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04/03/2024

Finantsinspektsioon found major deficiencies in the anti-money laundering and terrorist financing systems and organisations of AS TBB pank (register code 10237984), and so issued a precept limiting the bank's activities in providing payment services and required the bank to eliminate the deficiencies.

TBB pank may not from 19 February provide cross-border payment services to non-resident legal entities or legal entities that have at least one beneficial owner who is a non-resident. Neither may the bank provide payment services outside the European Economic Area from that date. The domestic payments of Estonian clients of TBB pank and other services are currently not restricted.

Finantsinspektsioon inspected the activities of TBB pank to counter money laundering and terrorist financing. The inspection found that the internal rules of the bank for combating money laundering did not meet the requirements, and the staff of the bank were not sufficiently aware of them. The bank did not monitor the business relations of its clients as required and classified some of them at a lower risk level than it should have. Neither was the requirement to inform the Financial Intelligence Unit of suspicious transactions complied with as required.

Chair of the Management Board of Finantsinspektsioon Kilvar Kessler said that the deficiencies identified at TBB pank affect its capacity to manage and minimise successfully the risks from money laundering and terrorist financing. "In such circumstances TBB pank could be misused for the wrong sort of purposes. Finantsinspektsioon has issued a precept to restrict the activities of the bank until it has met all of our requirements and eliminated the deficiencies".

TBB pank has market share of 0.3% of the Estonian banking sector. The overall financial standing of the bank is good, and it meets all the capital requirements set for it. Precepts may be appealed at the Tallinn Administrative Court within 30 days of notification of the administrative decision.