DRAFT OPINION

of the Committee on Constitutional Affairs

for the Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs


Rapporteur for opinion: Helmut Scholz
SHORT JUSTIFICATION

Anti Money Laundering Authority (AMLA) is a key institutional element of the package of proposals on Anti-Money-Laundering and Countering Terrorist Financing. Although the AMLA should join the family of the European Supervisory Agencies, it has very distinct roles, tasks and powers given the nature of AML/CFT mission which puts it at the nexus of supervision, law-enforcement and administrative cooperation. Your rapporteur therefore believes that in order to respond most efficiently to this mission, it is essential to enhance both internal and external governance of the new Authority, including accountability and transparency arrangements.

Due to the nature of their responsibilities, the Chair, the Vice-Chair and Executive director should be subject to stricter accountability and integrity rules and responsibilities in which the European Parliament should play a major role.

In its supervisory function, the capacity of the AMLA to ensure compliance and harmonized approach can be usefully enhanced through increased transparency and reporting measures. In its investigative function, given its crucial coordination role, its leadership of joint analysis teams should be also bolstered.

The challenges related to AML/CFT mission require the Authority to avail itself of plurality of expertise. It should therefore draw not only from the experience of the relevant EU institutions, agencies and bodies, but also from organisations outside of the EU institutional orbit. Therefore the governance mechanisms should provide for an active involvement of civil society and other organisations with relevant expertise on an ad-hoc basis as well as through establishment of a permanent advisory body drawn from the representatives of the civil society.

Finally, the proposal should guarantee that the AMLA is set up in a timely manner, in line with the principles of Joint Statement and Common Approach, and that its operation is regularly reviewed so that it has means commensurate with its missions and is able to adapt flexibly to future challenges.
AMENDMENTS

The Committee on Constitutional Affairs calls on the Committee on Economic and Monetary Affairs and the Committee on Civil Liberties, Justice and Home Affairs, as the committees responsible, to take into account the following amendments:

Amendment 1 Proposal for a regulation
Recital 6

Text proposed by the Commission

(6) Combining both direct and indirect supervisory competences over obliged entities, and also functioning as a support and cooperation mechanism for FIUs, is the most appropriate means of bringing about supervision and cooperation between FIUs at Union level. This should be achieved by creating an Authority which should combine independence and a high level of technical expertise and which should be established in line with the Joint Statement and Common Approach of the European Parliament, the Council of the European Union and the European Commission on decentralised agencies\(^{32}\).

Or. en

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Amendment

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Or. en

Amendment 2

Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) A seat agreement should be established between the Authority and the host Member State, stipulating the

Amendment

(7) A seat agreement should be established between the Authority and the host Member State, stipulating the
conditions of establishment of the seat and advantages conferred by the Member State on the Authority and its staff.

In line with Point 9 of the Common approach, the Agency should conclude a headquarters agreement with the host Member State in a timely manner before it begins its operational phase.

Amendment 3

Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) The Authority should have the opportunity to request a transfer of supervisory tasks and powers relating to a specific obliged entity on its own initiative in case of inaction or failure to follow its instructions within the provided deadline. Since the transfer of tasks and powers over an obliged entity without the specific request of the financial supervisor to the Authority would require a discretionary decision on the part of the Authority, the Authority should address a specific request to that end to the Commission. In order for the Commission to be able to take a decision coherent with the framework of the tasks allocated to the Authority within the AML/CFT framework, the request of the Authority should enclose an appropriate justification, and should indicate a precise duration of the reallocation of tasks and powers towards the Authority. The timeframe for the reallocation of powers should correspond to the time the Authority requires to deal with the risks at entity level, and should not exceed three years. The Commission should adopt a decision transferring powers and tasks for supervising the entity to the Authority swiftly, and in any case within a

Amendment

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supervising the entity to the Authority swiftly, and in any case within a month or within ten days in case he request of the Authority is identified as urgent.

Amendment 4
Proposal for a regulation
Recital 32

(32) In order to analyse suspicious activity affecting multiple jurisdictions, the relevant FIUs that received linked reports should be able to efficiently conduct joint analyses of cases of common interest. To this end, the Authority should be able to propose, coordinate and support with all appropriate means the joint analyses of cross-border suspicious transactions or activities. The joint analyses should be triggered where there is a need to conduct just such joint analyses pursuant to the relevant provisions in Union law. Upon the explicit consent of the FIUs participating in the joint analyses, the staff of the Authority supporting the conduct of joint analyses should be able to receive and process all necessary data and information, including the data and information pertaining to the analysed cases.

Amendment 5
Proposal for a regulation
Recital 37

(32) In order to analyse suspicious activity affecting multiple jurisdictions, the relevant FIUs that received linked reports should be able to efficiently conduct joint analyses of cases of common interest. To this end, the Authority should be able to propose, coordinate and support with all appropriate means the joint analyses of cross-border suspicious transactions or activities. The joint analyses should be triggered where there is a need to conduct just such joint analyses pursuant to the relevant provisions in Union law. It shall also be empowered to settle potential disagreements between the participating FIUs. The staff of the Authority coordinating the conduct of joint analyses should be able to receive and process all necessary data and information, including the data and information pertaining to the analysed cases.
(37) The establishment of a solid governance structure within the Authority is essential for ensuring effective exercise of the tasks granted to the Authority, and for an efficient and objective decision-making process. Due to the complexity and variety of the tasks conferred on the Authority in both the supervision and FIU areas, the decisions cannot be taken by a single governing body, as is often the case in decentralised agencies. Whereas certain types of decisions, such as decisions on adoption of common instruments, need to be taken by representatives of appropriate authorities or FIUs, and respect voting rules of the TFEU, certain other decisions, such as the decisions towards individual selected obliged entities, or individual authorities, require a smaller decision-making body, whose members should be subject to appropriate accountability arrangements. Therefore, the Authority should comprise a General Board, and an Executive Board composed of five full-time independent members and of the Chair of the Authority.

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Or. en

Amendment 6
Proposal for a regulation
Recital 40

Text proposed by the Commission

(40) For the purposes of voting and taking decisions, each Member State should have one voting representative. Therefore, the heads of public authorities should appoint a permanent representative as the voting member of the General Board in supervisory composition. Alternatively, depending on the subject-matter of the

Amendment

(40) For the purposes of voting and taking decisions, each Member State should have one voting representative. Therefore, the heads of public authorities should appoint a permanent representative as the voting member of the General Board in supervisory composition. Alternatively, depending on the subject-matter of the
decision or agenda of a given General board meeting, public authorities of a Member State may decide on an ad-hoc representative. The practical arrangements related to decision-making and voting by the General Board members in supervisory composition should be laid down in the Rules of Procedure of the General Board, to be developed by the Authority.

Amendment 7
Proposal for a regulation
Recital 41

Text proposed by the Commission

(41) The Chair of the Authority should chair the General Board meetings and have a right to vote when decisions are taken by simple majority. The Commission should be a non-voting member on the General Board. To establish good cooperation with other relevant institutions, the General Board should also be able to admit other non-voting observers, such as a representative of the Single Supervisory Mechanism and of each of the three European Supervisory Authorities (EBA, EIOPA and ESMA) for the General Board in its Supervisory Composition and Europol, the EPPO and Eurojust for the General Board in its FIU composition, where matters that fall under their respective mandates are discussed or decided upon. To allow a smooth decision making process, decisions of the General Board should be taken by a simple majority, except for decisions concerning draft regulatory and implementing

Amendment

(41) The Chair of the Authority should chair the General Board meetings and have a right to vote when decisions are taken by simple majority. The Commission should be a non-voting member on the General Board. A representative of the Civil Society Advisory Body should be entitled to participate as an observer. To establish good cooperation with other relevant institutions, the General Board should also be able to admit other non-voting observers, such as a representative of the Single Supervisory Mechanism and of each of the three European Supervisory Authorities (EBA, EIOPA and ESMA) for the General Board in its Supervisory Composition and Europol, the EPPO and Eurojust for the General Board in its FIU composition, where matters that fall under their respective mandates are discussed or decided upon. In order to ensure that the General Board avails itself of plurality of expertise when taking its decisions, in
technical standards, guidelines and recommendations which should be taken by a qualified majority of Member State representatives in accordance with voting rules of the TFEU.

both supervisory and FIU composition, other organisations dealing with AML/CTF should be invited in consultative capacity at its meetings. To allow a smooth decision making process, decisions of the General Board should be taken by a simple majority, except for decisions concerning draft regulatory and implementing technical standards, guidelines and recommendations which should be taken by a qualified majority of Member State representatives in accordance with voting rules of the TFEU.

Justification

The General Board should make sure that it has at its disposal broad range of expertise beyond Union institutions, bodies and agencies and invite as observers in consultative capacity organisations dealing extensively with AML/CTF issues such as Finance Watch or Transparency International.

Or. en

Amendment 8

Proposal for a regulation
Recital 42

Text proposed by the Commission

(42) The governing body of the Authority should be the Executive Board composed of the Chair of the Authority and of five full time members, appointed by the General Board based on the shortlist by the Commission. With the aim of ensuring a speedy and efficient decision making process, the Executive Board should be in charge of planning and execution of all the tasks of the Authority except where specific decisions are explicitly allocated to the General Board. In order to ensure objectivity and appropriate rapidity of the decision-making process in the area of direct supervision of the selected obliged entities, the Executive Board should take all binding decisions addressed to selected

Amendment

(42) The governing body of the Authority should be the Executive Board composed of the Chair and the Vice-Chair of the Authority and of five full time members, appointed by the General Board based on the shortlist by the Commission, after having received the approval of the European Parliament. With the aim of ensuring a speedy and efficient decision making process, the Executive Board should be in charge of planning and execution of all the tasks of the Authority except where specific decisions are explicitly allocated to the General Board. In order to ensure objectivity and appropriate rapidity of the decision-making process in the area of direct supervision of
obliged entities. In addition, together with a representative of the Commission the Executive Board should be collectively responsible for the administrative and budgetary decisions of the Authority. The consent of the Commission should be required when the Executive Board is taking decisions related to the budget administration, procurement, recruitment, and audit of the Authority, given that a portion of funding of the Authority will be provided from Union budget.

the selected obliged entities, the Executive Board should take all binding decisions addressed to selected obliged entities. In addition, together with a representative of the Commission the Executive Board should be collectively responsible for the administrative and budgetary decisions of the Authority. The consent of the Commission should be required when the Executive Board is taking decisions related to the budget administration, procurement, recruitment, and audit of the Authority, given that a portion of funding of the Authority will be provided from Union budget.

Amendment 9

Proposal for a regulation
Recital 43

Text proposed by the Commission

(43) To allow for swift decisions, all decisions of the Executive Board, including the decision where the Commission has a right to vote, should be taken by simple majority, with the Chair holding a casting vote in case of a tied vote. To ensure sound financial management of the Authority, the Commission’s consent should be required for decisions related to budget, administration and recruitment. The voting members of the Executive Board other than the Chair should be selected by the General Board, based on a short-list established by the Commission.

Amendment

(43) To allow for swift decisions, all decisions of the Executive Board, including the decision where the Commission has a right to vote, should be taken by simple majority, with the Chair holding a casting vote in case of a tied vote. To ensure sound financial management of the Authority, the Commission’s consent should be required for decisions related to budget, administration and recruitment. The voting members of the Executive Board other than the Chair or the Vice-Chair should be selected by the General Board, based on a short-list established by the Commission, after having received approval of the European Parliament. Should the Parliament consider that the selected candidates do not meet the relevant qualification criteria, the selection procedure should recommence.
Amendment 10

Proposal for a regulation
Recital 44

Text proposed by the Commission

(44) To ensure the independent functioning of the Authority the five Members of the Executive Board and the Chair of the Authority should act independently and in the interest of the Union as a whole. They should behave, both during and after their term of office, with integrity and discretion as regards the acceptance of certain appointments or benefits. To avoid giving any impression that a Member of the Executive Board might use its position as a Member of the Executive Board of the Authority to get a high-ranking appointment in the private sector after his term of office and to prevent any post-public employment conflicts of interests, a cooling-off period for the five Members of the Executive Board, including the Chair of the Authority, should be introduced.

Amendment

(44) To ensure the independent functioning of the Authority the five Members of the Executive Board and the Chair and the Vice-Chair of the Authority should act independently and in the interest of the Union as a whole. They should behave, both during and after their term of office, with integrity and discretion as regards the acceptance of certain appointments or benefits. To avoid giving any impression that a Member of the Executive Board might use its position as a Member of the Executive Board of the Authority to get a high-ranking appointment in the private sector after his term of office and to prevent any post-public employment conflicts of interests, a cooling-off period for the five Members of the Executive Board, including the Chair and Vice-Chair of the Authority, should be introduced.

Amendment 11

Proposal for a regulation
Recital 45

Text proposed by the Commission

(45) The Chair of the Authority should be appointed based on objective criteria by the Council after approval by the European Parliament. He or she should represent the Authority externally and should report on

Amendment

(45) The Chair and the Vice-Chair of the Authority should be appointed based on objective criteria by the Council after approval by the European Parliament. The candidates should be heard by the
the execution of Authority’s tasks.

competent committees prior to their approval by the Parliament. The Chair and, when he or she is prevented from attending to his duties, the Vice-Chair should represent the Authority externally and should report on the execution of Authority’s tasks.

Or. en

Amendment 12
Proposal for a regulation
Recital 46

Text proposed by the Commission
(46) The Executive Director of the Authority should be appointed by the Executive Board based on a shortlist from the Commission. The Executive Director of the Authority should be a senior administrative official of the Authority, in charge of the day-to-day management of the Authority, and responsible for budget administration, procurement, and recruitment and staffing.

Amendment
(46) The Executive Director of the Authority should be appointed by the Executive Board based on a shortlist from the Commission after approval by the European Parliament. The Executive Director of the Authority should be a senior administrative official of the Authority, in charge of the day-to-day management of the Authority, and responsible for budget administration, procurement, and recruitment and staffing.

Or. en

Amendment 13
Proposal for a regulation
Recital 46 a (new)

Text proposed by the Commission
(46a) To ensure close involvement of the representatives of the civil society, given the nature and extent of the powers exercised by the Authority, it should set up a Civil Society Advisory Body, with the support of the Commission. Its composition should be determined by the
General Board after consultation of the European Parliament. Such advisory body should be consulted regularly, and in any case whenever the Authority is required by the regulation to conduct public consultation with regard to the adoption of regulatory technical standards, implementing technical standards or when issuing guidelines and recommendations. Such consultation should be conducted unless justified on the grounds of urgency or proportionality. The Body's members should offer guarantees of acting in independent and objective manner and be provided with sufficient resources and expertise commensurate with its tasks.

Or. en

Amendment 14
Proposal for a regulation
Recital 56

Text proposed by the Commission

(56) Without prejudice to the confidentiality obligations that apply to the Authority’s staff and representatives in accordance with the relevant provisions in Union law, the Authority should be subject to Regulation (EC) No 1049/2001 of the European Parliament and of the Council. In line with the confidentiality and professional secrecy restrictions related to supervisory and FIU support and coordination tasks of the Authority, such access should not be extended to confidential information handled by the staff of the Authority. In particular, any operational data or information related to such operational data of the Authority and of the EU FIUs that is in the possession of the Authority due to carrying out the tasks and activities related to support and coordination of FIUs should be deemed as

Amendment

(56) Without prejudice to the confidentiality obligations that apply to the Authority’s staff and representatives in accordance with the relevant provisions in Union law, the Authority should be subject to Regulation (EC) No 1049/2001 of the European Parliament and of the Council and apply its principles in the light of the relevant jurisprudence of the Court of Justice. In line with the confidentiality and professional secrecy restrictions related to supervisory and FIU support and coordination tasks of the Authority, such access should not be extended to confidential information handled by the staff of the Authority. In particular, any operational data or information related to such operational data of the Authority and of the EU FIUs that is in the possession of the Authority due to carrying out the tasks
confidential. With regard to supervisory tasks, access to information or data of the Authority, the financial supervisors, or the obliged entities obtained in the process of carrying out the tasks and activities related to direct supervision should in principle also be treated as confidential and not subject to any disclosure. However, confidential information listed that relates to a supervisory procedure can be fully or partially disclosed to the obliged entities which are parties to such supervisory procedure, subject to the legitimate interest of legal and natural persons other than the relevant party, in the protection of their business secrets.

In order to allow for the public and other institutions to scrutinize the handling of the implementation of the Regulation (EC) No 1049/2001, the Authority should issue an annual report on its implementation with regard to the access to documents held by it.


Amendment 15

Proposal for a regulation
Article 30 – paragraph 5 – point c a (new)

Text proposed by the Commission

Amendment

(ca) an assessment of the urgency underlying such request;
Justification

AM is intended to provide for possibility to request the Commission to take decision on urgent cases under short deadlines - same as those provided to the national financial supervisor to respond and to the Authority to submit a request for a direct supervision.

Or. en

Amendment 16

Proposal for a regulation
Article 30 – paragraph 6

Text proposed by the Commission
6. The Commission shall have one month from the date of receipt of the request from the Authority to adopt a decision whether to authorise the transfer of the relevant tasks and powers or to oppose it. The decision shall be notified to the Authority, which shall immediately inform the financial supervisor and the non-selected obliged entity thereof.

Amendment
6. The Commission shall have one month from the date of receipt of the request from the Authority to adopt a decision whether to authorise the transfer of the relevant tasks and powers or to oppose it. When the request from the Authority is accompanied by an assessment that such transfer of tasks and competences is urgent, Commission shall have ten days from the date of receipt to adopt the decision. The decision shall be notified to the Authority, which shall immediately inform the financial supervisor and the non-selected obliged entity thereof.

Justification

AM is intended to provide for possibility to request the Commission to take decision on urgent cases under short deadlines - same as those provided to the national financial supervisor to respond and to the Authority to submit a request for a direct supervision.

Or. en

Amendment 17

Proposal for a regulation
Article 33 – paragraph 1 a (new)
Text proposed by the Commission

1a. The Authority shall be responsible for the establishment and the composition of joint analysis team, for the coordination of the conduct of joint analysis and shall be empowered to settle potential disagreements between participating FIUs.

Justification

Authority bears primary responsibility for the coordination and has to ensure according to paragraph 1 that the joint analysis is launched within 20 days of notification. It should therefore be given responsibility for coordination, conduct and settlement of disagreements between FIUs.

Amendment 18

Proposal for a regulation
Article 33 – paragraph 3

Text proposed by the Commission

3. Upon explicit consent of the FIUs participating in the joint analysis, the staff of the Authority supporting the joint analysis shall be granted access to all the data pertaining to the subject-matter of the joint analysis and shall be able to process those data.

Justification

Due to its responsibility for the conduct of the joint analyses, the Authority's staff participating should be automatically granted access to all the data collected by the joint analysis teams.
Amendment 19

Proposal for a regulation
Article 43 – paragraph 3 – subparagraph 3

Text proposed by the Commission

The Authority shall publish the fact that a supervisory authority does not comply or does not intend to comply with that guideline or recommendation. The supervisory authority may also decide, on a case-by-case basis, to publish the reasons provided by the supervisory authority for not complying with that guideline or recommendation. The supervisory authority shall receive advanced notice of such publication.

Amendment

The Authority shall publish the fact that a supervisory authority does not comply or does not intend to comply with that guideline or recommendation and the reasons provided by the supervisory authority for not complying with that guideline or recommendation.

Justification

In order to enhance the independence of the Authority and transparency of its decisions there should be no discretion whether to publish the reasons given by the national supervisory authorities.

Or. en

Amendment 20

Proposal for a regulation
Article 43 – paragraph 3 – subparagraph 3 a (new)

Text proposed by the Commission

In the report on its activities referred to in Article 72(2), the Authority shall inform the European Parliament, the Council and the Commission of the guidelines and recommendations that it has issued, stating which national authority has not complied with them and outlining how the Authority intends to ensure that its recommendations and guidelines will be followed in the future.
Justification

In order to enhance the Authority's transparency and enhance harmonised approach, it should include in its annual report information on the guidelines and recommendations it has issued and define steps to enhance future compliance.

Amendment 21

Proposal for a regulation
Article 45 – paragraph 1 – point 4 a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>(4a) a Civil Society Advisory Body, which shall exercise the tasks set out in Article -60</td>
<td></td>
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</tbody>
</table>

Justification

In order to advise the Authority efficiently, the Civil Society Advisory Body should be established according to Article -60

Amendment 22

Proposal for a regulation
Article 46 – paragraph 2 – subparagraph 1 – point c a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>(c a) one representative of the Civil Society Advisory Body, without the right to vote;</td>
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</tbody>
</table>

Amendment 23

Proposal for a regulation
Article 46 – paragraph 2 – subparagraph 2
The heads of the supervisory authorities referred to in the first subparagraph, point (b) in each Member State shall share a single vote and shall agree on a single common representative for each meeting and voting procedure. That common representative shall be the ad-hoc voting member for the purposes of that meeting or voting procedure. The public authorities in a Member State may also agree on a single permanent common representative who shall be a permanent voting member. Where items to be discussed by the General Board in supervisory composition concern the competence of several public authorities, the ad-hoc or permanent voting member may be accompanied by a representative from up to two other public authorities, who shall be non-voting.

Justification

Where several entities in the Member State are entitled to perform supervisory tasks, they should select their representative to the General Board in respect of the principle of gender balance.

Amendment 24

Proposal for a regulation
Article 46 – paragraph 4

The General Board may decide to admit observers. In particular, the General Board in FIU composition shall admit as an observer a representative of OLAF, Europol, Eurojust and the EPPO to meetings when matters fall under their

Amendment

The General Board may avail itself with expertise of other union institutions, agencies, bodies and offices as well as other organisations dealing with AML/CFT issues. The General Board may decide to admit observers. In particular, the
respective mandates. The General Board in supervisory composition shall admit a representative nominated by the Supervisory Board of the European Central Bank and a representative of each of the European Supervisory Authorities, where matters within the scope of their respective mandates are discussed. General Board in FIU composition shall admit as an observer a representative of OLAF, Europol, Eurojust and the EPPO to meetings when matters fall under their respective mandates. The General Board in supervisory composition shall admit a representative nominated by the Supervisory Board of the European Central Bank and a representative of each of the European Supervisory Authorities, where matters within the scope of their respective mandates are discussed. The General Board in both compositions shall invite representatives of organisations dealing with AML/CTF issues where the matters discussed fall within their respective areas of expertise.

Justification

It is essential that prior to take decisions the General Board in both supervisory and FIU composition avails itself of plurality of expertise not only from Union institutions, bodies and agencies, but also from other organisations, including civil society organisations which possess such expertise relevant to AML/CTF, such as Finance Watch or Transparency International.

Or. en

Amendment 25

Proposal for a regulation

Article 52 – paragraph 1 – point a

Text proposed by the Commission

(a) the Chair of the Authority;

Amendment

(a) the Chair and the Vice-Chair of the Authority;

Justification

Considering that Vice-Chair is by the regulation empowered to exercise the tasks of the Chair on its behalf their appointment, accountability, transparency and integrity obligation should be the same.

Or. en
Amendment 26
Proposal for a regulation
Article 52 – paragraph 6

Text proposed by the Commission

6. If one or more of the members of the Executive Board, except for the Chair of the Authority, no longer fulfil the conditions required for the performance of his or her duties or has been guilty of serious misconduct, the General Board may, following a proposal by the Commission, remove any of the members of the Executive Board from office.

Amendment

6. If one or more of the members of the Executive Board, except for the Chair and the Vice-Chair of the Authority, no longer fulfil the conditions required for the performance of his or her duties or has been guilty of serious misconduct, the General Board may, following a proposal by the Commission, remove any of the members of the Executive Board from office.

Justification

Considering that Vice-Chair is by the regulation empowered to exercise the tasks of the Chair on its behalf, the procedure for their appointment, as well accountability, transparency and integrity obligations should be identical.

Or. en

Amendment 27
Proposal for a regulation
Article 52 – paragraph 7 – subparagraph 1 – introductory part

Text proposed by the Commission

7. During a period of one year after ceasing to hold office, the former members of the Executive Board, including the Chair of the Authority, are prohibited from engaging in a gainful occupational activity with

Amendment

7. During a period of two years after ceasing to hold office, the former members of the Executive Board, including the Chair and the Vice-Chair of the Authority, are prohibited from engaging in a gainful occupational activity with

Justification

Considering that Vice-Chair is by the regulation empowered to exercise the tasks of the Chair on its behalf, the procedure for their appointment, as well accountability, transparency and integrity obligations should be identical.

Or. en
Amendment 28
Proposal for a regulation
Article 53 – paragraph 5

Text proposed by the Commission

Amendment

5. The Executive Board shall select a Vice-Chair of the Authority among its voting members. The Vice-Chair shall automatically replace the Chair, if the latter is prevented from attending to his/her duties.

Justification

Considering that Vice-Chair is by the regulation empowered to exercise the tasks of the Chair on its behalf, the procedure for their appointment should be the same.

Or. en

Amendment 29
Proposal for a regulation
Chapter III – Section 3 – title

Text proposed by the Commission

Amendment

3 THE CHAIR OF THE AUTHORITY

THE CHAIR AND VICE-CHAIR OF THE AUTHORITY

Or. en

Amendment 30
Proposal for a regulation
Article 56 – title

Text proposed by the Commission

Amendment

Appointment of the Chair of the Authority

Appointment of the Chair and of the Vice-Chair of the Authority
Amendment 31

Proposal for a regulation
Article 56 – paragraph 1

Text proposed by the Commission

1. The Chair of the Authority shall be selected on the basis of merit, skills, knowledge, recognised standing and experience in the area of anti-money laundering and countering the financing of terrorism and other relevant qualification, following an open selection procedure which shall be published in the Official Journal of the European Union. The Commission shall draw up a shortlist of two qualified candidates for the position of the Chair of the Authority. The Council, after approval by the European Parliament, shall adopt an implementing decision to appoint the Chair of the Authority.

Amendment

1. The Chair and the Vice-Chair of the Authority shall be selected on the basis of merit, skills, knowledge, recognised standing and experience in the area of anti-money laundering and countering the financing of terrorism and other relevant qualification, following an open selection procedure, which shall respect the principle of gender balance and shall be published in the Official Journal of the European Union. The Commission shall draw up a shortlist of four qualified candidates for the position of the Chair and Vice-Chair of the Authority. Before the approval, the candidate(s) shall be heard by the competent committee(s) of the European Parliament. After conducting hearings, the European Parliament shall select one of those candidates for each position. The Council, after approval by the European Parliament, shall adopt an implementing decision to appoint the Chair and the Vice-Chair of the Authority.

Where the European Parliament is of the opinion that none of the shortlisted candidates sufficiently fulfils the qualifications set out in the first subparagraph, the open selection procedure will recommence.

Justification

Considering that Vice-Chair is by the regulation empowered to exercise the tasks of the Chair on its behalf, the procedure for their appointment, as well accountability, transparency and integrity obligations should be identical.
Amendment 32
Proposal for a regulation
Article 56 – paragraph 1 a (new)

Text proposed by the Commission

1a. The Vice-Chair shall automatically replace the Chair, if the latter is prevented from attending to his/her duties.

Amendment

Amendment 33
Proposal for a regulation
Article 56 – paragraph 2

Text proposed by the Commission

2. If the Chair of the Authority no longer fulfils the conditions required for the performance of his or her duties or has been guilty of serious misconduct, the Council may, following a proposal by the General Board in either composition, adopt an implementing decision to remove the Chair of the Authority from office. The Council shall act by qualified majority.

Amendment

2. If the Chair or the Vice-Chair of the Authority no longer fulfils the conditions required for the performance of his or her duties or has been guilty of serious misconduct, the Council may, following a proposal by the General Board in either composition, and after consultation of the European Parliament, adopt an implementing decision to remove the Chair or the Vice-Chair of the Authority from office. The Council may also decide to deprive the Chair or the Vice-Chair of his or her right to a pension or other benefits in case he or she is found guilty of serious misconduct. The Council shall act by qualified majority.
Amendment 34
Proposal for a regulation
Article 58 – paragraph 4

Text proposed by the Commission

4. The Executive Director shall be selected on the grounds of merit and documented high-level administrative, budgetary and management skills, following an open selection procedure which shall be published in the Official Journal of the European Union, and, as appropriate, other press or internet sites. The Commission shall draw up a shortlist of two qualified candidates for the position of the Executive Director. The Executive Board shall appoint the Executive Director.

Amendment

4. The Executive Director shall be selected on the grounds of merit and documented high-level administrative, budgetary and management skills, following an open selection procedure, which shall respect the principle of gender balance and which shall be published in the Official Journal of the European Union, and, as appropriate, other press or internet sites. The Commission shall draw up a shortlist of two qualified candidates for the position of the Executive Director. After the approval by the European Parliament, the Executive Board shall appoint the Executive Director. Where the European Parliament is of the opinion that none of the shortlisted candidates sufficiently fulfils the qualifications set out in the first subparagraph, the open selection procedure will recommence.

Justification

Amendment proposes procedure equivalent to the appointment of the Chair and Vice-Chair, the Executive Board shall appoint the Executive Director after the approval of the Parliament.

Or. en

Amendment 35
Proposal for a regulation
Article 58 – paragraph 5 – subparagraph 2

Text proposed by the Commission

The Executive Director may be removed from office by the Executive Board on proposal by the Commission.

Amendment

The Executive Director may be removed from office by the Executive Board on proposal by the European Parliament or
by the Commission.

Justification

While Executive Board has the ultimate responsibility for the dismissal of the Executive Director, Parliament should be given the same right of initiative as the Commission in this process.

Amendment 36
Proposal for a regulation
Chapter III – Section 4 a (new) – title

Text proposed by the Commission  
Amendment

CIVIL SOCIETY ADVISORY BODY

Amendment 37
Proposal for a regulation
Article 59 a (new)

Text proposed by the Commission  
Amendment

Article 59a
Civil Society Advisory Body

Justification

Establishment of the Civil Society Advisory Body aims to include representatives of the civil society in the governance system of the Authority in an advisory capacity, with rights of participation at the meetings of the General Board. Given the role and responsibilities, provisions should be made for their access to relevant resources as well as expertise, but also for the management of the potential conflicts of interest.

Or. en
Amendment 38
Proposal for a regulation
Article 59 a – paragraph 1 (new)

Text proposed by the Commission

Amendment

1. The Authority shall establish a Civil Society Advisory Body for the purpose of advising it when exercising its powers listed in Article 38, 42 and 43.

Or. en

Amendment 39
Proposal for a regulation
Article 59 a – paragraph 2 (new)

Text proposed by the Commission

Amendment

2. The General Board shall determine the composition of the Civil Society Advisory Body upon the recommendation of the Commission and after consultation of the European Parliament.

Or. en

Amendment 40
Proposal for a regulation
Article 59 a – paragraph 3 (new)

Text proposed by the Commission

Amendment

3. The Civil Society Advisory Body shall be consulted, whenever the Authority or the Commission is required to conduct public consultations in particular with regard to the adoption of regulatory technical standards under Article 38(1) and (3), implementing technical standards under Article 42(1)
and (3) and guidelines and recommendations under Article 43(2), unless such consultation is disproportionate in relation to the particular urgency of the matter. If such consultation is not conducted, the Authority or the Commission respectively shall clearly justify such decision.

Amendment 41
Proposal for a regulation
Article 59 a – paragraph 4 (new)

Text proposed by the Commission

Amendment

4. When carrying out the tasks conferred upon them by this Regulation, the members of the Civil Society Advisory Body shall act independently and objectively in the sole interest of the Union as a whole and shall neither seek nor take instructions from Union institutions, bodies, offices nor agencies from any government or any other public or private body.

Amendment 42
Proposal for a regulation
Article 59 a – paragraph 5 (new)

Text proposed by the Commission

Amendment

5. The Civil Society Advisory body shall be provided with sufficient resources and expertise to assess the exercise of the powers of the Authority under this Regulation.
Amendment 43

Proposal for a regulation
Article 59 a – paragraph 6 (new)

Text proposed by the Commission

Amendment

6. The General Board shall lay down the practical arrangements for the prevention and the management of conflict of interest of the members of the Civil Society Advisory Body.

Or. en

Amendment 44

Proposal for a regulation
Article 72 – paragraph 2

Text proposed by the Commission

Amendment

2. The Authority shall submit on an annual basis to the European Parliament, to the Council, and to the Commission a report on the execution of the tasks conferred on it by this Regulation, including information on the planned evolution of the structure and amount of the supervisory fees referred to in Article 66. The Chair of the Authority shall present that report in public to the European Parliament.

2. The Authority shall submit on an annual basis to the European Parliament, to the Council, and to the Commission a report on the execution of the tasks conferred on it by this Regulation, including information on the planned evolution of the structure and amount of the supervisory fees referred to in Article 66 as well on guidelines and recommendations it has issued following the procedure foreseen in Article 43. The Chair of the Authority shall present that report in public to the European Parliament.

Justification

To increase the transparency of the Authority's actions and in order to assess the compliance with the guidelines and recommendation it has issued, specific provision should be made to this effect in the content of its annual report.

Or. en
Amendment 45

Proposal for a regulation
Article 72 – paragraph 4

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tr>
<td>4. The Authority shall reply orally or in writing to questions put to it by the European Parliament.</td>
<td>4. The Authority shall reply orally or in writing to questions put to it by the European Parliament as soon as possible and in any case at the latest within five weeks of their notification to the Authority.</td>
</tr>
</tbody>
</table>

Justification

Parliament should be able to set a deadline for the answers given by the Authority, similarly to the established practice with other European Supervisory Authorities.

Or. en

Amendment 46

Proposal for a regulation
Article 77 – paragraph 2

<table>
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<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<td>2. When drafting guidelines and recommendations in accordance with Article 43, having a significant impact on the protection of personal data, the Authority shall closely cooperate with the European Data Protection Board established by Regulation (EU) 2016/679 to avoid duplication, inconsistencies and legal uncertainty in the sphere of data protection.</td>
<td>2. When drafting guidelines and recommendations in accordance with Article 43, having a significant impact on the protection of personal data, the Authority shall closely cooperate with the European Data Protection Board established by Regulation (EU) 2016/679.</td>
</tr>
</tbody>
</table>

Justification

Objectives of the cooperation are restrictive with regard to the extent of the EDPB mandate.

Or. en
Amendment 47

Proposal for a regulation
Article 82 – paragraph 5

*Text proposed by the Commission*

5. The Executive Board shall adopt practical measures for applying Regulation (EC) No 1049/2001 and the rules regarding disclosure of information relating to supervisory procedures.

*Amendment*

5. The Executive Board shall adopt practical measures for applying Regulation (EC) No 1049/2001 and the rules regarding disclosure of information relating to supervisory procedures. The Authority shall publish an annual report on the implementation of the Regulation for the preceding year.

*Justification*

Due to the lack of updated legal regime based on Article 15(3) TEU, the Regulation 1049/2001 does not automatically apply to the authority. The Regulation sets number of particular restrictions with regard to access to documents held by it. To increase the transparency in that regard, the Authority should publish an annual report on the implementation of the Regulation, in order to assess the implementation of its provisions, including most recent jurisprudence, in particular with regard to the exceptions to the disclosure.

Or. en

Amendment 48

Proposal for a regulation
Article 88 – paragraph 1 – introductory part

*Text proposed by the Commission*

3. By 31 December 2029, and every five years thereafter, the Commission shall assess the Authority’s performance in relation to its objectives, mandate, tasks and location(s), in accordance with the Commission's guidelines. The evaluation shall, in particular, address:

*Amendment*

1. By 31 December 2028, and every three years thereafter, the Commission shall assess the Authority’s performance in relation to its objectives, mandate, tasks and location(s), in accordance with the Commission's guidelines. The evaluation shall, in particular, address:

Or. en