Consultation Paper

Draft Regulatory Technical Standards on the conditions for the functioning of the AML/CFT colleges in the financial sector under Article 49(14) of Directive (EU) 2024/1640

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1 Responding to this consultation

The Authority for Anti-Money Laundering and Countering the Financing of Terrorism ('AMLA') invites comments on all proposals set out in this Consultation Paper and in particular on the specific questions summarised in Section 5.2.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices AMLA should consider.

1.1 Data protection

The protection of individuals with regard to the processing of personal data by AMLA is based on Regulation (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the Legal notice section of the AMLA website.

1.2 Who should read this paper?

All interested stakeholders are invited to read this Consultation Paper. AMLA welcomes participation from all interested stakeholders to the public consultation.

2 Executive Summary

Article 49(14) of Directive (EU) 2024/1640 requires AMLA to draft regulatory technical standards ('RTS') specifying the general conditions for the functioning of the AML/CFT colleges in the financial sector, specifying:

a) the general conditions for the functioning, on a risk-sensitive basis, of the AML/CFT supervisory colleges in the financial sector, including the terms of cooperation between permanent members and with observers, and the operational functioning of such colleges;
b) the template for the written agreement to be signed by financial supervisors pursuant to Article 49(8) of Directive (EU) 2024/1640;
c) any additional measure to be implemented by the colleges when groups include obliged entities in the non-financial sector;
d) conditions for the participation of financial supervisors in third countries.

Cooperation between national supervisors is essential to promoting a consistent and effective supervisory approach across the Union. To strengthen such cooperation, Directive (EU) 2024/1640 requires the setting-up of AML/CFT colleges in the financial sector pursuant to the specified by Article 49(1) and 49(8). In line with the risk-based approach underpinning the Union AML/CFT framework, the activities of AML/CFT colleges should be proportionate to the level of risk to which the credit or financial institutions concerned are exposed, and to the scale of their cross-border activity. The mandate in Article 49(14) Directive (EU) 2024/1640 aims to establish a common framework for AML/CFT colleges that promotes a risk-based and coordinated approach to AML/CFT supervision by shaping the organisation and functioning of AML/CFT colleges in an effective manner that considers that obliged entities and the groups concerned may encompass significant differences in terms of their ML/TF risk profile and the scale of their cross-border activities.

The draft RTS ensures a proportionate and risk-based approach, determining the appropriate frequency, format and intensity of AML/CFT college activities and demonstrates a commitment to simplification by introducing common criteria and indicators, including standardized cooperation arrangements between permanent members and observers, to support the consistent functioning of AML/CFT colleges across the Union.

In preparing this consultation paper, AMLA sought and considered input from national competent authorities, through its Task Force on Cooperation.

2.1 Next steps

This Consultation Paper is published for a one-month period. AMLA will consult on the proposed draft RTS by holding a public hearing on 14 December 2026.

3 Background and rationale

Article 49 of Directive (EU) 2024/1640 ('AMLD') sets out the criteria for the establishment of AML/CFT colleges, namely the requirement that such colleges be established for credit institutions or financial institutions, including groups thereof, with establishments in at least two Member States in addition to the Member State where the parent undertaking is established.

Article 49(14) AMLD requires AMLA to issue draft Regulatory Technical Standards (RTS) on the conditions for the functioning of the AML/CFT colleges in the financial sector. The purpose of the RTS is to set out the additional rules and requirements governing AML/CFT colleges in the financial sector. This draft RTS covers four aspects:

a) General conditions for the functioning of AML/CFT supervisory colleges in the financial sector;
b) Terms of cooperation between permanent members of the AML/CFT college;
c) Terms of cooperation with observers of the AML/CFT college;
d) Conditions for the participation of financial supervisors in third countries.

The establishment of AML/CFT colleges is not an innovation introduced by AMLD. AML/CFT colleges were originally established following the publication of the Joint Guidelines (JC 2019 81) on cooperation and information exchange between competent authorities supervising credit and financial institutions under the Directive (EU) 2015/849 ("the Joint Guidelines"), issued by the European Supervisory Authorities (ESAs) in December 2019. The conditions for the establishment of AML/CFT colleges set out in the AMLD are, to a large extent, aligned with those already provided for in the Joint Guidelines. As a result, a large number of AML/CFT colleges have already been established and are operational. AMLD builds on this framework by establishing AML/CFT colleges as a statutory component of the Union AML/CFT supervisory framework, while expanding participation to a wider range of stakeholders.

The draft RTS forms part of a wider set of AMLA instruments designed to ensure the effective functioning of AML/CFT colleges and relies on coordination and information exchange with related frameworks addressing AML/CFT colleges composition, establishments identification, supervisory methodologies, thereby enhancing the consistency and effectiveness of the EU AML/CFT supervisory system.

3.1 General Considerations

One of AMLA's key objectives is to prevent the use of the Union's financial system for ML/TF purposes by ensuring high-quality AML/CFT supervision and contributing to supervisory convergence across the internal market. This proposed draft RTS plays a central role in achieving that objective. Once applied it will ensure that AML/CFT colleges in the financial sector are established and function consistently for non-selected obliged entities operating establishments in several Member States.

General considerations underpinning the proposed draft RTS were the following:

- AML/CFT colleges will remain a key cooperation tool under the new legislative framework,
- It is envisaged that AML/CFT colleges operate effectively and consistently across the Union,
- AML/CFT colleges shall bring together AML/CFT supervisors from different Member States and facilitate the timely identification of cross-cutting AML/CFT issues and risks as well as the assessment for the need for coordinated or joint supervisory actions;
- AMLA is committed to contributing to greater supervisory convergence and consistency in the application of AML/CFT requirements; and
- strengthen the effectiveness of the EU AML/CFT supervisory system as a whole.

While building on the 2019 Joint Guidelines, and the lessons learnt from the operation of AML/CFT colleges in the financial sector, the proposed draft RTS introduces several provisions to address where the functioning of colleges could be further improved.

In particular, the draft RTS seeks to strengthen the application of a risk-based approach to the organisation and functioning of AML/CFT colleges in the financial sector, ensuring that arrangements such as the frequency and format of meetings are proportionate to the ML/TF risks posed by the credit or financial institution, or group thereof. In addition, it is envisaged that AML/CFT colleges in the financial sector produce more meaningful and systematic discussions among competent authorities, including the identification of cross-cutting issues, the assessment of the need for coordinated or joint actions, and enhanced information collection and analysis before and during college meetings. Finally, the draft RTS covers the challenges relating to the mapping exercise to ensure a consistent identification of cases requiring the establishment of a college.

3.1.1 IMPLEMENTING THE RISK-BASED APPROACH TO THE FUCTIONING OF AML/CFT COLLEGES

Notwithstanding the effectiveness of AML/CFT colleges as a tool for national competent authorities to exchange information and enhance the effectiveness of cross-border credit or financial institutions' supervision, it has been observed that the functioning of AML/CFT colleges in the financial sector is not always adapted to the level of ML/TF risk they presented or the characteristics of the college. As a result, the means used to exchange information and the frequency at which the information is exchanged have not always proved the most effective. In addition, lead supervisors could not always allocate sufficient human resources to the most strategic colleges, leading in some instances to the absence of some members in certain colleges.

The draft RTS seeks to establish a common framework for AML/CFT colleges that promotes a more risk-based and coordinated approach to AML/CFT supervision by shaping the organisation and functioning of AML/CFT colleges in a manner that is proportionate to the ML/TF risk profile of the entities or groups concerned. The objective of applying the risk-based approach to the organisation of colleges, calibrated to the residual ML/TF risk profile of the relevant credit or financial institution, or group thereof, is reflected throughout the draft RTS. At the same time, the draft RTS preserves the necessary flexibility for college members to determine the most appropriate arrangements for college meetings in accordance with Article 9.

3.1.2 IDENTIFICATION OF AREAS MERITING COORDINATED ACTION BETWEEN PERMANENT MEMBERS OF THE AML/CFT COLLEGE

AML/CFT colleges are permanent cooperation structures that bring together AML/CFT supervisors from different jurisdictions to facilitate the exchange of information, coordinate supervisory activities, and enable college members to identify common ML/TF risks and AML/CFT issues. Moreover, AML/CFT colleges also provide a forum for competent authorities to coordinate the actions necessary to address such risks and issues effectively.

Where a college fails to adequately consider these aspects and is unable to identify risks and/or issues that warrant a coordinated supervisory response, the effective monitoring and oversight of internationally active groups may be compromised.

In this regard, the draft RTS seeks to support the effective functioning of AML/CFT colleges by establishing common arrangements for their functioning and operation. In particular, it promotes a common approach among college members, facilitates coordinated supervisory action across jurisdictions, and ensures consistency in the conduct of college activities while providing appropriate safeguards for the exchange of information where necessary.

By promoting a framework that enhances the use of AML/CFT colleges to address common risks and issues in a coordinated manner, the draft RTS will ultimately result in an overall enhancement of the effectiveness of AML/CFT colleges in the financial sector.

3.1.3 IDENTIFICATION OF SITUATIONS REQUIRING THE ESTABLISHMENT OF AML/CFT COLLEGES

Compliance with the requirements for the establishment of AML/CFT colleges pursuant to Article 49 AMLD is intrinsically linked to the adoption of common principles that promote supervisory convergence and reduce fragmentation in the identification of establishments of credit and financial institutions, including groups thereof, across Member States and third countries.

While Article 3 of the draft RTS sets out the general information on the structure of a credit or financial institution, or group thereof, that competent authorities are required to obtain and keep up to date, the draft RTS further strengthens the supervision of complex cross-border credit or financial institutions, including groups thereof, by introducing additional arrangements for AML/CFT colleges overseeing groups that include both financial and non-financial obliged entities. In particular, it requires the identification of the relevant non-financial AML/CFT supervisors, on a best effort basis, and their invitation to participate in college meetings as observers, where appropriate.

Given the diversity of group structures, business models, and supervisory practices across sectors, the draft RTS seeks to facilitate a coordinated understanding of group-wide AML/CFT risks and vulnerabilities and to promote coherent and consistent supervisory responses. To this end, it establishes a framework for the exchange of relevant information between college members and observers, while ensuring appropriate safeguards for confidentiality and information sharing.

In particular, the draft RTS sets out the conditions governing the participation of third-country authorities in AML/CFT colleges and provides a standard template for the written cooperation and information-sharing agreements referred to in Article 23.

4 Draft regulatory technical standards

COMMISSION DELEGATED REGULATION (EU) …/...

of DATE

supplementing Directive (EU) 2024/1640 of the European Parliament and of the Council with regard to regulatory technical standards specifying the conditions for the functioning of the AML/CFT colleges in the financial sector

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849[1], and in particular Article 49(14) thereof,

Whereas:

(1) Pursuant to Article 49(14), point (a) of Directive (EU) 2024/1640, the terms of cooperation between permanent members and with observers are set out in this Regulation, thereby allowing uniformity of modalities of cooperation and avoiding the need of negotiation and conclusion of terms of cooperation by the participants to the college.

(2) The scope of this Regulation encompasses three distinct situations provided for in Article 49 of Directive (EU) 2024/1640. First, it covers the mandatory establishment of AML/CFT supervisory colleges pursuant to Article 49(1)(a) where a credit institution or financial institution, including groups thereof, has set up establishments in at least two Member States other than the Member State of its head office. Second, it covers mandatory colleges pursuant to Article 49(1)(b) where a third-country credit institution or financial institution has set up establishments in at least three Member States. Third, it covers colleges that may be established pursuant to Article 49(8) where a credit institution or financial institution established in the Union has set up establishments in at least two third countries.

(3) The functioning of AML/CFT colleges (hereinafter also referred as 'AML/CFT Supervisory Colleges') should be risk-based. The frequency and form of meetings, as well as the depth of information exchange, should be calibrated to the residual ML/TF risk profile of the institution or group concerned. This proportionality should allow for flexibility, including the possibility of carrying out college activities by written procedure, provided that doing so is documented and agreed among permanent members.

(4) The AML/CFT database should play a central role in facilitating information-sharing within AML/CFT colleges. Where information reported to AMLA through that database is relevant to the

[1] Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive(EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 (Text with EEA relevance), OJ L, 2024/1640, 19.6.2024, ELI: http://data.europa.eu/eli/dir/2024/1640/oj.

activities and objectives of a college, such information should, to the extent possible and subject to applicable confidentiality and data protection requirements, be made available to the members of that college. Given that the current use of multiple platforms for the exchange of documents within AML/CFT colleges entails several challenges, the AML/CFT database should also play a role to serve as a central repository and document-sharing platform for the purposes of the college framework.

(5) College meetings should be structured to promote effective information exchange and lead to clear, documented outcomes. To that end, agendas should be targeted and focused, with a clear statement of purpose and desired outcomes, and meeting materials should be circulated to participants sufficiently in advance. Where information requests are circulated ahead of the meeting, they should, to the greatest extent possible, align criteria and indicators so as to allow meaningful comparison of supervisory risk and data across cross-border establishments. Where the institution or group includes obliged entities active in specific sectors, the request shall incorporate indicators relevant to the specific ML/TF risks associated with those sectors. The lead supervisor shall ensure that all criteria and indicators are interpreted consistently across all college participants, thereby enabling a coherent and comparative assessment of risk data across cross-border establishments. Meetings should, where relevant, result in documented action points with clear ownership and deadlines.

(6) The identification of a parent undertaking as the reference entity for identifying the lead supervisor may result in a financial supervisor assuming the function of lead supervisor for the first time, in particular where the parent undertaking concerned has only recently become an obliged entity under the Regulation (EU) 2024/1624. In such cases, the financial supervisor concerned may not have previously been responsible for running the college and may therefore initially lack the necessary information. Similar difficulties may also arise in other duly justified cases, where the lead supervisor is unable to effectively run the college. In order to preserve the efficiency of college arrangements in such circumstances, it should be possible, in exceptional and duly justified cases, to provide for a transitional period during which another financial supervisor supports the lead supervisor in running the college. The appointment of a supporting supervisor should be subject to the agreement of the permanent members of the college, to ensure that the arrangement reflects a shared assessment of its necessity. Given its exceptional nature, that arrangement should be strictly time-limited and should, in any event, not exceed one year.

(7) Personal data, as defined in Article 4(1) of Regulation (EU) 2016/679 may be needed to be processed for the purpose of establishing and maintaining an overview of the establishments of the credit or financial institution, including groups thereof and to carry out the tasks of the AML/CFT supervisory college. For that processing activity, as well as for the processing required for cooperation, the lead supervisor should be the data controller. If the exchange of information between college members entails exchange of personal data, each party should be considered as data controller for its own purposes.

(8) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (‘the Authority’ or ‘AMLA’).

(9) The Authority has analysed the potential costs and benefits related to the draft regulatory technical standards on which this Regulation is based, and conducted an impact analysis.

HAS ADOPTED THIS REGULATION:

SECTION 1

Article 1

Subject matter and scope

This Regulation lays down the general conditions for the functioning, on a risk sensitive basis, of AML/CFT supervisory colleges established pursuant to Article 49 of Directive (EU) 2024/1640, in respect of credit institutions and financial institutions, including groups thereof, in the financial sector.

Article 2

Definitions

For the purposes of this Regulation, in addition to the definitions set out in Article 2 of Regulation (EU) 2024/1620, in Article 2 of Regulation (EU) 2024/1624 and Article 2 of Directive (EU) 2024/1640, the following definitions apply:

(1) 'lead supervisor' means the financial supervisor in charge of setting up the AML/CFT supervisory college pursuant to Article 49(1) and Article 49(8) of Directive (EU) 2024/1640.
(2) 'AML/CFT database' means the central AML/CFT database established and maintained by AMLA pursuant to Article 11 of Regulation (EU) 2024/1620.

SECTION 2

General conditions for the functioning of AML/CFT supervisory colleges in the financial sector

Article 3

Information on the structure of the credit institution or financial institution or group thereof

1. The lead supervisor shall establish and maintain an up-to-date overview of entities identified in accordance with Article 49(5) of Directive (EU) 2024/1640 for the purpose of identifying the permanent members and potential observers of an AML/CFT supervisory college, pursuant to Article 49 of Directive (EU) 2024/1640.

2. The overview pursuant to paragraph 1 shall contain at least the following information:

(a) the names of all Member States and third countries in which entities identified in accordance with Article 49(5) of Directive (EU) 2024/1640 have been established;
(b) the name of the supervisor or supervisors of entities identified in accordance with point (a);
(c) the name and, where available, the legal entity identifier (LEI) or other applicable identifier, of entities identified in accordance with point (a);
(d) the level of ML/TF risk pursuant to Article 8 of this regulation associated with the credit institution or financial institution or group thereof and its cross-border establishments, to the extent known to the lead supervisor;
(e) any relevant information on the ownership and group structure of the credit institution or financial institution or group thereof.

3. The information referred to in paragraph 2, points (a), (b) and (c) shall be displayed in a structured and comprehensible format having regard to the complexity of the entity or group structure and shall be made available to all permanent members and observers, in a secure manner.

4. The lead supervisor shall review and update the overview referred to in paragraph 1 regularly and whenever becoming aware of any relevant change(s) to the information collected pursuant to paragraph 2. For that purpose, the lead supervisor shall use the template set out in Annex I.

5. The overview pursuant to paragraph 1 and information on a specific AML/CFT supervisory college shall be shared with AMLA when the college is set up and thereafter, without undue delay, once the overview referred to in paragraph 1 has been updated pursuant to paragraph 4.

6. Permanent members and observers of an AML/CFT supervisory college shall exchange with the lead supervisor all necessary information to establish and maintain up to date the overview completed pursuant to paragraph 1.

Article 4

List of permanent members and observers of the AML/CFT supervisory college

1. The lead supervisor shall establish and maintain an up-to-date list of all permanent members and observers of an AML/CFT supervisory college in accordance with the requirements for the establishment of the AML/CFT database. The list shall be accessible by all permanent members through the IT infrastructure that supports the AML/CFT database, and, upon request, be made available to observers. The list shall be reviewed at regular intervals and updated whenever a relevant change occurs.

2. The list pursuant to paragraph 1 shall contain, for each permanent member and observer, at least the following information:

(a) the name of the authority;
(b) the name and contact details of a generic point of contact within that authority and, in addition or alternatively, the contact details of the designated contact person(s);
(c) an indication whether an authority is a permanent member or an observer and the applicable legal basis for the observer status pursuant to Article 49(3), (6), (7), (11) or (12) of Directive (EU) 2024/1640;

3. For permanent members and observers listed in the register of competent authorities established pursuant to Article 62 of Directive (EU) 2024/1640, the lead supervisor may rely on the information in that register. Where that register does not include the relevant contact details, the lead supervisor shall ensure those details are recorded in lists created in accordance with paragraph 1.

4. Permanent members and observers shall inform the lead supervisor without undue delay of any changes concerning information stipulated by paragraph 2.

Article 5

Communication channels

1. Permanent members and observers of an AML/CFT college shall use secure communication channels for cooperation purposes, and where possible, the IT infrastructure that supports the AML/CFT database. College meetings shall be organised in a secure manner, with controlled access to the meeting room or online connection where relevant.

2. Permanent members shall agree on the language(s) to be used for communications within the AML/CFT supervisory college. Where information is not available in the language(s) so agreed, permanent members or observers sharing information shall provide it in one of those languages. Where this is not feasible, permanent members and observers sharing information shall strive to provide, at a minimum, a summary of that information in a language of the AML/CFT supervisory college.

Article 6

Material developments and urgent information exchange

1. Where a college member or observer becomes aware of any fact that may have a negative impact on the fulfilment of requirements and supervisory expectations as stipulated by the applicable AML/CFT legal framework and that could affect other obliged entities, it shall inform all other college members and observers without undue delay.

2. Where a development referred to in paragraph 1 warrants the organisation of an ad hoc meeting, the college member or observer that identified the development may request that the lead supervisor convene such a meeting at short notice, setting out the reasons for the request. The lead supervisor shall organise the ad hoc meeting pursuant to Article 9 without undue delay.

3. Any information, including items listed in Article 17, that could significantly influence the assessment of the inherent or residual risk exposure to ML/TF of an obliged entity, including the information under Article 46(3) of Directive (EU) 2024/1640 or that would warrant the discussion and agreement on a coordinated supervisory approach in accordance with Article 12 should be considered material for the purposes of this Regulation.

Article 7

Mutual assistance

1. College members may request mutual assistance from each other in the performance of their AML/CFT supervisory tasks relating to the entities identified in accordance with Article 3(1). Mutual assistance may be requested, in particular, in the context of:

(a) determination of the ML/TF risks related to all or some of entities identified in accordance with Article 3(1);
(b) the outcome of relevant recent or planned supervisory activities;
(c) assistance with on-site or off-site inspections carried out in the requesting authority's jurisdiction;
(d) the assessment of the adequacy of the group-wide AML/CFT policies and procedures, the group-wide business-wide risk assessment, and the effectiveness of the group-wide compliance function;
(e) any other information relevant to the performance of the AML/CFT supervisory tasks of the requesting authority in relation to the credit institution or financial institution or group thereof.

2. The requesting party shall submit its request to the requested party and inform the lead supervisor of this submission without undue delay. Requests for mutual assistance shall specify the information or assistance requested, the purpose for which it is sought, and the deadline foreseen which shall, except in duly justified cases, not be less than 10 working days. In exceptional circumstances where an oral request is made, it should be followed up without delay with a formal written request.

3. The supervisor receiving a request for mutual assistance shall respond within the deadline set out in the request. Where a college member is unable or not in a position to act on a request, it shall inform the requesting party and the lead supervisor of the related reasons, and shall, where possible, indicate alternative ways in which the assistance might be provided.

4. The lead supervisor shall be informed of the outcome of the request for mutual assistance and shall retain all requests it is informed of in a secure manner. The lead supervisor may inquire as to developments in the mutual assistance, and facilitate resolution where difficulties arise.

Article 8

ML/TF risk assessment for AML/CFT supervisory college purposes

1. For the purpose of determining the frequency and form of college meetings pursuant to Article 9, the lead supervisor shall consider the ML/TF risk level of the credit institution or financial institution or group thereof on the basis of the risk assessments conducted pursuant to the applicable Union law, including in accordance with the regulatory technical standards adopted pursuant to Article 40(2) of Directive (EU) 2024/1640 and pursuant to Article 12(7) of Regulation (EU) 2024/1620, where available.

2. Where a group-level risk assessment is available pursuant to the applicable Union law, it shall serve as the default reference for college purposes. Where a group-level risk assessment is not available pursuant to the applicable Union law, the lead supervisor shall consider the individual ML/TF risk assessment of the cross-border establishments of the credit institution or financial institution or group thereof available from permanent members, in consultation with permanent members.

3. Regardless of the methodology used to determine the group-wide ML/TF risk, the final risk assessment shall result in one of the following risk categories: high, substantial, medium or low ML/TF risk.

4. For the purposes of paragraphs 1 and 2, the lead supervisor may also contact observers to obtain their input into the ML/TF risk assessment of the credit institution or financial institution or group thereof.

5. The risk determination made pursuant to this Article shall be reviewed by the lead supervisor, in consultation with permanent members and updated without undue delay where a material change in the ML/TF risk profile of the credit institution or financial institution or group thereof so warrants. The updated risk assessment shall be available to all permanent members and observers.

Article 9

Frequency and form of college meetings

1. Where it is determined that the credit institution or financial institution or group thereof presents a high ML/TF risk pursuant to Article 8, the college shall hold at least one meeting per year. Where it is determined that the credit institution or financial institution or group thereof presents a substantial or medium ML/TF risk, the college shall hold at least one meeting every two years. Where it is determined that the credit institution or financial institution or group thereof presents a low ML/TF risk, the college may operate on the basis of written exchanges of information when deemed necessary, unless the lead supervisor considers that a meeting is warranted by one or several of the factors referred to in paragraph 3.

2. The form of the AML/CFT supervisory college meetings, including whether to hold physical meetings, virtual meetings, or to conduct college activities by written procedure, shall be determined by the lead supervisor, based on the specificities of the college and having regard to the efficiency of outcomes. This

applies regardless of the ML/TF risk level of the institution or group. College activities conducted by written procedure shall be considered equivalent to a meeting for the purpose of satisfying the minimum frequency requirements in paragraph 1, provided that:

(a) the decision to conduct activities by written procedure is documented and agreed among permanent members;
(b) all permanent members are given adequate time to contribute; and
(c) the outcome of the written procedure is documented and shared with all permanent members and observers.

3. The lead supervisor, shall determine the frequency and form of scheduled college meetings on a risk-sensitive basis, taking into account paragraphs 1 and 2 and the following factors:

(a) the ML/TF risk associated with the credit institution or financial institution or group thereof and its establishments, as assessed in accordance with applicable Union law;
(b) any significant change in that ML/TF risk since the previous college meeting;
(c) the nature, scale, and complexity of the cross-border activities of credit institution or financial institution or group thereof;
(d) the views expressed by permanent members;
(e) the urgency of emerging ML/TF risks affecting the credit institution or financial institution or group thereof;
(f) any recently crystallised ML/TF risks or serious breaches of AML/CFT requirements.

4. The lead supervisor may convene an ad hoc college meeting, with all or some of the college participants, either on its own initiative or upon request from a permanent member. This possibility shall notably be considered in case of a material development referred to in Article 6. The lead supervisor shall share those conclusions with the remaining college participants as relevant.

Article 10

Object of college meetings

1. The lead supervisor shall ensure that each scheduled AML/CFT supervisory college meeting includes agenda items that reflect and are proportionate to the ML/TF risks of the credit institution or financial institution or group thereof, including where relevant:

(a) the exchange of information on the ML/TF risk profile of the entities identified in accordance with Article 3(1), including updated individual risk assessments by permanent members;
(b) early warnings of emerging ML/TF risks or vulnerabilities;
(c) crystallised ML/TF risks and key supervisory findings relating to the AML/CFT policies, procedures and controls of entities identified in accordance with Article 3(1), including any provisional findings where serious breaches have been identified;
(d) information on planned or recently completed AML/CFT supervisory actions, including on-site and off-site inspections;
(e) sanctions or other administrative measures imposed, or under consideration, for breaches of AML/CFT obligations;
(f) aggregated information on suspicious transaction and activity reports filed by the institution, such as on their quality or frequency, where available and permissible under applicable law;
(g) discussion on whether common ML/TF risks or issues warrant a coordinated supervisory approach pursuant to Article 12 of this Regulation;

(h) where relevant, a presentation of the group structure and business model and any possible material changes capable of impacting the level of ML/TF risk.

2. Each meeting agenda shall clearly state the purpose of the meeting and, where relevant, the expected outcomes. Meeting materials shall be circulated to all permanent members and relevant observers sufficiently ahead of the meeting to allow adequate preparation. In the case of ad hoc meetings, materials shall be circulated as early as practicable.

3. Each meeting shall result in a summary of conclusions indicating the key discussion points and, where relevant, action points. Action points shall identify the responsible authority and the applicable deadline for each item, to the extent possible. The summary of conclusions shall be circulated to all permanent members and relevant observers without undue delay following the meeting.

Article 11

Risk-based approach to engagement in college activities

1. Permanent members and observers shall adopt a risk-based approach to participation in meetings of the AML/CFT supervisory college having regard, in particular, to the relevance of the meeting or the items on the agenda to their respective supervisory responsibilities, and to the ML/TF risk profile of the establishment(s) for which they are responsible.

2. In the event of a permanent member deciding not to attend the meeting, it shall inform the lead supervisor in advance of the meeting.

3. The lead supervisor shall ensure that permanent members and observers that do not participate in a particular college meeting have access to the relevant documentation and outcomes relating to that meeting.

4. Irrespective of their level of participation in college meetings pursuant to paragraph 1, permanent members and observers shall ensure a minimum level of active engagement with the college and shall, as a minimum, provide any information needed for the proper functioning of the AML/CFT supervisory college as requested by the lead supervisor.

5. Notwithstanding paragraph 1, the lead supervisor may formally invite a permanent member or observer that does not regularly participate in college meetings to participate in a specific meeting, where the lead supervisor considers that the participation of such member or observer is necessary for the effective functioning of the college.

6. Where one or several permanent members have decided not to attend a college meeting, pursuant to paragraph 2, the lead supervisor may decide to cancel the meeting or change the form of the college meeting, if no more than two permanent members, other than the lead supervisor, have confirmed their participation.

Article 12

Coordinated supervisory approach

1. College members shall regularly discuss whether specific aspects of the AML/CFT supervision of entities identified in accordance with Article 3(1) could be more effectively addressed through a coordinated supervisory approach. This discussion shall result in a documented conclusion.

2. Permanent members shall agree on a coordinated supervisory approach which sets out the objectives and the related action(s) to ensure that entities identified in accordance with Article 3(1) comply with Union AML/CFT requirements and are supervised in a consistent manner across jurisdictions. A coordinated supervisory approach may include, inter alia, coordinated on-site or off-site inspections, coordinated thematic reviews, and may lead to enforcement or remediation measures.

3. Where a coordinated supervisory approach is proposed by the lead supervisor, any permanent member, AMLA or any other observer, such proposal shall be discussed at the next scheduled college meeting or in urgent cases via written procedure.

4. Before a coordinated supervisory approach is decided, the AML/CFT supervisory college shall assess:

(a) the nature and level of the ML/TF risk that the coordinated supervisory approach is designed to assess or mitigate;
(b) the objectives of the coordinated supervisory approach;
(c) the types of supervisory actions to be undertaken;
(d) relevant differences in the applicable legal and regulatory frameworks and how those differences are to be taken into account;
(e) the supervisory resources required and their planned allocation.

5. To achieve the envisaged objectives, not all AML/CFT college members have to participate in the execution of an agreed coordinated supervisory approach, if justifiable. AML/CFT college members shall be updated in writing on the outcome of the coordinated supervisory approach taken.

6. Where a coordinated supervisory approach is agreed upon by the permanent members or observers taking part in it, the lead supervisor shall document and keep record of at least the following:

(a) the participating members or observers;

(b) the supervisory activities to be performed, including any joint supervisory action(s);

(c) the timeline for implementation;

(d) the modalities of information exchange; and

(e) the options for coordinated follow-up, including, where applicable, enforcement measures.

The participating permanent members and observers shall cooperate with the lead supervisor to provide the aforementioned information in a timely manner.

7. Where agreed measures have not produced the intended outcomes, the participating permanent members shall reassess the situation and consider the need for additional or more intrusive measures. This reassessment shall be documented.

8. Where a participating member fails to act in accordance with the agreed coordinated approach, any other member may refer the matter to the lead supervisor.

Article 13

Cooperation with prudential supervisory colleges

1. Where a college of supervisors has been established for the same credit institution or financial institution or group thereof pursuant to Union law,[2] the lead supervisor shall cooperate with the authority responsible for coordinating that college for the purpose of ensuring coherent and efficient cross-college cooperation.

2. For the purposes of paragraph 1, the lead supervisor and the authority responsible for coordinating the prudential supervisory college shall:

(a) exchange the information on college composition, including the overview referred to in Article 3;
(b) engage on a regular basis to ensure that AML/CFT supervisory findings with potential prudential implications and prudential supervisory findings with potential ML/TF implications are shared in a timely manner between the respective colleges.

3. In preparation for AML/CFT supervisory college meetings or activities, the lead supervisor shall consider whether any topic to be discussed has potential prudential implications warranting prior information exchange with the authority responsible for coordinating the prudential college. Where this is the case, the lead supervisor shall inform that authority before the meeting or activity takes place.

4. Where the lead supervisor participates in a meeting of a supervisory college established pursuant to Union law, it shall share with the members of the AML/CFT supervisory college, without undue delay, any information relevant to the ML/TF risk profile of the entities identified in accordance with Article 3(1), subject to the confidentiality requirements applicable to that college.

Article 14

Confidentiality and permissible uses of information

1. Information exchanged within college activities shall be used by permanent members and observers solely for the purpose of performing their respective functions.

2. Any disclosure pursuant to this Article shall be limited to what is necessary and proportionate for the performance of the tasks of the recipient, and shall be supported by reasonable and justified grounds, having regard to the purpose for which the information was originally obtained.

3. Information exchanged within the AML/CFT supervisory college pursuant to this Regulation shall be disclosed to supervisors, including AMLA when acting as a supervisor, or public authorities as referred to in Article 52 of Directive (EU) 2024/1640 without prior consent of the originator of the information, except in those cases where the information originates from a third-country counterpart, in which case disclosure shall be subject to the terms of the written cooperation agreement referred to in Article 49(8) of Directive (EU) 2024/1640 or, absent such agreement, to the prior consent of the third-country counterpart concerned.

The originator of the information shall be notified of the following, to the extent possible before or at the latest at the time of disclosure:

[2] See for instance Article 116 of Directive 2013/36/EU, Article 248 of Directive 2009/138/EC, Article 18 of Regulation (EU) No 648/2012, Article 119 of Regulation (EU) 2023/1114.

(a) the information shared;
(b) the recipient of the information;
(c) the rationale of the disclosure.

4. Information exchanged pursuant to this Regulation may be disclosed without prior consent of the originator of the information in other cases, where such disclosure is authorised or required under Union law, including in cases where the exchange of information is carried out with Financial Intelligence Units, competent authorities referred to in Article 2(1)(44), points (c) and (d) of Regulation (EU) 2024/1624, with AMLA pursuant to Article 31(1)(d) of Regulation (EU) 2024/1620 or with authorities in charge of implementing targeted financial sanctions mentioned in Article 66 of Directive (EU) 2024/1640. The same applies when the information received by the supervisor is used for the purposes set out in Article 67(3) points (b) and (c) of the Directive (EU) 2024/1640.

The originator of the information shall be notified of the following, to the extent possible before or at the latest at the time of disclosure:

(a) the information shared;
(b) the recipient of the information;
(c) the legal basis of the disclosure;
(d) the rationale of the disclosure.

Article 15

Management of disputes

1. Where the financial supervisors responsible for the AML/CFT supervision of entities identified in accordance with Article 3(1) are unable to reach a common understanding on the identification of the authority that should act as the lead supervisor for the purposes of establishing the AML/CFT supervisory college, any of those supervisors may refer the matter to AMLA in accordance with Articles 31 and 33 of Regulation (EU) 2024/1620.

2. Where a dispute arises between permanent members or with observers in relation to the functioning of the AML/CFT supervisory college or the interpretation or implementation of the written cooperation and information-sharing agreement, and the parties are unable to resolve the dispute among themselves, any party may refer the matter to AMLA in accordance with Articles 31 and 33 of Regulation (EU) 2024/1620.

SECTION 3

Terms of cooperation between permanent members of the AML/CFT supervisory college

Article 16

Invitation of permanent members to participate in the AML/CFT supervisory college

1. The lead supervisor shall contact financial supervisors specified pursuant to Article 49(2) of Directive (EU) 2024/1640, who shall act as permanent members, to set up the AML/CFT supervisory college.

2. A financial supervisor that knows, or becomes aware, that it does not fulfil, or will cease to fulfil, the conditions to be permanent member of an AML/CFT supervisory college pursuant to Article 49(2) of Directive (EU) 2024/1640 shall inform the lead supervisor without undue delay.

3. The lead supervisor shall without undue delay:

(a) provide any new permanent member of an AML/CFT supervisory college with all information needed to fully participate in the work of the college;
(b) inform all existing permanent members and observers of changes related to the status of college membership;
(c) update the list referred to in Article 4.

4. The lead supervisor and permanent members shall ensure that the representatives participating in college meetings and activities have sufficient knowledge of and ongoing supervisory involvement with the credit and financial institution or group thereof, taking into account the topics to be discussed and the objectives to be pursued. Representatives shall have the power to commit their authority as permanent member, to the maximum extent possible under their applicable institutional framework.

Article 17

Information exchange between permanent members

1. Permanent members shall exchange, at a minimum, any information relevant for the supervision of the credit institution or financial institution or group, including:

(a) information on the entity or group's legal, governance and organisational structure, covering all entities identified in accordance with Article 3(1);
(b) individual risk assessments of the entities identified in accordance with Article 3(1);
(c) relevant information on the beneficial owners and senior management, including outcomes of fit and proper checks;
(d) relevant policies, procedures and controls that apply to entities identified in accordance with Article 3(1);
(e) relevant information on customer due diligence matters, adequately aggregated or anonymised where relevant and possible;
(f) information referred to in Article 23(1), point (a) of Directive (EU) 2024/1640 concerning the quality and quantity of suspicious transaction reports filed by the institution and its cross-border establishments, where available and permissible under applicable law without prejudice to Article 46 (3) (d) of Directive (EU) 2024/1640;
(g) adverse developments in relation to entities identified in accordance with Article 3(1), which could seriously affect other entity or group;
(h) results of AML/CFT supervisory actions, including on-site and off-site inspections;
(i) pecuniary sanctions that financial supervisors intend to impose and administrative measures that financial supervisors intend to apply.

2. Where the information referred to in paragraph 1 is already available in the AML/CFT database, AMLA shall ensure that such information is disseminated to the members of the AML/CFT supervisory college.

3. Information shall be exchanged on a regular basis in preparation for college meetings and on an ad hoc basis where urgency requires, notably in case of material development pursuant to Article 6.

SECTION 4

Terms of cooperation with observers of the AML/CFT supervisory college

Article 18

Participation of observers from Member States

1. The lead supervisor shall identify and in compliance with provisions of Article 49(6), (7) and (12) of Directive (EU) 2024/1640 invite financial supervisors, non-financial supervisors and other entities from Member States to participate in the AML/CFT supervisory college as observers. In compliance with Article 49(10) of Directive (EU) 2024/1640, the lead supervisor shall always invite AMLA to participate in the AML/CFT supervisory college.

2. Before inviting an observer pursuant to Article 49(6), (7) or (12) of Directive (EU) 2024/1640, the lead supervisor shall:

(a) consult with all permanent members and take into account any observations or objections received within a reasonable deadline to be set by the lead supervisor, which should to the extent feasible be no less than ten working days;
(b) ensure that the proposed observer accepts the applicable terms of participation in accordance with this Regulation, and it is subject to professional secrecy requirements stipulated by Directive (EU) 2024/1640.

3. Permanent members of the college shall raise any observations or objections to the proposed observer(s) referred to in paragraph 2 in writing, with a reasoned explanation, within the deadline set by the lead supervisor, which should in any event be no less than ten working days.

4. The lead supervisor may invite an observer where no permanent member has raised an objection within the deadline set by the lead supervisor. Where a minority of permanent members object to the participation of such observer, the lead supervisor may, in agreement with a majority of permanent members, propose the organisation of dedicated meetings or information exchanges with the relevant observer. No information obtained from the supervisors objecting an observer referred to in paragraph 2 shall be shared in these meetings or information exchanges.

5. When a new observer referred to in paragraph 2 joins the college, the lead supervisor shall update the list referred to in Article 4 of this Regulation and shall inform all permanent members and observers of the college. The lead supervisor shall proceed similarly when an observer is no longer part of the college.

6. Where the college considers that the specific circumstances of a given observer warrant more detailed or tailored arrangements beyond the provisions of this Regulation, the college may conclude a written agreement with that observer specifying additional terms. Such an agreement shall be consistent with the provisions of this Regulation and shall be recorded by the lead supervisor and made available to all permanent members of the college upon request. Terms of participation shall be signed by the relevant observer prior to its first participation in college activities.

7. The status, rights and obligations of AMLA as an observer of an AML/CFT supervisory college are specified by Article 49(10) of Directive (EU) 2024/1640 and Article 31 of Regulation (EU) 2024/1620. Provisions of this Regulation apply to AMLA only if they do not restrict status, rights and obligations of AMLA as stipulated by Union law.

Article 19

Information exchange with observers

1. Observers shall have access to the information exchanged within the college that is relevant to the performance of their functions in relation to the entities identified in accordance with Article 3(1). The scope of such information is to be determined by the lead supervisor, after consultation with the relevant observer and permanent members. Before an observer participates in a college meeting for the first time, the lead supervisor shall confirm in writing to that observer the scope of its participation and the applicable confidentiality conditions.

2. Observers shall treat all information received in the context of their participation in the college as confidential and shall not use it for purposes other than those set out in this Regulation and Union law.

3. The lead supervisor may, in agreement with permanent members, restrict an observer's access to specific categories of information where necessary to protect the confidentiality of information for reasons specified by Union law.

Article 20

Participation of observers in the activities of the AML/CFT supervisory college

1. Observers may participate in the meetings and activities of the college to the extent that such meetings and activities are relevant to their functions. Observers shall be invited by the lead supervisor, after consultation with the permanent members, to meeting(s) of the AML/CFT supervisory college.

2. Observers may request and receive mutual assistance in accordance with Article 7 of this Regulation, where this is necessary for the performance of their tasks.

3. The participation of an observer may be suspended or withdrawn by the lead supervisor, after consultation with the permanent members, where:

(a) the observer no longer meets the conditions for participation set out in this Regulation or Union law;
(b) the observer has failed to comply with its confidentiality obligations; or
(c) the lead supervisor and permanent members determine that the continued participation of the observer is no longer warranted.

4. The observer shall be informed of any proposed suspension or withdrawal within a reasonable period of time before any decision takes effect.

SECTION 5

Conditions for the participation of third-country financial supervisors

Article 21

Participation of third-country observers

1. Third-country supervisory authorities may participate in a college as observers only where the conditions set out in Article 49(11) of Directive (EU) 2024/1640 are fulfilled and the relevant authority has signed the written cooperation agreement referred to in Article 23 of this Regulation.

2. The lead supervisor shall maintain a record of all signed written cooperation agreements with third-country supervisors and make them available to AMLA and permanent members upon request.

Article 22

Assessment of conditions for participation of third-country observers

1. Before inviting a third-country counterpart to participate in the college as an observer or agreeing to a request for participation from a third country observer, the lead supervisor shall conduct an assessment of whether the requirements set out in Article 49(11) of Directive (EU) 2024/1640 are fulfilled.

2. The lead supervisor, when carrying out an assessment pursuant to Article 49(11) of Directive (EU) 2024/1640, in order to be in the position to decide on the participation of a third-country observer in an AML/CFT supervisory college, shall take into account, in particular the following:

(a) relevant assessments or mutual recognition agreements adopted at Union level;
(b) relevant assessments or mutual recognition agreements adopted by other supervisors.

3. Where the outcome of the lead supervisor's assessment diverges from positions adopted by other AML/CFT colleges concerning the same third country counterpart, the lead supervisor shall engage in dialogue with those lead supervisors and, where necessary, with AMLA, to reach a consistent position before concluding the assessment.

4. The lead supervisor shall share the assessment and its outcome with all permanent members, and with AMLA. The assessment document shared shall include a clear statement of the outcome and the rationale supporting it, including the sources of information and criteria relied upon. Where the third-country counterpart is assessed as not meeting the requirements set out in Article 49(11) of Directive (EU) 2024/1640, it shall not participate in the AML/CFT supervisory college as an observer.

5. AMLA will make available a list of the third-country authorities that have been assessed on their compliance with the requirements set out in Article 49(11) of the Directive (EU) 2024/1640, specifying for each authority the lead supervisor responsible for the assessment and the outcome thereof.

Article 23

Written cooperation and information-sharing agreement with counterparts in third countries

1. A written cooperation and information-sharing agreement with a third country counterpart shall be established, when:

(a) the outcome of the assessment referred to in Article 22 allows for the third country counterpart to participate in the AML/CFT supervisory college as an observer;
(b) permanent members of the AML/CFT supervisory college agree with the participation of a third country counterpart in that college. Such agreement shall be recorded and securely stored by the lead supervisor and made available upon request to AMLA, and to any permanent member or observer of the AML/CFT supervisory college.

2. The lead supervisor shall use the template set out in Annex II to this Regulation for the written cooperation and information-sharing agreement with the third country counterpart. Deviations from the template may only be made where strictly necessary to accommodate constraints arising from the third-country counterpart's applicable law or institutional requirements. Where the cooperation and information sharing agreement cannot be concluded because the third-country counterpart requests modifications to the

template that cannot be accommodated, the lead supervisor may request AMLA's support to facilitate the conclusion of the agreement.

3. The lead supervisor shall verify that the third country counterpart endorses and signs the cooperation and information-sharing agreement prior to their participation in the college meetings and activities as observers. The lead supervisor shall agree with the third-country counterpart the level of seniority required for the signatories of the cooperation and information-sharing agreement, having regard to the nature and significance of the cooperation envisaged. The lead supervisor shall ensure that the signing and validation process is secure and preserves the integrity and authenticity of the signed agreement.

SECTION 6

Additional measures

Article 24

Invited participants

1. The lead supervisor, in agreement with the permanent members, may invite the credit institution or financial institution or group thereof for which the AML/CFT supervisory college is established to participate in a dedicated part of a college meeting. Participation of the credit institution or financial institution or group thereof shall be limited to a dedicated slot of the meeting, separate from the parts of the meeting reserved to permanent members and observers.

2. The lead supervisor, in agreement with the permanent members, may invite a supervisor of a third country to participate in a college meeting as an invited participant, where the conditions for its participation as an observer pursuant to Article 21 are not met because the equivalence assessment referred to in Article 49(11) of Directive (EU) 2024/1640 could not be conducted. This paragraph shall not apply where the equivalence assessment referred to in Article 49(11) has been carried out and has concluded that the third-country counterpart does not meet the conditions set out in Article 49(11) of Directive (EU) 2024/1640.

3. Where a third-country supervisor participates in a college meeting pursuant to paragraph 2, the lead supervisor, in agreement with the permanent members, shall:

(a) ensure that the information that is subject to confidentiality rules is not shared;
(b) determine the parts of the meeting to which that supervisor may be invited;
(c) identify any other condition necessary to safeguard the confidentiality of the information exchanged within the college.

SECTION 7

Final provisions

Article 25

Transitional provisions for existing AML/CFT supervisory colleges

1. AML/CFT supervisory colleges established prior to the date of entry into force of this Regulation shall continue to operate, and shall not be required to be re-established, provided that they are brought into conformity with the requirements of this Regulation in accordance with paragraph 2.

2. Written arrangements, agreements, terms of participation of observers and other documentation governing the functioning of a college and adopted prior to the date of entry into force of this Regulation shall continue to apply to the extent that they are compatible with this Regulation. No re-signing of any existing agreements or documentation by existing permanent members is required upon accession of a new permanent member. New permanent members accede to the college framework by acknowledging receipt of the relevant college documentation and of their invitation, pursuant to this Regulation.

3. The lead supervisor shall, in consultation with the permanent members, review the existing written arrangements, agreements, and other documentation referred to in paragraph 2 and shall update them as necessary to ensure full conformity with the requirements of this Regulation.

Article 26

Exceptional transitional arrangements applicable to a newly appointed lead supervisor

1. Where the lead supervisor identified has not previously performed the function of lead supervisor for the college concerned, because the parent undertaking became an obliged entity as a result of the application of Regulation (EU) 2024/1624, a transitional period may be applied, in exceptional and duly justified circumstances.

2. A transitional period may also be applied, in exceptional and duly justified circumstances, in other cases where the lead supervisor identified is not in a position to effectively run the college.

3. During the transitional period referred to in paragraph 1 or 2, another financial supervisor shall be appointed to support the lead supervisor in running the college. The appointment of the supporting supervisor shall be subject to the agreement of the permanent members of the college.

4. The supporting supervisor shall, where applicable and unless otherwise agreed by the permanent members:

(a) in the case referred to in paragraph 1, be the financial supervisor that performed the function of lead supervisor for the college immediately prior to the parent undertaking becoming an obliged entity;
(b) in the cases referred to in paragraph 2, be the financial supervisor that performed the function of lead supervisor for the college immediately prior to the circumstances giving rise to the transitional period.

5. The transitional period referred to in paragraph 1 or 2 shall not exceed one year.

Article 27

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 10 July 2027 (it cannot apply before the transposition date of the AMLD – if the COM adopts this Regulation after this date, then this provision can be deleted).

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission

The President

ANNEX I

Overview template

Group	Member State or a third country where a credit institution or financial institution or group thereof is operating a cross-border establishment	Competent authority or authorities responsible for the AML/CFT supervision of each cross-border establishment	Name of the cross-border establishment operating in the Member State or third country	Where available, indicate also the legal entity identifier (LEI) or other applicable identifier	Type of activities performed by the establishment (credit institution, PI, EMI, life insurance, etc.)	How is the establishment operating in the Member State or third country (e.g., branch, subsidiary, etc.)	Level of ML/TF risk associated with the establishment in the Member State or third country	Other, including any relevant information on the ownership and group structure of the credit or financial institution or group thereof

ANNEX II

TEMPLATE FOR THE WRITTEN COOPERATION AND INFORMATION-SHARING AGREEMENT WITH THIRD-COUNTRY SUPERVISORS

[Template referred to in Article 23 of [RTS under 49(14)AMLD]]

PRELIMINARY NOTE

This template shall be used for the written cooperation agreement to be concluded between the lead supervisor (on behalf of the college) and third-country supervisory authorities invited to participate as observers in an AML/CFT supervisory college pursuant to Article 49(11) of Directive (EU) 2024/1640. The lead supervisor shall adapt this template to the specific circumstances of the case. Text in square brackets is to be completed as appropriate.

WRITTEN COOPERATION AGREEMENT

between

[NAME OF LEAD SUPERVISOR] ('the Lead Supervisor'),

acting on behalf of the AML/CFT Supervisory College established in respect of [INSTITUTION/GROUP NAME],

and

[NAME OF THIRD-COUNTRY SUPERVISORY AUTHORITY] ('the Third-Country Supervisor'),

a supervisory authority established under the laws of [THIRD COUNTRY].

PREAMBLES

(A) [Alternatively] A credit institution or financial institution or group thereof established in the Union ([institution/group name]) operates one or several establishments in [third country], which is subject to AML/CFT supervision by the Third-Country Supervisor.

OR

A third-country credit institution or financial institution, which is subject to AML/CFT supervision by the Third-Country Supervisor, has set up one or several establishments in Member States of the Union.

(B) The lead supervisor has conducted an equivalence assessment of the confidentiality regime applicable to the Third-Country Supervisor in accordance with Article 22 of [RTS under 49(14)AMLD] and has determined that such regime is equivalent to the requirements of Directive (EU) 2024/1640.

(C) The Parties wish to establish the terms under which the Third-Country Supervisor may participate as an observer in the College.

1. Object

1.1 This Agreement (the 'Agreement') govern the terms of cooperation and information exchange between the permanent members of the AML/CFT supervisory college (the 'College'), and the Third-Country Supervisor [insert the name of the 3rd country counterpart] as a third country observer (the 'Observer') in the College, established in accordance with Article 49 of Directive (EU) 2024/1640 by the [insert the name of the competent authority which is the lead supervisor of the AML/CFT college] as the lead supervisor (the 'Lead Supervisor') in respect of [insert the name of the credit institution or financial institution or group thereof for which the AML/CFT supervisory college is established] (the 'Obliged Entity').

1.2 By signing this Agreement, the observer agrees to participate in the College and accepts the functioning of the College in accordance with the Commission Delegated Regulation (EU) …/… of XX [RTS under 49(14) AMLD] (the 'Regulation'). This Agreement intends to align on expectations towards the Observer, with regard to its participation in the College. It also clarifies the functioning of the College, including expectations in relation to all College

participants, and for this purpose reproduce some of the provisions already applicable in accordance with the Regulation for ease of reference.

1.3 For the avoidance of doubt, the signing of the Agreement by the Observer shall not be construed as meaning that the Observer undertakes to adhere to the European Union (EU) or that the Observer shall be legally bound by any requirement from the EU's legislation.

1.4 The provisions of the Agreement are not legally enforceable, do not confer any legal rights, or supersede or modify domestic laws.

2. Participation as observer in the college meetings

2.1 The Observer will aim at attending all College meetings for which it has received an invitation from the Lead Supervisor as set out in the Regulation. Where the Observer is not able to attend the meeting, it will notify the Lead Supervisor of this prior to the meeting.

2.2 In case non-permanent members or non-observers are invited to a specific College meeting as invited participants as set out in the Regulation, the Lead Supervisor will notify the Observer of this prior to the meeting. In this case, the Observer may not attend the meeting or refuse to share non-public information with the invited participants during the meeting.

2.3 The Lead Supervisor will make available to the Observer all relevant information prior to the College meeting or at the same time as such information is made available to the permanent members and other observers.

2.4 The Observer will ensure that the most appropriate representatives of the Observer participate in the College meetings and other activities, based on their knowledge of the credit and financial institution or group thereof and its' involvement in ongoing supervisory activities.

3. Mutual assistance in the College

3.1 Pursuant to Article 7 of the Regulation, the Observer may request mutual assistance, including supervisory cooperation and the exchange of information, from permanent members or other observers of the College in any matters relevant to the AML/CFT supervision of the Obliged Entity and at least in matters dealt with in the College.

3.2 Permanent members and other observers of the College may also request mutual assistance, including supervisory cooperation and the exchange of information, from the Observer in the same matters.

3.3 Where a request for mutual assistance is made, the process described in Article 7 of the Regulation should be followed, including the following:

3.3.1. The requesting party shall submit its request to the requested party and inform the Lead supervisor without undue delay following this submission. Requests for mutual assistance shall specify the information or assistance requested, the purpose for which it is sought, and the deadline foreseen which shall, except in cases duly justified, not be less than 10 working days. In exceptional circumstances where an oral request is made, it should be followed up without delay with a formal written request.

3.3.2 The supervisor receiving a request for mutual assistance shall respond within the deadline specified in the request. Where a permanent member is unable or not in a position to act on a request, it shall inform the requesting party of the related reasons, and shall, where possible, indicate alternative ways in which the assistance might be provided.

3.3.3 Where information is not available in the language(s) of the AML/CFT supervisory college, the requested party should consider providing a summary in a language of the AML/CFT supervisory college.

4. Confidentiality and use of information exchanged in the College

4.1 Pursuant to Article 14 of the Regulation, permanent members will:

4.1.1 Treat all non-public information received from the Observer as part of the College as confidential and process the personal data received in compliance with applicable data protection rules; and

4.1.2 Disclose such non-public information to parties other than permanent members and observers of the College only after having obtained prior consent from the Observer.

4.1.3 Use such non-public information for the purposes specified in the Regulation, namely:

4.1.3.1 To ensure that the Obliged Entity complies with the requirements stemming from Directive (EU) 2024/1640;

4.1.3.2 To inform their assessment of the ML/TF risks to which the Obliged Entity is exposed.

4.1.4 Use such non-public information for purposes other than those specified in Paragraph 4.1.3 of the Agreement only after having obtained prior consent from the Observer.

4.1.5 Verify that other observers joining the college are bound by confidentiality regimes equivalent to those applying to the college members.

4.2 The Observer will:

4.2.1 treat all non-public information obtained as part of the College as confidential and process the personal data received in accordance with Union data protection rules ensuring an adequate level of protection applicable to the Observer; and

4.2.2 where the disclosure of such non-public information to parties other than permanent members and observers of the College is permissible under the applicable law, it may be disclosed only after having obtained prior consent from the permanent members or observers from which the information originated or that may be affected by the information disclosure.

4.2.3 use the information received only to inform its assessment of the ML/TF risks to which the Obliged Entity is exposed and/or for the purpose of conducting its supervisory activities.

4.3 For the avoidance of doubt, 'non-public information' within the meaning of Paragraph 4 of the Agreement includes requests for mutual assistance.

4.4 The Lead Supervisor will ensure that all persons dealing with or having access to non-public information shared in the context of the College are bound by obligations of professional or official secrecy. In particular, the Lead Supervisor will ensure that other observers are bound by the same requirements as those which apply to the Observer pursuant to Article 4 of this Agreement.

5. Final provisions

5.1 The Lead Supervisor will inform the Observer of any material update made to the Agreement. Should the Observer disagree with an update, the Observer may terminate the Agreement in accordance with Paragraph 5.6 below.

5.2 The Agreement will not be published by the Observer, the Lead Supervisor, any other permanent member or observers of the College.

5.3 Non-public information exchanged within the College should be treated as confidential also after the termination of this Agreement, or after an authority or a body ceases to be a permanent member or an observer within the College.

5.4 The Lead Supervisor signs the Agreement on behalf of all permanent members.

5.5 The Agreement can be modified only upon mutual consent of the Lead Supervisor and the Observer.

5.6 Either party may terminate the Agreement upon thirty (30) days' written notice to the other party.

5.7 The Terms apply from the date on which the Lead Supervisor and the Observer have both signed the Terms.

[Lead Supervisor]

Name and title: _____

On behalf of the Lead Supervisor, [Supervisor and Member State]

Signature: _____ Date: _____

[Third-Country counterpart]

Name and title: _____

On behalf of [Third country authority, Member State]

Signature: _____ Date: _____

5 Accompanying documents

5.1 Draft impact assessment with cost-benefit analysis

As per Article 49(1) of Regulation (EU) 2024/1620, before submitting draft regulatory technical standards (RTS) to the European Commission, AMLA shall conduct open public consultations and analyse the potential related costs and benefits.

This analysis presents the Impact assessment with cost-benefit analysis (IA/CBA) of the main policy options included in the Consultation Paper (CP) on the draft RTS under Article 49(14) of Directive (EU) 2024/1640 on the conditions for the functioning of the AML/CFT colleges in the financial sector (hereinafter also referred as 'AML/CFT supervisory colleges' or 'AML/CFT colleges').

This IA/CBA is qualitative in nature and draws on input provided by supervisors in the financial sector as part of the development of the draft RTS. The policy choices reflect the experience and professional judgement of financial supervisors and AMLA, as well as lessons learnt from the experience drawn from the operation of AML/CFT colleges in the financial sector under the previous AML/CFT framework. In particular, the findings identified by the European Banking Authority (EBA) in its Report on the functioning of AML/CFT colleges[3] contributed to informing the policy choices.

A. Problem identification

Cooperation between national supervisors is essential to promoting a consistent and effective supervisory approach across the Union. To strengthen such cooperation, Directive (EU) 2024/1640 requires the setting-up of AML/CFT supervisory colleges in the financial sector pursuant to Article 49 and enables the creation of AML/CFT supervisory colleges in the non-financial sector pursuant to Article 50.

Under the previous AML/CFT framework, Directive (EU) 2015/849 established a general obligation for home and host supervisors to cooperate. This requirement was subsequently strengthened to ensure that cooperation and the exchange of information between supervisors were not prohibited or unreasonably restricted. In the absence of more detailed provisions on supervisory cooperation, the European Supervisory Authorities (ESAs) developed Guidelines establishing a framework for cooperation and information exchange between competent authorities responsible for the supervision of credit and financial institutions for AML/CFT purposes[4]. Those Guidelines also defined arrangements for the establishment and functioning of AML/CFT supervisory colleges for credit and financial institutions operating on a cross-border basis in at least three jurisdictions. Directive (EU) 2024/1640 significantly strengthens this framework by establishing AML/CFT supervisory colleges as a statutory element of the Union AML/CFT supervisory framework.

Evidence gathered under the previous framework suggests that AML/CFT supervisory colleges have positively contributed to supervisory cooperation. As of May 2025, 258 AML/CFT supervisory colleges were established in the EU, of which 48% related to credit institutions. In its Report on the functioning of AML/CFT colleges, the EBA found that colleges facilitated information exchange among supervisors and enhanced the effectiveness of AML/CFT supervision across the Union. At the same time, the Report identified areas where the functioning of colleges could be further improved. In particular, the risk-based approach to the organisation and operation of colleges was not implemented consistently, and discussions on the need for a common approach or joint action were not always systematic or meaningful. These findings suggest that, while colleges provide an effective

[3] EBA's Report on the functioning of AML/CFT colleges in 2024/2025.

[4] Joint Guidelines on cooperation and information exchange for the purpose of Directive (EU) 2015/849 between competent authorities supervising credit and financial institutions – The AML/CFT Colleges Guidelines.

mechanism for supervisory cooperation, their functioning can be improved by strengthening risk-based cooperation and promoting discussions on the need for a joint supervisory approach[5].

The Joint ESAs' Guidelines on AML/CFT Colleges have provided a useful operational foundation for supervisory cooperation. However, they do not constitute a legally binding instrument and do not fully reflect the institutional architecture and requirements introduced by Directive (EU) 2024/1640. In particular, the Directive establishes a mandatory framework for AML/CFT supervisory colleges in the financial sector. It builds on the existing framework, while expanding participation to a wider range of stakeholders and introducing specific requirements concerning the functioning of AML/CFT supervisory colleges, including the application of a risk-based approach.

The conditions for the establishment of AML/CFT supervisory colleges in the financial sector are specified by Article 49(1) and 49(8) of Directive (EU) 2024/1640. More specifically, Article 49(1) requires the setting-up of AML/CFT supervisory colleges where a credit institution or financial institution, including groups thereof, has set up establishments in at least two Member States other than the Member State of its head office, and where a third-country credit institution or financial institution has set up establishments in at least three Member States. Additionally, Article 49(8) permits the setting-up of AML/CFT supervisory colleges where a credit institution or financial institution established in the Union has set up establishments in at least two third countries. Pursuant to Article 49(11), third-country financial supervisors can be invited to AML/CFT supervisory colleges under certain conditions, including compliance with confidentiality requirements equivalent to those applicable to Union financial supervisors and compliance with Union law regarding the processing and transmission of personal data. In line with the risk-based approach underpinning the Union AML/CFT framework, the activities of AML/CFT supervisory colleges should be proportionate to the level of risk to which the credit institutions or financial institutions concerned are exposed, and to the scale of their cross-border activities.

The new framework creates a need for harmonised and sufficiently detailed rules to ensure that AML/CFT supervisory colleges operate consistently and effectively across the Union, while applying a risk-based approach. Therefore, Article 49(14) of Directive 2024/1640 requires AMLA to develop the draft RTS defining the rules on the functioning of AML/CFT supervisory colleges in the financial sector. These draft RTS will repeal the Joint ESAs' Guidelines on AML/CFT Colleges.

The draft RTS shall define:

a) the general conditions for the functioning, on a risk-sensitive basis, of the AML/CFT supervisory colleges in the financial sector, including the terms of cooperation between permanent members and with observers, and the operational functioning of such colleges;
b) the template for the written agreement to be signed by financial supervisors pursuant to Article 49(8);
c) any additional measure to be implemented by the colleges when groups include obliged entities in the non-financial sector;
d) conditions for the participation of financial supervisors in third countries.

B. Policy objectives

The general objective of the draft RTS is to support the consistent and effective implementation and functioning of the AML/CFT supervisory college framework in the financial sector established by Directive (EU) 2024/1640. This is expected to promote supervisory cooperation and information exchange, foster supervisory convergence across Member States, and contribute to more consistent and effective AML/CFT supervision across the Union, in line with the broader objectives of the Union AML/CFT package.

To achieve this general objective, the draft RTS pursues the following specific objectives:

[5] The findings are detailed in the EBA's Report on the functioning of AML/CFT colleges in 2024/2025.

- Support the establishment of a harmonised and risk-based framework for the organisation and functioning of AML/CFT supervisory colleges in the financial sector across the Union, by defining common rules governing the functioning of such colleges;
- Strengthen the risk-based approach to the functioning of AML/CFT colleges in the financial sector, by ensuring that the organisation and activities of colleges are proportionate to the ML/TF risks of the credit institutions or financial institutions or groups concerned, as well as the scale and complexity of their cross-border activities;
- Enhance the effectiveness of supervisory cooperation within AML/CFT colleges in the financial sector, by facilitating timely information exchange, mutual assistance and coordinated supervisory approaches among supervisors participating in such colleges;
- Provide greater legal clarity regarding the roles and responsibilities of the parties involved, by clarifying the roles, responsibilities and interactions of lead supervisors, permanent members, observers and other participants in AML/CFT supervisory colleges in the financial sector;
- Establish clear and consistent conditions for the participation of third-country observers in AML/CFT supervisory colleges in the financial sector, while ensuring appropriate safeguards relating to confidentiality, professional secrecy and data protection.

C. Baseline scenario

Under the baseline scenario, AML/CFT supervisory colleges in the financial sector would be established pursuant to Article 49 of Directive (EU) 2024/1640. Financial supervisors would therefore be required to cooperate within AML/CFT supervisory colleges established for the supervision of credit institutions and financial institutions, and groups thereof, which operate on a cross-border basis.

In the absence of the draft RTS, financial supervisors would be required to implement the AML/CFT supervisory college framework set out in Directive (EU) 2024/1640 without detailed and harmonised regulatory provisions governing its practical operation. In doing so, financial supervisors would likely rely on existing supervisory arrangements and practices, including those developed under the Joint ESAs' Guidelines on AML/CFT Colleges. These Guidelines have provided a common framework for supervisory cooperation and information exchange and have generally supported the effective functioning of AML/CFT colleges under the previous AML/CFT framework. However, they were developed in a different legislative and institutional context and do not fully reflect the supervisory architecture introduced by the new AML/CFT package, and they shall be repealed by the draft RTS.

In the absence of detailed regulatory provisions, financial supervisors may also determine a number of operational arrangements on a case-by-case basis. These would include aspects relating to the organisation of colleges, the allocation of responsibilities among participants, the modalities for cooperation and information exchange, and the conditions governing cooperation with third-country financial supervisors. While such an approach would provide a degree of flexibility, it would also increase the likelihood of divergent supervisory practices across Member States.

The absence of harmonised and legally binding provisions could also result in legal uncertainty in areas where responsibilities and procedures are not specified in detail at Union level. This would affect the consistency of information exchange, the coordination of supervisory activities, and the treatment of cross-border institutions and groups operating across multiple jurisdictions and, where relevant, across both the financial and non-financial sectors. It may also create additional operational burden for financial supervisors, which may need to rely on bilateral agreements to govern the aspects of supervisory cooperation and information exchange which are not detailed in the legal framework.

The shortcomings identified under the previous framework could also persist. In particular, the application of a risk-based approach to the organisation and operation of AML/CFT supervisory colleges may continue to vary

across financial supervisors. Likewise, efforts aimed at developing coordinated supervisory approaches may remain uneven across colleges. Such differences could reduce the effectiveness of supervisory cooperation and hinder the further development of a common supervisory approach across the Union.

The draft RTS seeks to address these shortcomings by providing a harmonised and risk-based framework for the functioning of AML/CFT supervisory colleges in the financial sector throughout the Union.

D. Options considered, cost-benefit analysis, and preferred option

This section describes the policy options considered and the decision taken by AMLA as part of the development of the draft RTS on AML/CFT colleges in the financial sector.

This section starts by outlining the overarching principles guiding the policy choices. Then, it presents the main policy options considered by AMLA when developing the draft RTS, followed by an analysis of the potential costs and benefits of each option from a qualitative perspective, concluding with the preferred option resulting from the analysis.

Overarching principles

As overarching approach when developing the draft RTS, AMLA sought to build on the existing AML/CFT supervisory college framework established in line with the Joint ESAs' Guidelines on AML/CFT Colleges, to ensure continuity with the practices that have proven to be effective.

At the same time, AMLA considered it necessary to adapt the framework to the institutional architecture introduced by the Union AML/CFT package, and to enhance the framework by addressing the limitations identified through supervisory experience.

Accordingly, the draft RTS aims to preserve continuity with supervisory practices that have proven effective, while introducing targeted enhancements to strengthen risk-based supervisory cooperation, improve legal clarity, streamline cooperation mechanisms, and reduce unnecessary administrative burden for supervisors.

This approach is expected to facilitate a smooth transition to the new framework, promote effective and risk-based supervisory cooperation and information exchange, foster supervisory convergence, and promote the overall effectiveness and consistency of AML/CFT supervision across the Union.

Policy issue: Continuity with the existing AML/CFT supervisory college framework

Under the previous AML/CFT framework, AML/CFT supervisory colleges were established to facilitate cooperation and information exchange among supervisors responsible for the AML/CFT supervision of cross-border credit and financial institutions, and groups thereof. Since no legally binding framework existed, the operation of these colleges was largely based on the Joint ESAs' Guidelines on AML/CFT Colleges.

Under the new AML/CFT package, Directive (EU) 2024/1640 significantly strengthens the cooperation framework by establishing AML/CFT supervisory colleges as a statutory element of the AML/CFT supervisory architecture. In this context, AMLA is mandated to develop draft RTS governing the functioning of AML/CFT supervisory colleges in the financial sector, which will repeal the Joint ESAs' Guidelines on AML/CFT Colleges.

When implementing this mandate, AMLA considered whether building on the existing framework while introducing targeted improvements or establishing a fundamentally new architecture.

The following two options were assessed:

A. Building on the existing framework, with targeted enhancements where relevant;
B. Establishing a fundamentally new AML/CFT supervisory college framework.

Option A

Under Option A, AMLA would retain the core elements of the framework established by the Joint ESAs' Guidelines on AML/CFT colleges, while adapting it to the new institutional architecture introduced by Directive (EU) 2024/1640 and incorporating lessons learned from the practical operation of AML/CFT supervisory colleges in the financial sector. The draft RTS would maintain the provisions that have proven effective, while introducing targeted enhancements aimed at strengthening the risk-based approach, improving legal clarity, simplifying cooperation mechanisms, and reducing unnecessary administrative burden.

The main benefit of this option is that it would preserve continuity with existing arrangements, practices and procedures, while introducing targeted improvements. By preserving the core elements of the existing framework, it would allow financial supervisors to build on established practices and procedures, and avoid disruption to existing arrangements. At the same time, it would address identified shortcomings, promote simplification of existing mechanisms, improve legal clarity, and enhance supervisory convergence for AML/CFT supervisory colleges across the Union.

This option would entail some implementation costs, as financial supervisors may need to adapt internal procedures and working arrangements to comply with the revised framework. However, the implementation costs are expected to be limited, given the high degree of continuity with existing practices, procedures and arrangements. Moreover, any initial adaptation costs are likely to be offset over time through efficiency gains resulting from simplified cooperation mechanisms, increased legal clarity, and a stronger risk-based approach.

Overall, Option A would provide a proportionate, effective and efficient solution, delivering significant improvements to the AML/CFT supervisory college framework while limiting implementation costs for financial supervisors.

Option B

Under Option B, AMLA would design a new AML/CFT supervisory college framework independent of the existing arrangements. This could include substantially different provisions governing information exchange, mutual assistance, coordinated supervisory approaches, organisation of meetings, and the allocation of roles and responsibilities among participants.

The main advantage of this option is that it would provide maximum flexibility to design a framework specifically tailored to the new Union AML/CFT supervisory architecture. It could incorporate innovative approaches to supervisory cooperation and place a stronger emphasis on risk-based approach to supervisory cooperation.

However, this option would require a significant deviation from established supervisory practices and would therefore generate substantial implementation and adaptation costs for financial supervisors. Financial supervisors would need to revise existing procedures, develop new operational arrangements, and invest considerable resources in implementation and training.

Given that the existing framework has generally proven effective and that the identified shortcomings can be addressed through targeted modifications, a complete reshape of the AML/CFT supervisory college framework would not appear proportionate to the objectives pursued. The additional benefits that might arise from a fully new framework are unlikely to justify the significantly higher implementation costs and operational disruption associated with this option.

E. Preferred option

Given the considerations outlined above, Option A was considered the preferred option. This option best meets the objectives of the mandate by combining continuity and targeted improvements. It builds on existing supervisory practices and the framework established by the Joint ESAs' Guidelines, while ensuring alignment with

the supervisory architecture introduced by Directive (EU) 2024/1640. It also enhances the existing provisions by placing a stronger emphasis on the risk-based approach, simplifying certain cooperation mechanisms, and provide greater legal clarity on key elements of the AML/CFT supervisory college framework in the financial sector.

The draft RTS maintain the core elements governing the functioning of AML/CFT supervisory college framework in the financial sector. Provisions regarding the operational functioning of colleges, mutual assistance, coordinated supervisory approaches, and the cooperation with prudential supervisory colleges remain similar to the previous framework, building on existing practices which have proven to be effective.

Moreover, the draft RTS enhance the existing provisions by:

- Strengthening the application of the risk-based approach to the organisation and activities of colleges, for instance by calibrating the frequency and form of college meetings and the depth of information exchange to the ML/TF risk profile of the institutions or groups concerned;
- Streamlining the existing terms of cooperation, by establishing swift cooperation mechanisms coordinated by the lead supervisor;
- Better clarifying the roles and responsibilities of the lead supervisor, permanent members, observers, and other participants;
- Introducing provisions aimed at enabling the identification and discussion of material developments and the urgent exchange of information, and ensuring that discussions on coordinated supervisory approaches are systematic and meaningful;
- Providing greater legal clarity regarding confidentiality requirements, and permissible use of information, thereby facilitating information exchange while ensuring data protection and compliance with professional secrecy and confidentiality requirements;
- Defining the conditions for the participation of third-country observers.

This option is expected to provide benefits in terms of increased supervisory effectiveness and consistency, stronger risk-based supervisory cooperation, and greater legal clarity. While this option entails some one-off implementation costs for financial supervisors, these are expected to be moderate, given the continuity with existing practices, procedures and arrangements. Moreover, the expected benefits in terms of streamlined cooperation mechanisms, greater legal clarity, and reduced operational fragmentation are expected to outweigh these costs.

No significant direct compliance costs for obliged entities are expected, as the draft RTS are addressed to financial supervisors and mainly regulate supervisory cooperation. Obliged entities may incur certain administrative costs in relation to their participation in AML/CFT colleges where relevant as invitees, but these costs are expected to be limited and are not expected to be significantly affected by the draft RTS.

Overall, the draft RTS is expected to enhance the effectiveness and efficiency of the AML/CFT supervisory colleges framework in the financial sector, with a view to enhancing the effectiveness and consistency of AML/CFT supervision and foster a common approach to AML/CFT supervision at Union level.

5.2 Overview of questions for consultation

Question 1: Do you have any comments on the proposals in recitals of the draft RTS? If you think adjustments are needed, please explain your rationale and provide information of the impact the proposals would have if they remained unchanged.

Question 2: Do you have any comments on the proposals in Section 1 of the draft RTS? If you think adjustments are needed, please explain your rationale and provide information of the impact the proposals would have if they remained unchanged.

Question 3: Do you have any comments on the proposals in Section 2 (General conditions for the functioning of AML/CFT supervisory colleges in the financial sector) of the draft RTS? If you think adjustments are needed, please explain your rationale and provide information of the impact the proposals would have if they remained unchanged.

Question 4: Do you have any comments on the proposals in Section 3 (Terms of cooperation between permanent members of the AML/CFT supervisory college) of the draft RTS? If you think adjustments are needed, please explain your rationale and provide information of the impact the proposals would have if they remained unchanged.

Question 5: Do you have any comments on the proposals in Section 4 (Terms of cooperation with observers of the AML/CFT supervisory college) of the draft RTS? If you think adjustments are needed, please explain your rationale and provide information of the impact the proposals would have if they remained unchanged.

Question 6: Do you have any comments on the proposals in Section 5 (Conditions for the participation of third-country financial supervisors) of the draft RTS? If you think adjustments are needed, please explain your rationale and provide information of the impact the proposals would have if they remained unchanged.

Question 7: Do you have any comments on the proposals in Section 6 (Additional measures) of the draft RTS? If you think adjustments are needed, please explain your rationale and provide information of the impact the proposals would have if they remained unchanged.

Question 8: Do you have any comments on the proposals in Section 7 (Final provisions) of the draft RTS? If you think adjustments are needed, please explain your rationale and provide information of the impact the proposals would have if they remained unchanged.