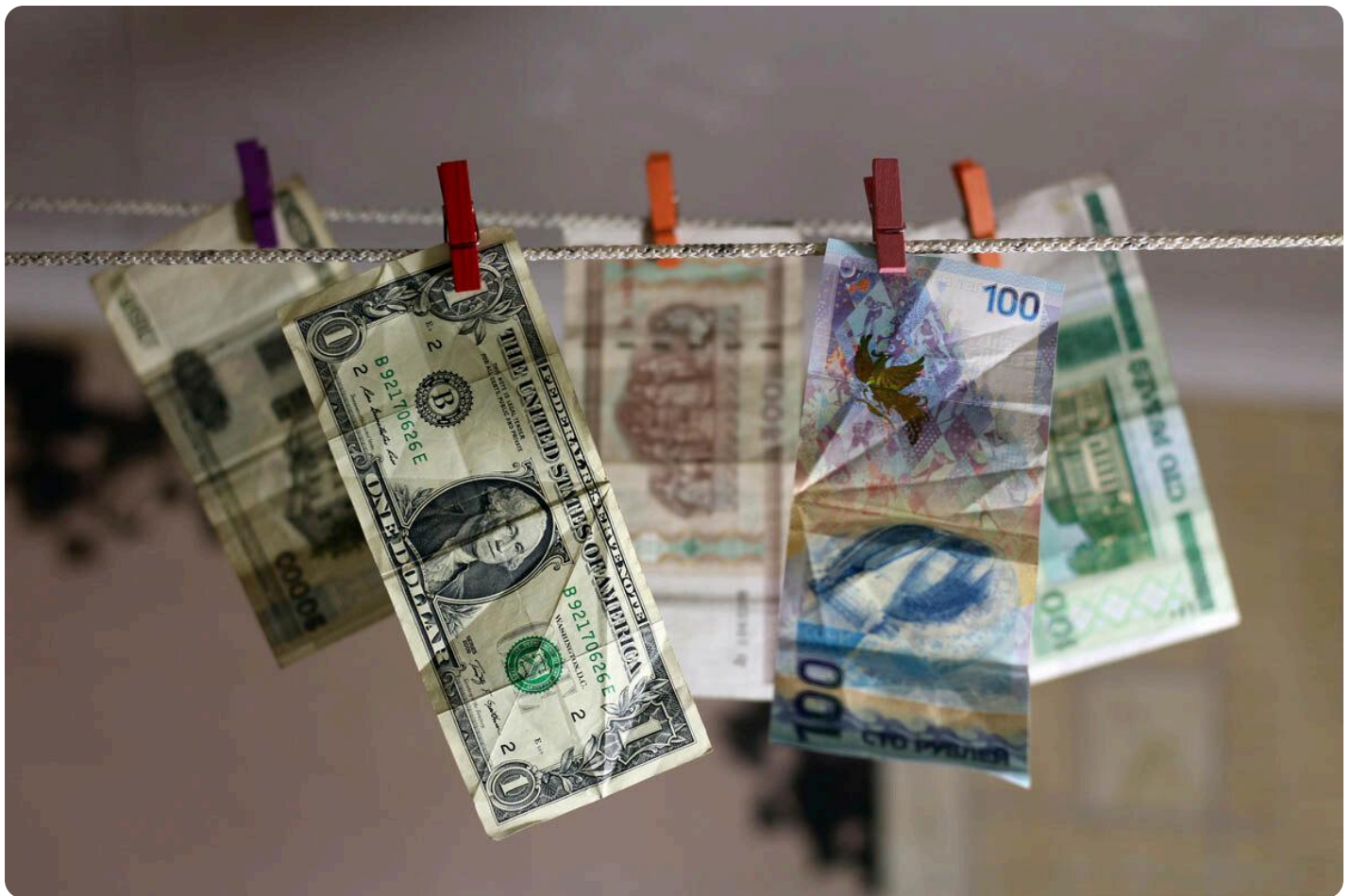


## ARTICLE

# An International Push for Anti-Money Laundering Reform

June 21, 2024 | 2 minutes reading time | By Craig Timm

Authorities' call for "urgent action" follows European Union legislation that could reshape the fight against financial crime.



On May 13, in an unprecedented joint statement, the heads of three of the world's top agencies dedicated to fighting financial crime – the Financial Action Task Force (FATF), INTERPOL and the

United Nations Office on Drugs and Crime (UNODC) – **called for urgent action** to fight money laundering and terrorist financing.

For more than 30 years, the FATF has recommended a comprehensive framework of measures to help countries tackle illicit financial flows. These measures range from specific laws to criminalize money laundering and allow for the seizure of criminal assets, to requiring financial institutions to identify and report suspicious activity involving their customers.

More recently, the FATF has found that while many countries are technically complying with its recommendations, the implementation of those measures has not proven to be effective at combating illicit finance. Thus, the FATF has reworked its framework to focus on effectiveness.

Over time, the anti-money laundering/counter financing of terrorism (AML/CFT) requirements in the European Union have mirrored the FATF's path, where most member states technically comply with the requirements, but without the desired impact on money laundering and terrorist financing.

Fortunately, in the EU, there is now a historic opportunity to change all of this.

The European Parliament has passed **a package of laws** with the potential to completely reshape the fight against financial crime across the continent: To lessen the focus on complying with technical requirements and put the emphasis on identifying and disrupting the transnational organized criminals and terrorist groups that seek to do us harm.

Beyond the EU, this work has the potential to inspire and complement similar reform efforts in the United States and around the world.

## A New Official Body

While the EU's package provides a broad framework, the details will be developed by the newly created Anti-Money Laundering Authority (AMLA) over the next couple of years. Now is the time for the AML/CFT community to come together, to work with AMLA and share ideas to make the system better.

Specifically, we should work to ensure the package of laws does the following things:

1. Clearly defines the desired outcomes in the fight against money laundering and terrorist financing.
2. Develops metrics to measure and assess the effectiveness of the AML/CFT regime in achieving those outcomes.
3. Establishes a mechanism for prioritization so that resources in the public and private sectors are focused on the biggest threats.



*ACAMS' Craig Timm:  
More emphasis on  
disrupting the  
adversaries.*

4. Encourages the use of technology to fight back against criminals who are already well ahead in their adoption of things like artificial intelligence.
5. Incentivizes information sharing and public-private partnership, which have proven to be the most effective way to fight financial crime.

If the new EU AML/CFT package does these five things, it will forever change the fight against financial crime in Europe, making it more difficult for organized crime and terrorist groups to operate and a safer place for its citizens to live.

**Craig Timm** is Senior Director of AML at the anti-financial crime membership organization **ACAMS**.

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