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Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance  
The Chair

D 200757 18.04.2018

Mr Jamal El-Hindi  
Deputy Director  
Financial Crimes Enforcement Network (FinCEN)  
U.S. Department of the Treasury  
Treasury Building  
1500 Pennsylvania Avenue,  
NW Washington, D.C.  
United States of America

**Subject:** *Questions from the Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance (TAX3) in connection to a public hearing at the European Parliament on "Combat of money-laundering in the EU banking system"*

Dear Mr Jamal El-Hindi,

On Thursday, 26 April 2018, from 9 am to 12.30 pm (Brussels time), the European Parliament Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance (TAX3) will hold a hearing on "Combat of money-laundering in the EU banking system".

The aim of the hearing is to acquire a more complete and detailed understanding of the risks posed by money laundering in the EU banking sector with a view to improving the supervisory system and reducing these risks. The hearing will thus be structured in two panels, the first devoted to examining the money laundering risks in the EU banking sector through selected examples of financial institutions which have recently raised concerns of money-laundering, and the second to evaluating the way in which checks and controls should be strengthened at EU and national level to reduce money-laundering risks.

The US Financial Crimes Enforcement Network (FinCEN) seems to have been the first to detect money-laundering activities through the Latvian ABLV Bank. In this context, the committee would be grateful if you could provide it with some information in connection to this case to understand better the working methods of your institution.

The committee is particularly interested in learning how FinCEN first suspected of the ABLV Bank being used for money-laundering activities and when it decided to take action against ABLV Bank.

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FinCEN's report on ABLV Bank includes very specific and detailed accusations against the management of the bank. In particular, the report states that it "[...] institutionalized money laundering as a pillar of the bank's business practices. ABLV's management permits the bank and its employees to orchestrate money laundering schemes; solicits high-risk shell company activity that enables the bank and its customers to launder funds; maintains inadequate controls over high-risk shell company accounts; and seeks to obstruct enforcement of Latvian anti-money laundering and combating the financing of terrorism (AML/CFT) rules in order to protect these business practices."

The committee would like to learn how FinCEN was able to detect these activities.

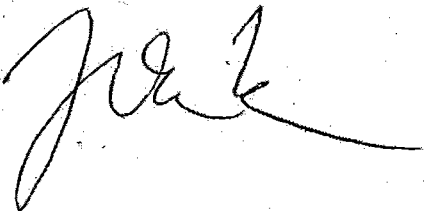
In addition to that, the committee would also like to know the number of cases of money laundering involving EU banks under investigation by the FinCEN.

I would be grateful if you could please reply to these questions preferably by Monday, 23 April 2018.

Should you need any additional information, please do not hesitate to contact Mr Francisco Ruiz-Risueño (tel.: +32 2 284 05 61, [francisco.ruizrisueno@europarl.europa.eu](mailto:francisco.ruizrisueno@europarl.europa.eu)).

I look forward to your replies. Thank you for your consideration.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'P. Ježek', with a long horizontal stroke extending to the right.

Petr Ježek

Encl.: Draft programme

**TAX3**

Special Committee on Financial Crimes, Tax Evasion and Tax Avoidance

## **PUBLIC HEARING**

### **"COMBAT OF MONEY LAUNDERING IN THE EU BANKING SYSTEM"**

**PANEL I: MONEY LAUNDERING RISKS IN THE EU BANKING SECTORS THROUGH  
SELECTED EXAMPLES**

**PANEL II: LESSONS LEARNT FOR THE EUROPEAN UNION: HOW TO STRENGTHEN  
CHECKS AND CONTROLS TO REDUCE MONEY LAUNDERING RISKS**

**THURSDAY, 26 APRIL 2018**

**9.00 - 12.30**

**Room: József Antall (JAN) 4Q1**

## **DRAFT PROGRAMME**

<b>9:00 - 9:05</b>	<b>Welcome by the TAX3 Chair</b>
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<b>9:05 - 11:00</b>	<b><u>First panel: Money laundering risks in the EU banking sectors through selected examples</u></b>
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- ABLV Bank case:
  - **Mr Peteris Putnins**, Chairman of the Financial and Capital Market Commission
  - **Mr Jamal El-Hindi**, Deputy Director Financial Crimes Enforcement Network (Proposal of Special Measure against ABLV Bank, as a Financial Institution of Primary Money Laundering Concern) (by written contribution) (tbc)
- Pilatus Bank case:
  - **Ms Marianne Scicluna**, Director General, Malta Financial Services Authority (MFSA) (accompanied by **Mr Anton Bartolo**, Director Enforcement MFSA, and by the Deputy Director Banking Supervision (name tbc))
  - **Mr Kenneth Farrugia**, Director of Maltese FIU (accompanied by **Mr Alfred Zammit**, Deputy Director, and by **Mr Alexander Mangion**, Senior Manager Legal and International Relations)

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- Danske Bank and Versobank AS cases:
  - **Andre Nõmm**, Member of the Management board of the Estonian Financial Supervision and Resolution Authority (EFSA) (accompanied by **Mr Matis Mäeker**, Anti Money-Laundering expert EFSA)

**Discussion with TAX3 Members**

**11:00 - 12:25** Second panel: Lessons learnt for the European Union: how to strengthen checks and controls to reduce money laundering risks

- **Mr Piers Haben**, Director of Banking Markets Innovation and Consumers at the European Banking Authority
- **Mr Mauro Grande**, Member of the Single Resolution Board
- **Mr Roberto Ugena**, Deputy Director General of Legal Services from the Supervisory Board at the European Central Bank

**Discussion with TAX3 Members**

**12:25 - 12:30** Conclusions by the TAX3 Chair