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Dokumendid

[Summary of the Finantsinspektsioon money laundering inspections \(pdf, 0.35 MB\)](#)

Finantsinspektsioon carried out extraordinary anti-money laundering inspections at all the banks and branches of foreign banks operating in Estonia in late 2018 and early 2019.

The inspections examined the diligence measures of all 16 banks and their resilience to risks of money laundering and terrorist financing. They looked at how each bank identified the risks in its own business activities, what risk the bank took on through its risk appetite and business strategy, how this is reflected in the control systems of the bank, and which business sectors in the client portfolio of the bank had particularly high risks. Meetings were also held with the top managers of seven of the banks that were chosen on the basis of their risks, and with people responsible for fighting money laundering.

The financial supervision opinion is that the risks to Estonian banking from serving non-residents have been substantially reduced, as the majority of the banking sector is not at high risk of money laundering and was focused mainly in 2019 on serving local or related business and private clients. Finantsinspektsioon is continuing its work with individual sources of higher risk.

The banks in Estonia have substantially improved their risk controls in recent years and have especially reduced risks in the very high-risk client segments. "We cannot ignore what happened years ago in the past, but the efforts of Finantsinspektsioon in the past five years and the changes in the business strategies of the banks have led to a sharp reduction in the risks of money laundering and terrorist financing in the Estonian financial system, and the resilience of the banks to existing risks has also improved considerably", said Andre Nõmm, a member of the management board of Finantsinspektsioon.

One measure of risk is the share of non-resident deposits, especially those of high-risk non-residents who generally have no link to the Estonian economic environment, or who operate in high-risk jurisdictions. The share of non-residents in banking in Estonia has fallen from 19.10% at the end of 2014 to around 7.91% at the end of 2018, with the steepest fall from 8.50% to 0.46% coming in deposits from very high-risk jurisdictions, including offshore locations.

Important changes in the structure of bank deposits:

Supervision relating to money laundering is constantly ongoing, and requires various further activities from individual banks. “We are giving a single and consistent message to the managers of the banks that Estonia is no place for dodgy banking. Finantsinspektsioon has emphasised to bank managers that their control systems must be risk-based, accurate and smart, which means that more resources must be employed where risks are higher than usual. There is no need to overreact to ordinary low-risk clients”, added Mr Nõmm.

Finantsinspektsioon plays an important part in clarifying the rules around money laundering and terrorist financing. It recently published a new supervisory policy and introduced a comprehensive advisory manual for organisational solutions and preventive measures for credit and financial institutions to take against money laundering and terrorist financing, which came into force from 1 March 2019.

The manual gives financial intermediaries a new and clear framework for managing money-laundering risks, so that the Estonian financial sector would not be used for money laundering and terrorist financing. For the first time it helps financial intermediaries with advice on how to recognise risks and the nature of them, and how to analyse the threats they pose. It describes for the first time the risks and methods attached to money laundering and terrorism financing that apply specifically in Estonia. Before the manual was written, international practice and standards were collected, the factors and standard features that pose a threat to Estonian banks were analysed, and the past experience of Finantsinspektsioon was examined, and this was all brought together in the Finantsinspektsioon manual.

Finantsinspektsioon believes that, given our assessment of the dangers, the banks will have to show increased care above all in providing services for non-residents who have no link with the Estonian economy or business environment, or for financial institutions such as payment institutions that serve clients of this type; It also sees providers of virtual currency services as a new source of danger that requires particular caution from the banks.

The supervisory policy of Finantsinspektsioon and the advisory guidelines for organisational solutions and preventive measures for credit and financial institutions to take against money laundering and terrorist financing can be found on the [Finantsinspektsioon website](#).