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Seotud lingid

[Countering Money Laundering](#)

The regular meeting of the Supervisory Board of Finantsinspektsioon on Monday heard a review from the Management Board of the work of Finantsinspektsioon in countering money laundering through financial supervision, with a thorough analysis of the case of Danske Bank A/S Estonian branch.

The Board also heard and discussed the proposals of Finantsinspektsioon for legislative, institutional and procedural issues that will be submitted for further consideration by the government commission on preventing money laundering.

Chair of the Finantsinspektsioon Supervisory Board, Minister of Finance **Toomas Tõniste**, said the Board unanimously supported the work to date of Finantsinspektsioon in combating money laundering through financial supervision.

“The result of this work was that Finantsinspektsioon closed off the risks coming from services to non-resident clients at Danske Pank and Versobank and forced a change of ownership at the former Krediidipank, which led them to change their business model”, he said. “I am pleased to confirm that Finantsinspektsioon has kept a critical watch on its own working processes, and has developed its processes for receiving information and for analysis and supervision”.

One of the strategic priorities for Finantsinspektsioon is to use financial supervision to help prevent money laundering. The role of Finantsinspektsioon as the financial supervisory authority in preventing money laundering is to ensure that the risk management frameworks of financial institutions are in line with the legal requirements and with their risk appetite.

Finantsinspektsioon discovered during on-site inspections carried out in 2014 at Danske Estonian branch that the bank’s risk management did not suit its business model. It issued an injunction in 2015 requiring the bank to bring its activities into line with the legal requirements, as a result of which the bank exited entirely the risky non-resident segment, where the risks for the Estonian financial sector were very large.

Finantsinspektsioon has continued its work in monitoring the risk management systems of financial institutions after the case at Danske. The work of Finantsinspektsioon has led banks to change their business models, and the operations of several financial intermediaries that had breached the requirements have been sharply restricted, as at Danske in 2015, or closed down completely, as at Versobank in 2018. It has further developed its financial supervision methodology, increased

significantly the number of on-site inspections, and focused the attention of top managers at important financial institutions on the matter.

Finantsinspektsioon is a joint institution of the state and of Eesti Pank, with responsibility for financial supervision and for resolving crises in the financial market. It has its own management bodies, a separate budget, and its own reporting system. By law, Finantsinspektsioon carries out supervision in the public interest, independently and on behalf of the state.