectiveness of AMLA within the EU and global anti-financial crime framework

The research for this paper has identified several key issues which will be critical in ensuring the effectiveness of the authority as it is established and becomes fully operational.

a. The risk based approach, risk prioritization and harmonization

A core element of an effective AML/CFT system is the application of the risk-based approach (RBA).[19] The ability to identify, assess, and understand ML and TF risk enables the appropriate measures to be taken based on the level of risk with proper public and private sector resources employed to target and mitigate financial crime.[20]

The FATF has reemphasized the importance of this approach and risk based supervision also lies in the legal approach to AML/CFT taken by the EU, applying proportionate rules tailored to the risks identified.[21]

Furthermore, the RBA is widely acknowledged as the central enabler in achieving effective outcomes rather than purely technical compliance.[22] FATF in particular has moved to evaluate compliance with its standards based on effectiveness. By focusing on eleven immediate outcomes – including risk identification, asset confiscation, and international cooperation – the objective is to produce meaningful results in the mitigation and prevention of financial crime.[23]

A more effective approach will result in tangible efficiency gains. As we have emphasized in previous papers on the global approach to financial crime risk management, crime fighting capacity in the system is precious and cannot be wasted. Where such capacity is being expended in any sector on activities that do not contribute meaningfully to the overarching objective of delivering better results, it is important to have the mechanisms in place to proactively question why those activities are being undertaken and whether they can be amended or stopped. Conversely, where activities are identified that are valuable in supporting results, they should be reaffirmed and extended using capacity 'recovered' by ceasing to perform activities that can be shown not to contribute.[24]

However, in practice, progress on achieving effectiveness in outcomes has been distinctly limited across jurisdictions. Though countries have made considerable progress in implementing the technical requirements of the FATF Recommendations, effective implementation has been found to be lacking, with a focus on technical compliance outweighing measurable results.[25] This presents obvious challenges but also opportunities to rethink globally and jurisdictionally how the anti-financial crime framework can be improved.

As such, the EU AMLR and the development of AMLA can play a pivotal role.

At its core, enabling direct supervision and improving regulatory harmonization and cooperation has the potential to create regulatory and supervisory consistency in a way where effectiveness can be adequately promoted.

Indeed, there are specific expectations, particularly within the global community, that AMLA will deliver both effectiveness and efficiency gains that will have a positive impact not just in the EU, but in driving improvements for other jurisdictions.

AMLA itself has affirmed that the RBA allows countries and institutions to tailor their measures and allocate resources in line with the risks being faced.[26] However, at the core of the research for this paper is the concern that AMLA may essentially continue an approach more aligned with technical compliance, and that measuring effectiveness will become secondary. Though we understand the limitations present in Level Two and Level Three instruments from boundaries set by Level 1 legislation,[27] we believe that as AMLA develops, three areas for driving effectiveness gains should be considered:

First, ensuring the consistent supervisory application of the RBA and aligning assessment of supervised entities with the FATF objectives of achieving effective outcomes, as noted above, *should be prioritized.* Specifically, granular recommendations on the assessment of the effectiveness of FIs AML/CFT programs could be structured, for example, on the Wolfsberg Group analysis, whereby supervisors should examine whether programs comply with AML/CFT laws and regulations; provide highly useful information to relevant government agencies in defined priority areas (more of which below); and establish a reasonable and risk-based set of controls to mitigate the risks of an FI being used to facilitate illicit activities.[28]

Second, and building on the first area, *a greater focus on risk prioritization in the EU should be considered as AMLA develops.* Genuine clarity and detail of where focus needs to increase, and where it can be dialed down or even stopped is required. This was emphasized at the 2026 FATF Learning and Development Forum on the Risk-Based Approach and Risk-Based Supervision, with participants finding that "the AML/CFT regime is most effective and focused when relevant government agencies specifically define a set of national priorities for financial institutions to focus on, and when regulators are supervise in line with national priorities, which is crucial to give financial institutions the confidence to allocate resources in line with risks and priorities."[29]

The introduction of national priorities must also be reflected in the overall supervisory program. Examiners, auditors, and other program evaluators, including FIs themselves, must be on the same page in how to measure and evaluate financial crime risk management program effectiveness in the context of the priorities. It is easy to have stakeholders to do 'more,' but taking responsibility for reducing an area of focus is much more challenging. It is however a fundamental concept inherent in the risk-based approach and one that must be addressed given that a focus on everything is a focus on nothing.[30]

AMLA has already highlighted a potential for greater emphasis on certain areas of risk, including within the cryptocurrency sector.[31] The Authority is also tasked with developing its own risk analysis and assessment framework with a "strong link to both the FIU and supervision, incorporating the information and data gathered and disseminating on the risks assessed on a tri-dimensional scope in order to support the development of a common understanding of ML/TF risks among obliged entities, supervisors, FIUs as well as other AML/CFT competent authorities and non-AML/CFT authorities."[32]

This wide review – designed to support the systematic integration of a risk-based

[19] FATF Recommendation 1 and FATF *Risk Based Approach for the Banking Sector*

[20] IBID

[21] Council of Europe, Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism

[22] The Wolfsberg Group, *Statement on the Risk-Based Approach,* July 2025

[23] FATF: An effective system to combat money laundering and terrorist financing – 11 Immediate Outcomes

[24] For further information, please see: Deloitte/IIF Global Framework for Fighting Financial Crime White Paper 2024

[25] For details, see: FATF, *Report on the State of Effectiveness and Compliance with the FATF Standards,* 2022

[26] AMLA, SPD, p. 17

[27] Under the EU Legislative Structure, including the structure of the EU AML framework, Level 1 references Framework Legislation (e.g., AMLR), Level 2 references Technical Implementing Measures (e.g., RTS/ITS), and Level 3 references Supervisory Guideline and Recommendations (e.g., AMLA Guideline). Level 4 references enforcement.

[28] The Wolfsberg Group, *Statement on the Risk Based Approach,* July 2025

[29] FATF, Learning and Development Forum February 2026 – Meeting Insights

[30] For further information, please see: Deloitte/IIF Global Framework for Fighting Financial Crime White Paper 2024

[31] *"Certainly, when we look at money-laundering risk it's present in some sectors more than others. For definite, crypto is an area where technology and secrecy can coincide to produce a high money-laundering risk,"* Derville Rowland, AMLA Board Member, February 4, 2026. Cryptocurrencies also have a well developed workstream through the AMLA SPD.

[32] AMLA SPD. P17

approach throughout the EU supervision – can and should facilitate a greater focus on priority areas by financial institutions. Though AMLA will also be assessing and utilizing information developed by other EU agencies[33] (as discussed further in the context of the AML/CFT Database in section 2b. of this paper), there should be examination of the possibility of AMLA better aligning supervisory priorities with those issues identified in the European Commission's next Supranational Risk Assessment report measuring the AML and CFT risks impacting the EU and relating to cross-border activities.

Third, it is important to maximize effectiveness and efficiency gains in AML/CFT through the harmonization opportunity of AMLA. By putting enforcement, supervision and regulatory guidance under one authority, complexity can be reduced and outcomes enhanced by better targeting and mitigating threats posed by illicit flows on a cross-border basis. At the same time, harmonization should improve consistency and efficiency without undermining proportionality towards different risk profiles across sectors and financial institutions.

Regulatory and supervisory fragmentation has long been recognized as key issues of concern for policymakers across the world. A lack of common, enforceable standards incentivizes criminals to seek out jurisdictions with the weakest controls and destabilizes the international financial system through inadequacies in cooperation and coordination brought about by sometimes conflicting rules. For the private sector, financial institutions must structure their regulatory compliance tools according to those different and potentially inconsistent standards – creating many of the same inefficiencies noted in Section 3.a of this paper – by again shifting resources toward operations that may not lead to better outcomes but rather toward technical, tick the box compliance.[34]

The broader reform efforts of the EU over the last five to eight years have focused on the need to address the challenges most present in decentralized regulation and supervision through efforts on simplification. In this vein, the AML Package was very much viewed as the single rulebook for the EU designed to drive this effort and AMLA has stated a main priority will be the further development of the rulebook.

However, as AMLA becomes operational, the need exists to ensure that simplification is delivered through effective and forward-thinking harmonization efforts. Specifically, standardization in the reporting of SARs, the unified identification and capture of beneficial owner, Customer Due Diligence (CDD) and Know Your Customer (KYC) data as well as facilitation of information sharing all present significant opportunities to streamline and enhance how information is collected, shared and disseminated across the bloc in a way that better serves the overarching purposes of protecting financial integrity.

For example, the way financial institutions report suspicious activity is currently different across member states. Diverse reporting formats create tensions and inconsistencies in how information and data is captured, limiting the potential for financial institutions to give thorough insight into an instance of cross-border financial crime. However, with common reporting standards, information could be shared as a complete SAR analysis in multiple jurisdictions, putting a comprehensive picture in the hands of investigators.

According to a Wolfsberg Group member survey, proper harmonization could also result in up to a twenty percent drop in the costs associated with the process for filing once suspicious activity is confirmed, with the majority of their members seeing "significant" or "very significant" efficiency gains under a common format and a higher likelihood to centralize European operations in the future.[35] This points directly to the issues covered earlier in this paper – by

increasing efficiency, resources can be pooled and deployed to complex investigations and delivering more useful analysis to FIUs and law enforcement.

Similar issues exist in creating common standards for KYC and CDD reporting inlcuding benefical owner identification and analysis, along with the reporting of business relationships – all areas of focus for AMLA. However, if the ultimate outcome of harmonization and simplification efforts is a minimum standard that can be heightened by member states – or results in the layering of disproportionate requirements which do not meaningfully address fundamental issues – the benefits decrease and the Union is left is a similar place to which it finds itself now, burdened with divergence and potential unnecessary complexity.

We again understand that there are limitations present for AMLA regarding issuing Technical Standards (RTS, ITS) and we recognize the concerns inherent in some member states on the elimination of country-by-country distinctions in reporting. We also note that not all financial institutions and jurisdictions are currently at the same level of progress in enhancing their AML/CFT capabilities. For some institutions and those in the non-bank financial institution (NBFI) sector (where relevant), the process of adapting to new reporting requirements may be more onerous and requiring a longer adoption period.

Nevertheless, the AML reform package should ultimately improve financial integrity and safeguard the Union from the failures in financial crime detection and elimination seen in the last decade and beyond. Enhanced capacity building and education on the part of AMLA for member states, and in coordination with national supervisors for obliged entities, should be delivered as a way to mitigate any disruption from changes in reporting standards and supervision in the near to medium term.[36] Ultimately, however, a common rulebook that provides regulatory clarity will raise all boats by increasing the competitiveness of the Union with high, uniform standards which can also adapt to innovation in a consistent manner across member states.

[33] IBID

[34] For further information, please see: Deloitte/IIF Global Framework for Fighting Financial Crime White Papers 2019, 2021 and 2024

[35] J. Edward Conway, Executive Secretary of the Wolfsberg Group: *How EU navigates current challenges in implementing financial crime regulation is critical to future of European competitiveness*, April 27, 2026

[36] For further information on capacity building, please see: Deloitte/IIF Global Framework for Fighting Financial Crime White Papers 2019, 2021 and 2024

b. The use of financial intelligence

AMLA has significant potential as the hub for FIUs and financial intelligence on criminal activity, both within the borders of the EU but also in coordination with third countries and international organizations.

This is critically important, as the management of financial crime can be significantly improved by facilitating increased sharing of information, and by more effectively using financial activity, threat and risk data linked to crime and terrorism. Nevertheless, for many years, issues such as inconsistent legal frameworks for data protection, the management of SAR type information, privacy and bank secrecy have presented barriers that inhibit an effective intelligence-led approach to risk management.[37]

However, for over a decade, the discussion on information sharing has evolved at both the domestic and international levels. The FATF, for example, made substantive progress in this area when it adopted revisions to FATF Recommendation 2 on national cooperation and coordination. The amendments expanded the Recommendation to include information sharing between competent authorities and emphasized that cooperation should include coordination with the relevant authorities to ensure the compatibility of AML/CFT requirements with Data Protection and Privacy (DPP) secrecy rules and other similar provisions (e.g., data security/localization).[38]

The FATF also adopted changes to Recommendation 18 to help facilitate group-wide FI information sharing, supported by national guidance. Though both were meaningful changes, problems persist in jurisdictional adoption and efficacy.[39] It remains the case that group wide sharing is not yet synonymous with group wide suspicious activity filing, and so while all the component parts of a comprehensive intelligence picture may exist in the system, they are rarely – if ever – assembled into a complete understanding. Similarly, a common disconnect in understanding between data privacy and AML/CFT supervisors can continue to burden systemic information exchange, particularly in a cross-border context.[40]

Among jurisdictional efforts, the EU itself made strides through the AML package in developing a legal framework for data sharing through Article 16(3) of the AMLR, which foresees cross-border information sharing within institutions. Article 75 of Regulation (EU) 2024/1624 (Article 75) specifically seeks to enable innovation and enhancements in cross-sector and cross-border information and intelligence sharing through the creation of information sharing partnerships between obliged entities and including the public sector. However, the efficacy of Article 75 remains contingent on a variety of factors, including its interpretation and its complexity, its compliance with wider legislative frameworks, and the capacity to develop private sector partnerships in line with the *de jure* expectations of the Article.[41]

As such, there remains opportunity for both the public and private sector to go further in finding innovative solutions to facilitate the proper exchange of relevant financial crime information for the purposes of stopping illicit flows. AMLA's specific mandate for information collection and sharing can very much assist in this endeavor. Specifically, its empowerment to support supervisory convergence, highly operational financial intelligence and effective understanding of risks, will require the mapping and development of its own sources of data as well as leveraging existing sources, whether those are open-source information or sources developed through working arrangements with other institutions.[42] To further this end, two issues should be considered:

First, a key component of AMLA will be the creation of a central AML/CFT database that will collect structured data from supervisory authorities in order to "improve risk identification, monitoring, and enforcement, while fostering supervisory convergence and cross-border insights."[43] The database will include what will likely be a vast quantity of relevant information across the EU including information on obliged entities, supervisory measures, risk assessments, sanctions, authorization withdrawals, and 'fit and proper' outcomes.[44]

In effect, AMLA's collection and ability to analyze and use data will be vastly expanded beyond the current state of shared EU data capacity and has the potential to be one of the more powerful resources of financial crime data globally.

It will, however, be deliberately limited to EU supervisory authorities and mainly intended to contribute to different risk assessments (and other related risk reports).[45] As far as ambition is concerned, AMLA should find as many prospects as possible for the database to go further in fostering both the supervisory and FIU pillars of the authority in the fashion of sharing information between AMLA and these authorities and sharing relevant information with both relevant AML and non-AML authorities, on a consistent basis across the Union.

Furthermore, the database presents ample opportunity for furthering the international understanding of risks, mapping and targeting those risks and connecting the dots in a more efficient and effective way. As such, more work should be undertaken at EU level on how to share intelligence collected by AMLA with third countries and the private sector. As always, limitations will exist in relation to data privacy and protection obligations, and we recognize that strong levels of consumer data security is paramount. However, this presents another chance to examine ways to balance high data privacy standards with the better use of financial crime intelligence, including exploring the full use of FATF Recommendation 2 (as noted above) to facilitate data privacy and data protection authority co-operation which produces tangible results at achieving that balance.

Second, AMLA should take the opportunity for improving information sharing through the promotion and enhancement of Public Private Partnerships (PPP), or as referenced in the AML package, partnerships for information sharing (PfIS). As part of AMLA's mandate, "AMLA will engage with the private sector and public authorities to identify and take the necessary steps to facilitate the successful setting up of these partnerships."

This is extremely important. *A PPP – a collaboration between financial institutions, law enforcement, policymakers, and the regulatory community – has become an important and growing component in global anti-financial crime frameworks.*[46] PPPs have been established in countries across the world and are growing operationally within EU member states. Europol's Financial Intelligence Public Private Partnership (EFIPPP) has continued to expand and develop its role as the first multilateral PPP. FATF has also encouraged the creation of PPPs through policy statements and their Mutual Evaluation Process.

With PPPs better enabling intelligence and insight to flow between parties, their value in disrupting malign actors with greater efficacy has been consistently recognized.

As noted earlier, Article 75 of the AMLR provides a framework for setting up these partnerships. In addition to understanding the limitations present in Article 75, as noted earlier – and continuing to engage with the European Data Protection Supervisor (EDPS), the European Data Protection Board (EDPB) and with the private sector[47] – learning from PPPs currently operating in the EU and in third countries to better understand what constitutes sound practices and where challenges persist will be important. Specifically, AMLA should consider some core issues for making a PPP successful, including:

a. A PPP should be embedded within the financial crime policy architecture at the national level and used to drive development of effective legislation and regulation. As PPPs have shown their added value, they should no longer be thought of as a policy experiment and should instead be considered a key component of any healthy financial crime framework. They should be appropriately prioritized and resourced within both the public and private sectors in a sustainable way.

b. PPPs should leverage strategic intelligence products and typologies but also find ways to share operational intelligence between stakeholders to expedite investigations and drive outcomes. This can include establishing secure information-sharing platforms or regular inter-authority/agency briefings to facilitate timely exchange of insights and operational intelligence. In this area, AMLA should recognize and enable the value that the AML/CFT Database

[37] Deloitte/IIF Global Framework for Fighting Financial Crime White Paper 2024

[38] IBID

[39] IBID

[40] IBID

[41] Deloitte, *Article 75: A new opportunity to fight crime more effectively,* 2024

[42] AMLA, SPD, p. 18

[43] IBID

[44] IBID

[45] IBID

[46] A detailed analysis of the rationale behind the establishment of PPPs, and the value they can add was in-cluded in the Deloitte/IIF 2019 white paper.

[47] AMLA, Roadshow Report, 2025

holds in providing critical information to support these partnerships.

c. Consideration should be given to how participation in PPPs can be incentivized through regulatory and supervisory frameworks, with a focus on reduction/detection of economic crime and the provision of highly useful information to law enforcement, FIUs, supervisors, and financial institutions.

d. PPP leaders should consider how they can tailor engagement with members to build a model that finds the right balance between ensuring the right membership composition and agility. A crucial element to this is understanding where growth in a PPP can be beneficial whilst ensuring that trust among participants is strong and stable.[48]

Additionally, the AMLR provides AMLA with the possibility to set up cross-border partnerships, in line with the framework in Article 75.[49] In this area, strategic engagement between AMLA and EFIPPP will be extremely important and public and private sector stakeholders should continue to drive efforts to encourage and support PPPs to collaborate internationally. As a transnational PPP, EFIPPP enables the understanding of a common intelligence picture and the mapping of risks and facilitates tactical exchange of information but also empowers operational intelligence sharing in line with applicable laws. It acts as a growing hub between different platforms that facilitate cross-public-private partnership information and intelligence sharing.

Most importantly, EFIPPP brings a collective view of financial intelligence to the table, not just from within the EU, but also from third countries and international organizations. As such *EFIPPP should be a critical strategic partner to AMLA in order to share information both ways and engage with non-EU authorities and the private sector.* As part of the Article 75 mandate, AMLA should work to find opportunities to grow EFIPPP further and embed the partnership within the EU and global anti-financial crime framework.

Ultimately, the proper sharing of financial intelligence can be one of the pillars of a more effective system to tackle economic crime.

For supervisors, effective PPPs and cross-border cooperation are not peripheral policy tools; they are important mechanisms to improve supervisory risk assessment, identify emerging typologies and plan more targeted supervisory actions. The opportunity for AMLA to be a hub of financial intelligence, and an enabler of its proper exchange with relevant stakeholders, should not be missed.

[48] For detailed information on these issues, please see the Deloitte/IIF 2024 White Paper and the EFIPPP Practical Guide for Operational Cooperation between Investigative Authorities and Financial Institutions, 2025

[49] AMLA, SPD, p. 34

c.The role of AMLA in the EU anti-financial crime framework

Reform of the EU AML/CFT architecture this decade saw its genesis in several factors, including high profile failures in the prevention and detection of the misuse of member state financial institutions for criminal purposes. This led the European Court of Auditors to find that institutional fragmentation and poor coordination within the EU prevented effective action against ML and TF in the banking sector. The conclusion of the audit helped pave the way for AMLA to be established to assist in correcting a system where actions were divergent, with limited tools to ensure sufficient application of frameworks at the national level.[50]

The role of the General Board of AMLA meeting in two forms – the first being made up of the heads of AML/CFT supervisory agencies for member states and the second being comprised of all member state FIUs – is designed to help better organize both supervisory action and enforcement. The responsibilities of AMLA – in direct and indirect supervision, issuing technical standards in line with the development of the AML/CFT Single Rulebook, and establishing a coordination platform for FIUs – all have the potential to correct the decentralized nature of the EU anti-financial crime architecture in order to achieve better results.

However, it has been observed that there has been no real disassembling of the system of national oversight which existed before AMLA's creation. AMLA will be one more EU authority added on to the list of institutions with AML/CFT oversight and enforcement powers including prudential, insurance, and capital market authorities in member states and at EU level.[51] Furthermore, many matters relating to police operations and the judiciary remain the bailiwick of member states, with limited supranational integration.[52]

As such, it is critical for cooperation and coordination to be embedded early in the interaction of AMLA with wider AML/CFT system across the EU to avoid continuing fragmentation, duplication, or complications in interpretation of rules, roles and responsibilities.

This will also help in furthering recommendations like those set out by the International Monetary Fund (IMF) on the need for AMLA to develop a holistic approach to risk classification and a harmonized AML/CFT supervisory methodology in close coordination with prudential authorities.[53]

First, formal arrangements for cooperation between AMLA and other authorities across the EU will help improve information exchange and coordination. In this vein, the European Central Bank (ECB) and AMLA have signed a memorandum of understanding which will form the legal basis for their interaction and support the development of shared objectives.[54] The framework lays out a methodology for, *inter alia*, information sharing and cooperation in the areas of supervisory powers and pecuniary measures. This is an important step, and similar arrangements should be utilized across the anti-financial crime ecosystem and supplemented by practical initiatives in building trust between authorities, including secondments of staff between AMLA and relevant agencies to help establish a common supervisory culture across the EU.

Leveraging existing platforms for collaboration should also be fully utilized. The EU AML/CFT supervisory colleges, for instance, are permanent collaborative structures designed to enhance cooperation among national authorities supervising cross-border financial institutions. From January 2026,

[50] 021 Special Report 13/2021, the European Court of Auditors (ECA)

[51] Hertie School, Jacque Delors Center, Markus Tiemann: *Policy Brief, Follow the Money, AMLA! – How to unleash the EU's new AML watchdog,* July 2025

[52] IBID

[53] IMF, Financial Sector Assessment Program (FSAP)

[54] ECB and AMLA (2025), *Memorandum of understanding on cooperation and information exchange between the European authority for Anti-Money Laundering and Countering the Financing of Terrorism and the European Central Bank*

the responsibility to monitor the colleges was transferred to AMLA and AMLA has the potential to increase the efficacy of the colleges, including by examining the allocation of sufficient resources to the most strategic colleges, improving efforts to identify common ML/TF risks and AML/CFT issues, and ensuring supervisors conform to a common baseline in their activities aligned with the RBA.[55]

Ultimately, harmonization of the single rulebook for AML/CFT will help lead to the greatest level of convergence across the bloc. As noted earlier, different interpretations of rules can lead to areas of criminal exploitation in the EU AML/CFT framework. If the Single Rulebook becomes simply a baseline with allowance for changes across member states, divergence will continue with deleterious implications for the strengthening of a common EU-wide approach to financial crime.

Second, AMLA's mandate to strengthen cooperation, consistency, and effectiveness among EU FIUs is critical. Operationalizing mechanisms for joint analyses, embedding harmonized technical standards, and creating a "reliable, coherent and robust framework for information exchange and cooperation"[56] will help advance greater effectiveness in breaking down silos within the Union. The potential for AMLA to be a global leader in advancing financial intelligence cooperation is also significant, however, as with the case of the Single Rulebook, ensuring harmonization of standards across FIUs with limited divergence and facilitating full use of AMLA's data ecosystem to share information on risks and threats will be foundational to success.

In addition, a strong emphasis needs to be placed on cooperation not just among FIUs, but also with and between law enforcement. An important relationship exists between AMLA, Europol, OLAF, and EuroJust in particular. Maximizing cooperation with these agencies through the anticipated working agreements covering how information is shared institutionally, strategically and operationally is an important starting point – alongside exchanging staff resources to better learn and understand from each authority. The potential, however, goes deeper with possible direct collaboration between member state law enforcement and judiciary authorities, the sharing of information directly, and the establishment of a concrete forum to identify how the centralized data input and output of AMLA can better be utilized to assist investigations and prosecutions.

Third, the role of supervision by AMLA is, by design, fragmented. AMLA will ultimately have direct supervision over roughly forty obliged entities which operate cross-border in at least six member states and present a high risk of money laundering and terrorist financing. The Authority will have indirect supervision over other non-selected institutions, and over the non-financial sector, by coordinating with national competent authorities (NCAs) and self-regulatory bodies.[57]

As this level of oversight is new and significantly larger in scope than most other financial crime authorities around the world, communication on how supervision will be conducted – especially in the non-financial sector – in practice will be a key component of driving success. AMLA's first Supervisory Strategy Papers for both direct and indirect supervision will make important milestones in this regard.[58] Defining supervisory objectives, the scope of direct supervision, the guiding principles for resource allocation and the supervisory cycle and expectations of onsite visits need to be widely telegraphed as early as possible to ensure clarity and allow adequate time for systems to be in place to adhere to new requirements.

Finally, the risk of continuing divergence is most acute concerning indirect supervision, particularly in regard to the non-financial sector. A fragmentary approach can be obviated through AMLA's work on early engagement with supervisory authorities for this sector, but also through continuing comprehensive risk analysis and exploration of gaps in member state supervision which could be exploited. Learning from third country jurisdictions on how they approach non-financial sector oversight versus their work with financial institutions will be helpful to explore (as discussed further in other contexts in Section 3d. of this paper) along with ensuring expertise is embedded within AMLA specific to non-financial sector risk.

[55] EBA: *Report on the Functioning AML/CFT Colleges,* October 2025

[56] AMLA, SPD Overview

[57] IBID

[58] AMLA, SPD Overview

d. The role of AMLA in the global anti-financial crime framework

There is much anticipation in the global AML/CFT community on what AMLA can deliver to advance the objectives of a safer and sounder financial system – not just within the borders of the EU, but also internationally in concert with third countries and international organizations.

As has been noted, the scope of AMLA's supervisory mandate, coupled with the potential for a harmonized rulebook and the collection and dissemination of large quantities of financial intelligence, make it unique among such authorities in the world. AMLA also has the potential, by design or circumstance, to have extraterritorial impact on the way standards are set and objectives pursued both globally and jurisdictionally.

As AMLA has recognized, money laundering and terrorism financing are inherently cross-border phenomena, since criminals seek to exploit gaps between jurisdictions not only within the EU, but worldwide.[59] AMLA has committed to future engagement with international stakeholders to strengthen collective resilience against evolving threats and the research for this paper has found third countries and international organizations eager to pursue cooperation with the Authority. It is recognized, however, that given the significant issues facing AMLA at the outset to become operational, efforts at the international level outside the early mandates of EU activity will likely take some time. However, for the benefit of all efforts underway to tackle financial crime more effectively and efficiently, work on a few issues should be accelerated for further consideration and action:

First, it will be important for AMLA to be cognizant of the effect its efforts will have beyond its borders. As it begins to issue required technical standards and operationalize supervision, both direct and indirect, it is key to ensure the authority is aligned with the standards, guidance and objectives of the FATF.

As we have raised previously in the global context, inconsistencies in the application of AML/CFT measures and broader anti-financial crime matters across jurisdictions

[59] AMLA, SPD, p. 24

continue to impede efforts to prevent and mitigate illicit financial flows. Issues likewise remain regarding the effectiveness of national and regional financial crime risk management regimes when set out against key goals that an effective AML/CFT system should achieve. It is often the case that countries may misinterpret both the letter and the spirit of international standards, distorting how they should be successfully applied across a nation's financial crime risk management architecture and how they should be measured regarding actual outcomes that disrupt the activities of money launderers, fraudsters and other malign actors.[60]

As noted at the outset of this paper, a consistent application of the RBA and harmonization of the Single Rulebook both in line with the FATF recommendations and guidance will be important. A lack of actual uniformity risks continuing fragmentation across member states and can also impact efforts globally toward evaluating for effectiveness versus a focus on tick-the-box compliance. This also goes further, particularly in achieving better and more uniform adherence to FATF standards and guidance on such issues as the oversight of virtual assets.

Moreover, difficulty in achieving uniformity when it comes to measuring success for financial crime risk management can stem from lack of consistency at the jurisdictional level in capturing outcomes of FATF Mutual Evaluations in national and supranational risk assessments.[61] This should also be considered as AMLA undertakes its new powers in reviewing risk across the EU.

Second, AMLA should take a leading role in the work and deliberations of the FATF. The importance of the Authority both within the EU and beyond means that regular, active engagement in both the policy and evaluation work of the FATF would be to the benefit of both parties. This will require clarification in terms of how other EU institutions, agencies and authorities – including the European Commission – work together with AMLA through the FATF to advance shared objectives, but there is a powerful opportunity to harness and coordinate the collective power of AMLA with the FATF Global Network.

In particular, *leveraging AMLA's role as hub for financial intelligence would benefit from greater collective work at the FATF on enabling information sharing.* A continuing focus on data privacy and AML/CFT authority cooperation on this issue, as noted earlier under FATF Recommendation 2, is important, but the potential development of a new FATF Recommendation consolidating work to encourage and facilitate information exchange would benefit from understanding the limitations inherent in sharing intelligence captured by the AML/CFT Database – a potentially powerful tool for third countries to leverage alongside EU member states.

Third, opportunities for coordination and collaboration with third countries should be addressed expeditiously. The establishment of international cooperation agreements with non-EU states will help establish the legal framework for collaboration between AMLA and the rest of the world. Again, the sharing of intelligence, tactical and operational mapping exercises, and coordination not just with supervisory and prudential authorities, but also law enforcement will mean opportunities for better targeting cross-border financial crime and limiting gaps in enforcement between jurisdictions.

Furthermore, formal cooperation will allow AMLA and jurisdictions to learn from each other on ways to improve output through the adoption of sound practices. This is particularly true in the area of financial technology. The use of AI, machine learning, privacy enhancing technology, and other means of utilizing innovation to improve operational and compliance activities are at different levels of advancement across the EU and around the world. Harnessing the knowledge of first movers in this area will be to the advantage of both parties.

Lastly, the communication strategy on the roll out of AMLA heading toward operationalization should be broadened internationally. As a new authority, there are many questions which arise among third countries and international organizations as to AMLA's structure, purpose, oversight capabilities, and responsibilities. How AMLA now fits into the wider ecosystem of EU bodies with AML/CFT responsibilities in particular could see greater clarity. Utilizing webinars targeted toward third countries' public and private sectors, industry and government conferences and FATF fora, would help to mitigate confusion in roles and explain avenues for interaction as AMLA builds and grows.

[60] Please see Deloitte/IIF Financial Crime White Papers 2019, 2021 and 2024 for further information.

[61] IBID

Conclusion

An effective approach for addressing financial crime is of paramount importance. AMLA can play a major role in achieving better outcomes by helping in identifying, disrupting and ultimately preventing cross-border illicit flows.

A focus on its role in establishing common standards, preventing institutional fragmentation, acting as a hub for financial intelligence – and being a key interlocutor for the private sector, third countries and international organizations – will be of benefit not just to the EU, but to the global community tasked with protecting the integrity of the financial system.

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