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Will Supervisory Authorities Use AI Tools in Money Laundering Supervision?

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AI in Money Laundering Supervision

Innovative Technologies

Innovative technologies like AI and Natural Language Processing (NLP) promise unprecedented efficiency gains for companies.

Here to Stay

Despite ongoing discussions about a potential "bubble" versus sustainable impact, AI is recognized as a technology that is "here to stay" and cannot be ignored.

European Supervisory Authorities

European supervisory authorities, including the European Banking Authority (EBA), have acknowledged the significance of Supervisory Technology (SupTech) tools in money laundering supervision.

EBA Reporting

The EBA has specifically reported on the use of SupTech in money laundering supervision by national authorities.

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AMLA's Role and SupTech Adoption

AMLA Operations

The Anti-Money Laundering Authority (AMLA) began operations on July 1, 2025, established by a new EU package to combat money laundering and terrorist financing.

AMLA's Mandate

AMLA's mandate includes coordinating national money laundering authorities and ensuring the uniform application of EU laws.

EBA Report

The EBA's report, published on August 12, 2025, investigates how national authorities are using SupTech, prompted by AMLA's establishment.

Current State

The report indicates that the use of SupTech tools in AML/CFT supervision is still in its infancy across the EU, with many authorities in exploratory or early implementation phases.

Opportunities Presented by SupTech

The growing adoption of SupTech signifies a move towards more efficient, data-driven methods for combating financial crime.

Technologies like **AI and blockchain analysis** are being utilized to enhance risk assessments and operational efficiency.

Enhanced Analysis

SupTech tools are designed to improve the analysis of large data volumes and generate comprehensive insights into supervised companies' activities.

Process Optimization

These tools also aim to automate processes, optimize resources, and foster increased cooperation among authorities.

Challenges in SupTech Implementation

Data Issues

Significant hurdles to effective SupTech use include poor data quality and governance.

Resource Constraints

Limited budgets and the necessity for technological adjustments present practical challenges for agencies.

Regulatory Uncertainty

There is a recognized lack of clarity in the regulatory framework surrounding the application of these technologies.

Human Factors

Resistance to change and a shortage of digital skills among agency staff also impede the full adoption and utilization of SupTech.

Increased Scrutiny on FinTech Companies

Supervisory authorities are expected to embrace new technologies, leading to more efficient and comprehensive oversight and demanding stricter compliance from companies.

The focus of supervision appears to be increasingly directed towards FinTech companies.

⚠ EBA Opinion - July 28, 2025

An EBA Opinion from July 28, 2025, revealed that **70% of competent EU authorities report high or increasing money laundering and terrorist financing risks in the FinTech sector**.

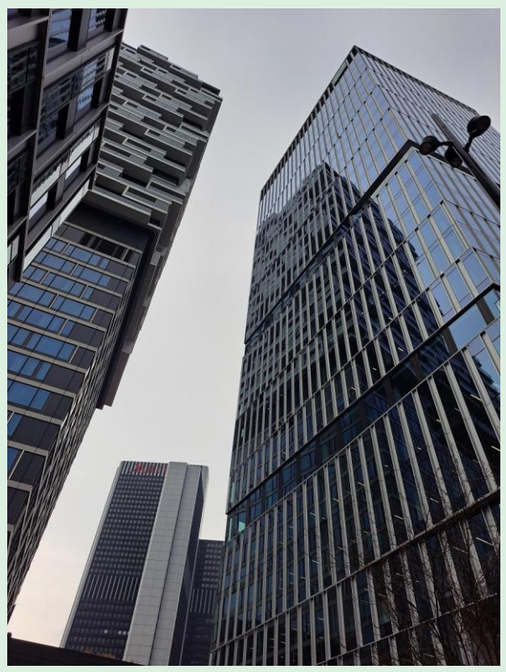
FinTech companies must adopt a particularly careful approach to money laundering compliance, despite the high bureaucratic burden, especially for smaller firms.

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