

Joint statement by the Estonian FSA and the Danish FSA

The Estonian financial supervision and resolution authority Finantsinspeksiioon and the Danish FSA in this statement express their shared understanding of the supervisory responsibilities between the two regulators, as a response to numerous respective inquiries from media.

According to the European Union banking directives, as a general rule, the prudential supervising activity for cross-border operating banks lies with the Financial Supervisory Authority of the home country.

According to the European AML regulation, specifically section 48 in the Fourth European AML Directive, AML measures are supervised by the competent authorities of the host country. Where the bank operates establishments in another Member State, the competent authority of the home Member State is responsible for supervising the obliged entity's application of group-wide AML/CFT policies and procedures. The competent authority of the home Member State should cooperate closely with the competent authority of the host Member State and should inform the latter of any issues that could affect their assessment of the establishment's compliance with the host AML/CFT rules.

As an example of the division of the supervisory responsibilities, the Danish FSA has recently conducted an investigation into Danske Bank's management and control related to the branch in Estonia, whereas Finantsinspeksiioon of Estonia has conducted investigations on AML organization and compliance within Danske Bank's Estonian branch. In Estonia and Denmark, criminal law matters with regard to money laundering, terrorist financing and respective criminal procedure is decided and carried out by police and public prosecutor. Finantsinspeksiioon and the Danish FSA are not national FIUs either. Financial supervisory authorities concentrate on prudential and conduct of business supervision of financial intermediaries, according to applicable law.

Finantsinspeksiioon and the Danish FSA are both committed to perform their respective supervisory duties and to collaborate and share information.