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# EBA REPORT

ON THE FUNCTIONING OF ANTI-MONEY  
LAUNDERING AND COUNTERING THE  
FINANCING OF TERRORISM COLLEGES IN  
2024-2025

EBA/REP20252/32

OCTOBER 2025

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## List of abbreviations

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<b>AML</b>	anti-money laundering
<b>CFT</b>	countering the financing of terrorism
<b>EBA</b>	European Banking Authority
<b>EuReCA</b>	European reporting system for material CFT/AML weaknesses
<b>FIU</b>	financial intelligence unit
<b>ML</b>	money laundering
<b>STR</b>	suspicious transactions report
<b>TF</b>	terrorist financing

# Executive summary

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1. AML/CFT colleges are permanent structures that bring together different supervisory authorities responsible for the AML/CFT supervision of a cross-border financial institution, which operates in at least three Member States. Their aim is to ensure that supervisors exchange information in a timely manner, and that they cooperate to achieve better and more targeted supervisory outcomes in the fight against financial crime. The EBA is a member of all AML/CFT colleges.
2. Since the establishment of the first colleges in 2020, the EBA has been monitoring the functioning of colleges. The outcomes from these monitoring activities are shared in the EBA's reports on the functioning of AML/CFT colleges.
3. This report covers the period 1 January 2024 to 31 May 2025. During the period covered by this report, EBA staff actively monitored nine AML/CFT colleges and collected data on the functioning of 258 AML/CFT colleges.
4. Overall, the EBA found that the state of the colleges framework has remained stable since December 2023. The number of colleges remained broadly the same. Competent authorities were still using colleges as an effective tool to exchange information that could enhance the effectiveness of supervision. The level of participation of FIUs and prudential supervisors had not changed, but there was a slight increase in the participation of third country observers.
5. However, competent authorities had made limited progress in addressing the two priorities identified by the EBA in its previous report<sup>(1)</sup>:

- a. Implementing the risk-based approach to the organisation of colleges

The EBA found that most supervisors had not adapted the functioning of colleges (means used to exchange information and frequency at which the information is exchanged) to the level of ML/TF risk they presented or the characteristics of the college. This means that lead supervisors could not always allocate sufficient human resources to the most strategic colleges. This also caused a lack of attendance by some members in certain colleges.

- b. Ensuring that discussions on the need for a common approach are meaningful and systematic

One of the main purposes of AML/CFT colleges is to allow competent authorities to identify common ML/TF risks and AML/CFT issues, and to coordinate the actions they take to address those risks and issues. The EBA found that most of the colleges that were actively monitored by the EBA were still not considering these aspects. As a result, competent authorities were rarely able to identify whether there were risks and/or issues that should be addressed in a coordinated manner.

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<sup>1</sup> See [EBA Report on the functioning of AML/CFT colleges in 2023](#).

6. From 1 January 2026, the responsibility to monitor AML/CFT colleges will be transferred to AMLA. Therefore, this report is the last report on the functioning of AML/CFT colleges that will be published by the EBA. AMLA may wish to take the findings from this report into account as it builds its supervisory framework.

# 1. Background

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7. The legal basis for anti-money laundering and countering the financing of terrorism supervisory colleges (AML/CFT colleges) is set out in Article 57a(4) of Directive (EU) 2015/849<sup>(2)</sup>(AMLD). Article 57a(4) contains a high-level requirement for ‘competent authorities supervising credit and financial institutions to cooperate with each other to the greatest extent possible, regardless of their respective nature or status’. Further details and practical modalities of this cooperation are specified in the joint Guidelines (JC 2019 81) on cooperation and information exchange for the purpose of Directive (EU) 2015/849 between competent authorities supervising credit and financial institutions (the ‘Guidelines’) published by the European Supervisory Authorities (ESAs) in December 2019. AML/CFT colleges, i.e. permanent structures for collaboration and information exchange between competent authorities that are responsible for the AML/CFT supervision of the same financial institution, are central to these Guidelines and should be set up whenever a financial institution operates in three or more EU Member States. Competent authorities had two years, until January 2022, to implement the Guidelines.
8. AML/CFT colleges will remain a key cooperation tool under the new legislative framework, as the AML/CFT colleges framework was enshrined in the [AMLD6](#). The new framework, which will need to be applied from July 2027 onwards, will be very similar to the current framework. AMLA will take over the EBA’s role and responsibilities in relation to AML/CFT colleges from 1 January 2026.
9. The EBA has been monitoring AML/CFT colleges since their inception in line with its AML/CFT colleges methodology<sup>(3)</sup>. The EBA has published previous AML/CFT colleges monitoring reports in 2021, 2022, 2023 and 2024<sup>(4)</sup>. Last year’s report observed that, while colleges had become effective supervisory tools, supervisors still needed to improve in the two following areas:
  - a. Applying the risk-based approach to AML/CFT college meetings – the EBA found that the functioning of colleges (frequency of meetings, form in which the information is exchanged, etc.) was not sufficiently adapted to the risks to which the firms were exposed and to their specificities.

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<sup>2</sup> Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73, ELI: <http://data.europa.eu/eli/dir/2015/849/oj>).

<sup>3</sup> The EBA explained its approach in its [factsheet on the EBA’s approach to monitoring the functioning of AML/CFT colleges](#) published in December 2021.

<sup>4</sup> The first EBA report (EBA/REP/2020/35) on the functioning of AML/CFT colleges was published in December 2020 and is available here: [Report on the functioning of AML/CFT colleges in 2020](#). The second report (EBA/REP/2022/18) is available here: [Report on the functioning of AML/CFT colleges in 2021](#).

- b. Taking steps to identify areas for a ‘common approach’ or ‘joint actions’ – the EBA found that few colleges had meaningful discussions on common risks and issues and the need to address such issues in a coordinated manner.
10. This report provides an overview of AML/CFT colleges that were established or continued operating between 1 January 2024 until 31 May 2025, and summarises the EBA’s observations. It also provides an assessment of the progress made by competent authorities in implementing the key action points defined in its previous reports. As this report is the last report that the EBA publishes before handing over its responsibility for the monitoring of AML/CFT colleges to AMLA, the report points to areas that AMLA might wish to focus on, to increase the effectiveness of colleges going forward.
  11. This report draws on information from the EBA’s monitoring of AML/CFT colleges as well as information from other sources including information gathered from the EBA’s central AML/CFT database, EuReCA<sup>(5)</sup>, findings from the EBA’s ML/TF risk assessments and AML/CFT implementation reviews and information from the EBA’s work on colleges of prudential supervisors and resolution colleges<sup>(6)</sup>.

## 2. Overview of AML/CFT colleges

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12. As of 31 May 2025, 258 AML/CFT colleges were established in the EU. This was less than the total number of colleges reported in December 2023 (264) and is mainly due to the merger of certain colleges and the termination of others that were no longer meeting the conditions for setting up a college. Between 2024 and 31 May 2025, 13 new AML/CFT colleges were established.
13. Forty-eight percent of all colleges were set up in relation to a credit institution. Other colleges were mainly set up in relation to investment firms, collective investment undertakings, and payment institutions. The life insurance and e-money sectors were less represented<sup>(7)</sup> (Figure 1 and 2).

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<sup>5</sup> EuReCA is EBA’s central database for reporting AML/CFT weaknesses. For more information, see the EBA’s [EuReCA webpage](#).

<sup>6</sup> See the EBA’s webpage dedicated to [prudential colleges](#).

<sup>7</sup> The underrepresentation of these sectors is mainly due to the fact that there are less firms operating in these sectors overall and these firms have less cross-border establishments.

Figure 1: Total number of colleges established as of 31 May 2025, per country and per sector

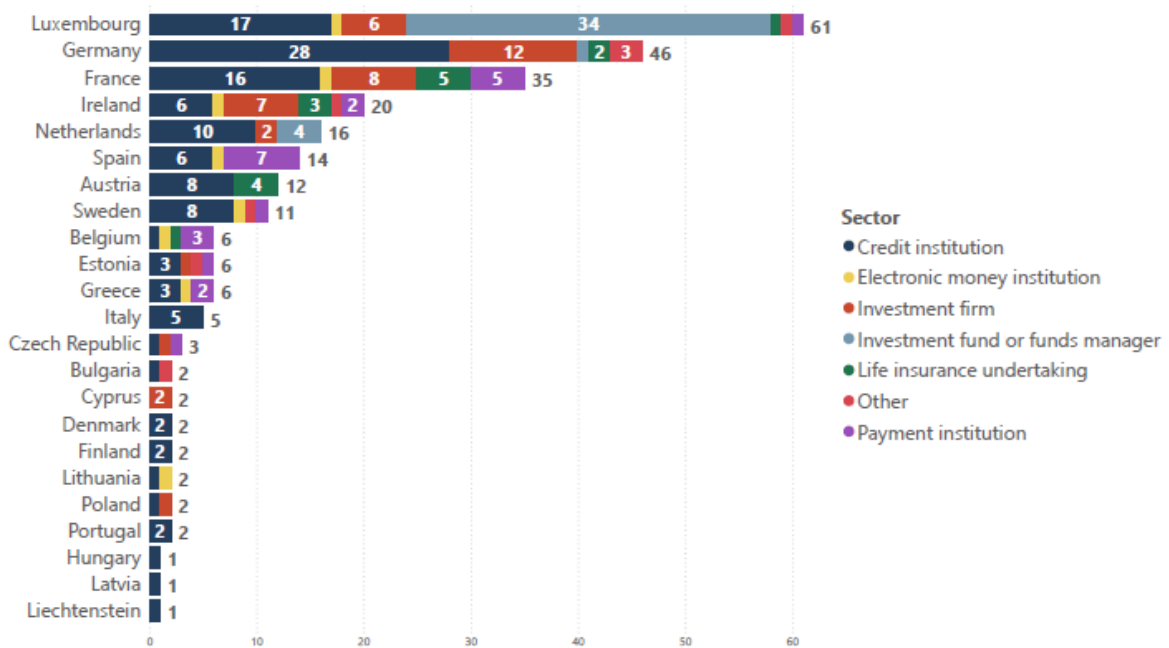
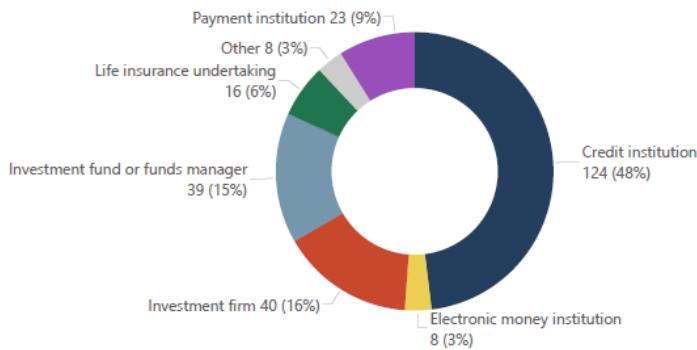


Figure 2: Total number of colleges established as of 31 May 2025, per sector

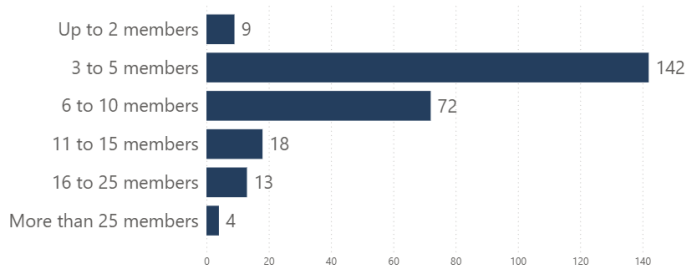


14. In terms of size, colleges were ranging from 1<sup>(8)</sup> to 32 members, including the lead supervisors and excluding the EBA. Fifty-five percent of colleges had between three and five members. Only 17% of colleges had 10 or more members (Figure 3).

<sup>8</sup> It is worth noting that the Guidelines require the establishment of an AML/CFT college if a firm is established in at least three Member States. This means that a college should in principle have at least three members (excluding the EBA). However, in certain colleges that had been established recently, some members had not been onboarded yet. In addition, competent authorities are free to establish a college even if the conditions set out in the Guidelines are not met. As a result, certain colleges have less than three members.

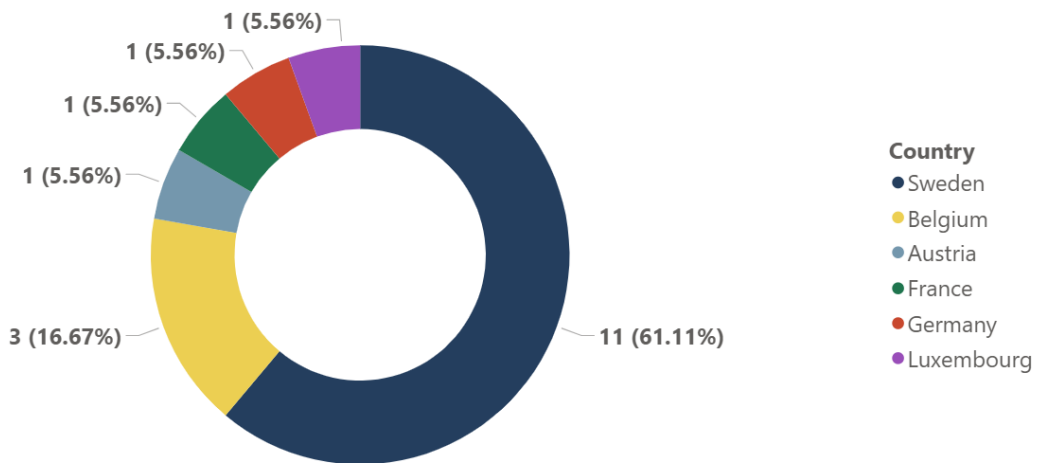


Figure 3: Number of members in AML/CFT colleges as of 31 May 2025



15. Lastly, competent authorities reported 18 colleges that were yet to be established as of 31 May 2025<sup>9</sup> (Figure 4). Four of these colleges were expected to be set up in the second half of 2025. One was expected to be set up in 2026. For the remaining colleges, supervisors did not indicate the expected date of establishment.

Figure 4: Total number of AML/CFT colleges to be established as of 31 May 2025 per country and per sector



<sup>9</sup> These colleges were not set up either because the conditions to establish the college had been met only recently or because the setting up of these colleges was not a priority for the relevant lead supervisors. The proportion of colleges in each category is not known.

## 3. EBA's role in AML/CFT colleges

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16. Between 1 January 2024 and 31 May 2025, EBA staff monitored the operation of 258 AML/CFT colleges. EBA staff also provided technical assistance and support to lead supervisors and permanent members.

### 3.1 Monitoring the functioning of AML/CFT colleges

17. The EBA's approach to monitoring AML/CFT colleges is based on two different monitoring activities, namely general monitoring and active monitoring.

#### 3.1.1 General monitoring

18. General monitoring of AML/CFT colleges consists of the collection of data from all AML/CFT colleges on an annual basis. The objective of general monitoring is to keep track of trends and general developments within the AML/CFT college framework.

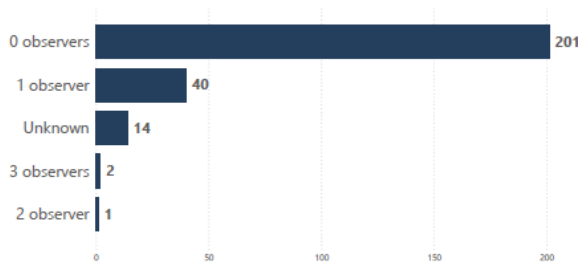
19. Between 1 January 2024 and 31 May 2025, the data was collected through two main channels:

- a. Notifications sent by competent authorities to the EBA on an ongoing basis (for instance to inform the EBA of the establishment of a new college or to inform the EBA of upcoming meetings);
- b. An annual general monitoring questionnaire, which all competent authorities were requested to complete, and which collects general information on the composition and functioning of all AML/CFT colleges.

20. According to the information provided, the level of participation of FIUs and prudential supervisors in colleges has remained stable since December 2023 (the FIU was participating in about 58% of colleges and prudential supervisors in about 71% of colleges).

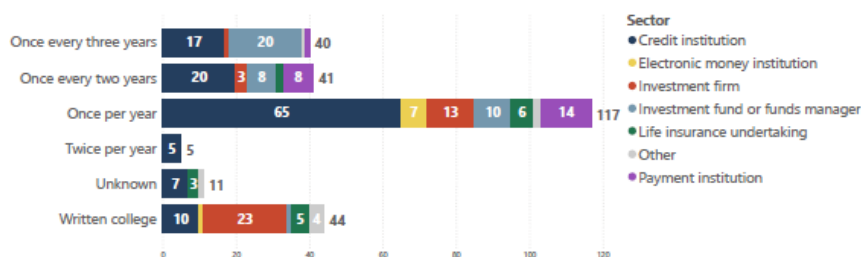
21. There was also a slight increase in the onboarding of third country observers (57 colleges reported to have onboarded at least 1 third country observer as of 31 May 2025 against 41 as of 31 December 2023). Nevertheless, the number of third country observers onboarded in colleges remained limited overall (see Figure 5 below). This low number is partly explained by the fact that a significant number of potential third country observers are not yet covered by an official assessment of the equivalence between their confidentiality regime and the regime set out in the AMLD (see Section 3.2).

Figure 5: Onboarding of third country observers as of 31 May 2025



22. The agreed frequency of meetings also remained stable. The most common frequency of meeting agreed between college members was once per year (about 45% of colleges). Five colleges agreed to meet twice per year. The remaining colleges can be divided in three groups of roughly equal size, namely: those that agreed to meet once every two years (about 16% of colleges), those that agreed to meet once every three years (about 16% of colleges) and those that agreed to communicate only in writing (about 17% of colleges) (see Figure 6 below).

Figure 6: Agreed frequency of meetings per college as of 31 May 2025



23. Inviting the firm as ‘invited participant’ within the meaning of Guideline 5.11 is common practice (about 58% of all colleges). The participation of the firm generally entailed a presentation made by the firm on all or part of its AML/CFT compliance framework, followed by a Q&A session during which the members and observers could ask questions to the firm.

24. Lastly, 19% of colleges reported that they had agreed on a common approach or joint actions. The actions or measures taken included, for example, joint onsite inspections (two colleges), agreeing to focus supervision on certain areas of common interest (five colleges), consolidate the findings from recent supervisory actions to assess whether to align remediation measures (one college) and the participation of one competent authority in on-site inspections conducted by another competent authority as observer.

25. Overall, the data collected showed that the colleges framework is now stable. Most competent authorities have set up and operationalised the colleges pursuant to the Guidelines. However, progress was still needed to fully implement the requirements set out in the Guidelines. Section 4 and 5 of this report provide further information on this point.

### 3.1.2 Active monitoring

26. Active monitoring consists of closely following a small number of AML/CFT colleges notably by participating in all the meetings and assessing the improvements made by these colleges. For the 2022-2024 period, EBA staff selected 16 colleges, based on a list of six criteria<sup>10</sup>. For the period commencing on 1 January 2025 and ending on 31 May 2025, the list was reduced to seven colleges. This was due to the transition to the new AML/CFT framework.
27. In total, between 1 January 2024 and 31 May 2025, EBA staff attended 11 meetings organised by nine of these colleges. The other colleges either did not organise a meeting during that period or organised a meeting that EBA staff was unable to attend. EBA staff's participation entailed attendance at the college meetings and providing updates on key policy developments, and identifying potential emerging risks raised in those colleges and intervening where necessary to ensure that these risks were sufficiently addressed. EBA staff also provided detailed information based on submissions to the EuReCA database.
28. EBA staff found that, compared to the previous year, the effectiveness of most actively monitored colleges had improved, even though persisting issues were identified. On the positive side, EBA staff noted that:
- a. Most actively monitored AML/CFT colleges were well organised. The meeting agenda was systematically sent sufficiently in advance to allow permanent members to prepare ahead of the meetings.
  - b. Most lead supervisors were chairing colleges effectively, and were actively leading the discussions and asking the other members questions, which fostered the exchange of information between members.
  - c. Most members and observers were sharing meaningful information. In some colleges, members were discussing more targeted issues, focusing on certain specific risks or topics.
  - d. A few colleges identified common concerns. In one college, the members that identified these concerns agreed to share the outcomes of recent supervisory actions with the lead supervisor, so that the lead supervisor could consolidate the findings and assess the need to coordinate the remediation measures to be taken in the different Member States.
29. The persisting issues identified by EBA staff are the following:
- a. In some colleges, there was no discussion in respect of common concerns or the need for a common approach. Where such a discussion was held, most lead supervisors and members made insufficient efforts to identify potential cross-cutting issues or the need for a concerted approach. As a result, the discussion was not always meaningful and supervisors were not able to determine whether a common approach would have been warranted.

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<sup>10</sup> The criteria comprise three core criteria and three additional criteria. The core criteria include: (1) the sector's exposure to high inherent ML/TF risk; (2) the financial institution's exposure to a high or very high level of ML/TF risk; (3) the width of scope of the institution's cross-border operations. The additional criteria include: (4) the strategical importance of the institution in its Member State or region; (5) the existence of serious weaknesses in the institution's AML/CFT procedures, systems and controls; (6) the existence of concerns in relation to AML/CFT supervision in the institution's Member State. For more information, see EBA's factsheet on the new approach to monitoring AML/CFT colleges referred to in the EBA's [factsheet on the EBA's approach to monitoring the functioning of AML/CFT colleges](#) published in December 2021.

- b. In one college, the members had identified a common issue and decided on a common approach during the previous year. However, after the initial common action decided proved insufficient to address the issue identified, the college did not assess the need to agree on more intrusive measures. As a result, the issue remained unresolved.
  - c. In some colleges, the persons attending on behalf of certain members were not sufficiently well prepared to provide a meaningful description of the risks to which the firm was exposed or the outcome of the supervisory actions that had recently been taken. This hampered the quality of discussions and the benefit members could draw from the college.
30. Overall, active monitoring between 1 January 2024 and 31 May 2025 showed that AML/CFT colleges remained an effective communication channel that competent authorities could use to exchange relevant information. Nevertheless, competent authorities made limited progress in using colleges to identify common issues and address these issues in a coordinated manner. Section 4 and 5 of the report provide further information on this point.

### 3.2 Supporting the creation and development of AML/CFT colleges

31. In addition to carrying out the monitoring activities mentioned in the previous section, EBA staff continued to provide technical assistance and support to AML/CFT colleges and the lead supervisors of these colleges, especially in the following areas:
- a. Conducting assessments of the equivalence between the confidentiality requirements applicable to third country AML/CFT authorities, on the one hand, and the confidentiality requirements set out in the AMLD, on the other hand, to facilitate the onboarding of such authorities in colleges as observers. In March 2025, the EBA's Network of Equivalence assessed the Australian supervisor (AUSTRAC) and the Central Bank of Montenegro as equivalent. The EBA's Board of Supervisors officially approved those assessments in July 2025;
  - b. Organising a training session for competent authorities on 30 April 2025 (ENHANCING THE EFFECTIVENESS OF AML/CFT COLLEGES) to share good practices identified by the EBA in its last two reports on the functioning of AML/CFT colleges<sup>(11)</sup>;
  - c. Organising a workshop on SupTech tools on 28-29 November 2024 to facilitate exchanges between EU NCAs on best practices and lessons learnt in relation to the use of SupTech tools;
  - d. Assisting lead supervisors in implementing the requirements set out in the Guidelines;
  - e. Sharing information with lead supervisors of colleges on material weaknesses, and the subsequent measures taken, submitted in EuReCA on entities that are part of the college, so that the information could then be communicated to the other members<sup>(12)</sup>.

<sup>11</sup> See [Report on the functioning of AML/CFT colleges in 2022](#) and [EBA Report on the functioning of AML/CFT colleges in 2023](#).

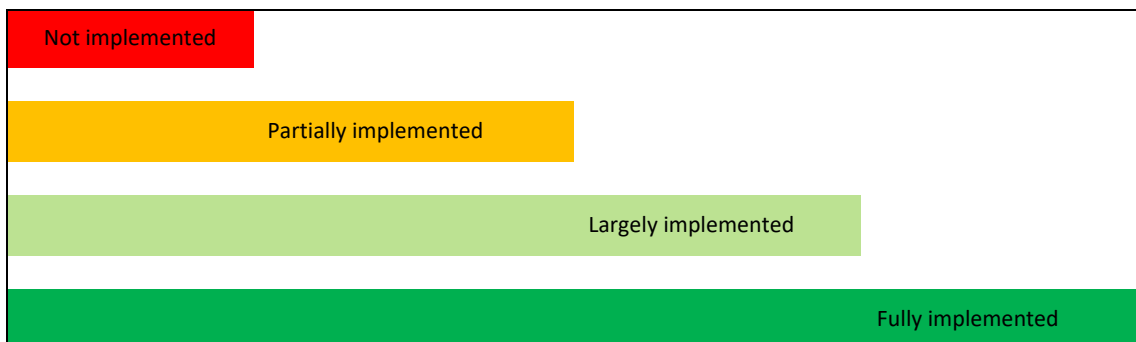
<sup>12</sup> On a monthly basis, EBA staff analyses all submissions received in EuReCA to identify all submissions relating to entities belonging to a group for which a college has been set up. Where such entities are identified, EBA staff shares the submission with the relevant lead supervisors.

## 4. Progress made in implementing the EBA's key action points for colleges

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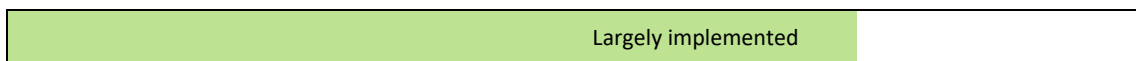
32. The key objective of AML/CFT colleges is to provide supervisors that are responsible for the supervision of the same cross-border financial institution, with comprehensive and up-to-date information about the financial institutions' exposure to ML/TF risks so that they can take the necessary actions to address these risks in a timely manner before they crystallise. In its report on the functioning of AML/CFT colleges in 2021, the EBA identified six action points that lead supervisors and colleges should implement to achieve these objectives.
33. The progress made in implementing each action point will be graded based on the following scale:

Grading scale – Progress made in implementing the key action points



34. For each action point, a grade is given. This grade represents the EBA's assessment of the extent to which this action had been implemented by competent authorities as of 31 December 2023. In each case, the rationale behind the EBA's assessment will be explained in the subsequent developments.

### 4.1 Action point 1 – Finalising structural elements of the college



35. The first action point set out by the EBA was to finalise structural elements of the college to ensure the conditions are met for supervisors to exchange relevant information on the ML/TF risks to which the financial institutions is exposed in a timely fashion. As part of this, the EBA recommended that competent authorities:
- Ensure that an AML/CFT college is set up for all institutions that meet the criteria set out in the Guidelines;
  - Finalise the Cooperation Agreement;

- c. Ensure the participation of all permanent members in the AML/CFT college;
- d. Take the necessary steps to ensure that all relevant observers are identified and invited to the AML/CFT college in line with the Guidelines.

36. As shown in the presentation of general monitoring activities (see Section 3.1.1), competent authorities have largely implemented the first action point. The vast majority of colleges are now set up and running. The majority of members had signed the cooperation agreements in most colleges. Where members had not signed the agreement, this appears to be mainly due to difficulties in getting some members to sign the cooperation agreement or even participate in the college. In the general monitoring questionnaire, five lead supervisors highlighted that obtaining the signed cooperation agreements from the other members of the colleges they were leading were among the main challenges they were facing. Eight lead supervisors claimed that getting all permanent members to participate or even reply to the invitation was a challenge in some colleges.

37. Few third country observers were participating in AML/CFT colleges (see Section 3.1.1). However, this was mainly because most third country observers were not covered by an EBA equivalence assessment, as explained in Section 3.2. As explained in the same section, the EBA's Network of Equivalence recently assessed two additional third country authorities as equivalent (Austrac and the Central Bank of Montenegro) and further assessments are underway. However, several potential third country observers are not covered by such an assessment. In the general monitoring questionnaire, three lead supervisors reported the lack of an equivalence assessment as one of the main challenges that they were facing, as it prevented the onboarding of key third country observers.

## 4.2 Action point 2 – Enhancing the quality of discussions during the AML/CFT college meetings

Largely implemented

38. The second action point was to enhance the quality of discussions in AML/CFT college meetings. Enhancing the quality of discussions is key to ensuring that permanent members of colleges exchange information which raises the members' understanding of the risks to which the financial institution may be exposed, both at group level and in their Member State, and enhances the effectiveness of AML/CFT supervision in all Member States. To guide lead supervisors and permanent members in implementing this action point, EBA staff had identified a series of good practices, including notably:

- a. Leading the discussions by proactively asking follow-up questions, where necessary, and encouraging other members to contribute to the discussions. EBA staff had also encouraged permanent members to seek clarifications, where necessary, to develop a better understanding of the issues discussed;
- b. Ensuring that sufficient time is allocated for the exchange of views between members and observers;

- c. Setting out, prior to the meeting, the topics on which members and observers should be prepared to provide an update or discuss during the meeting (which should include, as a minimum, the topics mentioned in the Guidelines);
  - d. Requesting the information to be presented in a structured way, including through the use of visuals, presentations, excel spreadsheets, tables and other supporting documentation and to ensure that this information is available to all relevant members and observers;
  - e. Where the financial institution is invited to attend a college meeting, narrowing the scope of its presentation or contributions to focus on specific ML/TF risks or measures it applies to mitigate these risks.
39. Through its active monitoring of colleges, EBA staff observed that members and observers were now sharing meaningful information (see Section 3.1.2). Most actively monitored colleges had implemented most of the good practices mentioned above, with good results. In particular:
- a. Most lead supervisors were actively leading discussions and asking other members questions;
  - b. Some lead supervisors used a template spreadsheet to collect the information in advance, which ensured that permanent members came prepared to the meeting;
  - c. Where the financial institution was invited to make a presentation, some lead supervisors requested that such a presentation focus on a specific topic. As a result, the presentation provided more targeted and useful information to competent authorities attending the meeting;
  - d. Some lead supervisors had, either on their own initiative or at another member's request, included a discussion on a specific topic that was of special interest for several competent authorities attending the meeting. These authorities could therefore discuss more specific issues which they were facing when supervising the financial institution in their Member State.
40. EBA staff observed good practices that were implemented in addition to those mentioned. For example:
- a. In two actively monitored colleges, the lead supervisors selected one member (in the case of one college) or a few members (in the case of the other college) to make an in-depth presentation on its recent supervisory actions, based on the information collected through a spreadsheet circulated prior to the meeting. This ensured that the members that had been more active in the recent period had sufficient time to share meaningful information during the meeting.
  - b. In the general monitoring questionnaire, six lead supervisors indicated that they used the provisions of Guideline 5.11 to invite certain stakeholders (other than the firm) as 'invited participants', such as:
    - A foreign FIU (three colleges),



- AML/CFT third country authorities that could not yet be onboarded as observers (two colleges),
  - Prudential third country authorities that could not yet be onboarded as observers (one college),
  - External auditors (one college).
- c. One lead supervisor that was requesting other members to share information on their risk assessment and recent supervisory actions ahead of the meeting prepared a summary of all contributions. This summary was used to provide an overview of all information collected to the other college members, which was particularly useful as the college was large.
- d. One lead supervisor of a large college requested that members do not use slides when sharing information with the college but rather present this information based on the template spreadsheet to be completed ahead of the meeting. As a result, the tour de table was more time-efficient with more time for discussions.

41. However, EBA staff also observed certain poor practices, namely:

- a. One lead supervisor did not request the obliged entity (which was invited as ‘invited participant’) to make a targeted presentation. As a result, the presentation was long but did not sufficiently focus on the topics that were of interest for supervisors.
- b. Two lead supervisors did not collect information from permanent members in a structured manner ahead of the meeting. This hampered the lead supervisors’ ability to identify important topics and ensure that these topics could be discussed during the meeting.

### 4.3 Action point 3 – Fostering the ongoing cooperation between members and observers within AML/CFT colleges

Largely implemented

42. AML/CFT colleges are permanent structures that provide an opportunity for supervisors involved in the supervision of cross-border institutions to engage with each other during the college meeting but also on an ongoing basis. Exchanging information on an ongoing basis is especially crucial to ensure that competent authorities are informed of emerging risks to which financial institutions may be exposed or of significant developments relating to these institutions as early as possible. The third action point set out by the EBA was for supervisors to make use of the colleges framework to cooperate and exchange information in a timely manner, particularly in cases where significant developments related to the financial institution have emerged and may have an impact on the entire group or some institutions within the group.

43. In the general monitoring questionnaire, competent authorities reported that 11 colleges had organised at least one ad hoc meeting prior to 31 May 2025 (one of which was actively monitored by EBA staff in 2023). The trigger events for these meetings include:
- The identification of significant AML/CFT findings in the course of AML/CFT supervision (five colleges);
  - A major incident identified in the firm that had AML/CFT implications (one college);
  - The imposition of a fine on the firm by the lead supervisor (one college);
  - The need to coordinate remediation measures taken by various members in different Member States (one college);
44. EBA staff did not identify poor practices in relation to the ongoing exchange of information in 2024 and 2025.

#### 4.4 Action point 4 – Applying the risk-based approach to AML/CFT college meetings

Partially implemented
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45. The fourth action point was to set the frequency and form of college meetings in such a way that is commensurate to the ML/TF risks to which the institution is exposed and adapted to the characteristics of the firm. The purpose of this action point is to ensure that supervisors' allocation of resources is conducive to a more effective supervision. More concretely, this means that supervisors should focus more of their resources on colleges set up in relation to institutions that are riskier and/or for which there is a greater need for discussions with other supervisors, for example because the firm carries out significant cross-border activities or because significant developments have arisen.
46. The most common reason for choosing a certain frequency of meetings that was reported in the general monitoring questionnaire was the level of ML/TF risks to which the firm was exposed. Some lead supervisors had developed a formalised approach to adjust the frequency of meetings based on this sole criterion (for example: 'high risk: every year, medium risk: every two years, low risk: every three years'). Some competent authorities were also taking into account other factors, such as the activities carried out by the branches, the outcomes of supervisory engagements and the availability of the members.
47. Overall, competent authorities' approach to setting the form and frequency of meetings was still not fully in line with the Guidelines and the recommendations made by the EBA in its previous report<sup>13</sup>. For example, many lead supervisors chose to hold once meeting per year irrespective of the nature of ML/TF risks to which the firm is exposed and to the characteristics of the group. In addition, several authorities were not taking into account all the factors mentioned in the Guidelines (for example, they were basing the frequency entirely on the lead supervisor's risk rating). As a result, many colleges appeared to meet overly frequently, which

<sup>13</sup> See [EBA Report on the functioning of AML/CFT colleges in 2023](#).

meant that competent authorities were not always able to focus their resources on the most strategic colleges.

## 4.5 Action point 5 – Taking steps to identify areas for common approaches or joint actions

Partially implemented

48. AML/CFT colleges provide supervisors with an opportunity to address common issues and risks in a coordinated and consistent manner. The fifth action point was therefore to take steps to identify areas where a common approach or joint action would be warranted.
49. Most actively monitored colleges held a discussion aimed at identifying common areas of concern. Two of them held a discussion on the need for a common approach or joint actions. One of these two colleges agreed to take a joint action (sharing the outcomes of recent supervisory actions with the lead supervisor, so that the lead supervisor could consolidate the findings and assess the need to coordinate the remediation measures to be taken in the different Member States) (see Section 3.1.2).
50. However, the EBA observed that most actively monitored colleges did not make a serious attempt at identifying common areas of concerns and/or discuss the need for a common approach or joint action. More specifically, the EBA observed that:
- a. Most lead supervisors did not schedule a discussion specifically on common concerns and the need for coordinated actions on the agenda, or even clarified that the members should express their views on this topic;
  - b. Lead supervisors rarely attempted to summarise the key point raised by the members or to identify cross-cutting issues (whether on the basis of the data collected ahead of the meeting or on the basis of the information shared during the meeting). This meant that the members generally lacked the basis they would have need to have a fruitful exchange on common issues and the need for joint actions;
  - c. Most members were not sufficiently proactive in trying to assess the existence of common issues or the need for a common approach. For example, few of them were asking questions to understand the extent to which the risks and issues highlighted by the other members were related to those that they had identified;
  - d. In some cases, the persons attending on behalf of certain members did not appear to have sufficient knowledge of the recent supervisory engagements of their competent authority with the firm, to be able to offer a meaningful contribution to the discussion;
  - e. In one actively monitored college, even though several competent authorities had identified similar issues, neither the lead supervisor nor the members attempted to discuss possible ways to align the remediation measures. This meant that the college could not ensure that the issues identified were addressed in a consistent manner across the different Member States in which the firm is established.

51. Overall, colleges made limited progress in identifying cross-cutting issues and using a common approach to address those issues. This means that most supervisors were still not using colleges to ensure that firms operating on a cross-border basis are supervised in a consistent manner in different Member States.

## 4.6 Action point 6 – Enhance supervisory convergence in AML/CFT colleges

Not implemented

52. Action point 6 was to share supervisory experiences when dealing with certain matters as this may inform and enhance the supervisory approach and practices by other members and observers in the college. In last year's report on the functioning of colleges, EBA staff had identified certain areas that may merit the exchange of views between competent authorities and which lead supervisors should therefore consider including on the agenda of college meetings, namely:

- a. The cooperation for the purposes of the risk assessment and supervision, including cooperation with tax authorities, the FIU, prudential supervisors;
- b. The methods applied by supervisors to monitor and assess the effectiveness of transaction monitoring policies and procedures put in place by institutions;
- c. The approaches applied by supervisors when assessing the AML/CFT governance arrangements put in place by financial institutions, including their oversight of the outsourced AML/CFT systems and controls;
- d. The approaches for assessing the effectiveness of measures taken by financial institutions to remedy breaches and weaknesses identified by supervisors;
- e. The approaches for identifying and addressing relevant risk factors for their sectoral and entity-level risk assessments.

53. The EBA nonetheless observed that lead supervisors of actively monitored colleges did not include any discussion on these topics on the agenda of meetings.

## 5. Conclusion

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54. In its previous report<sup>14</sup>, the EBA observed that competent authorities could use AML/CFT colleges in an effective manner to exchange relevant and actionable information. However, since Action Point 4 (applying the risk-based approach to the organisation of the college) was only partially implemented, lead supervisors had not always chosen the frequency at which colleges should meet based on a thorough analysis of the level and nature of the risks to which they were exposed and of the characteristics of the group. More specifically, the level of activity was too high within some of the least strategic colleges, which meant that these colleges were too demanding to lead supervisors and members. As a result, lead supervisors were not always able to allocate a sufficient amount of resources on more strategic colleges. This also prevented certain members from attending all colleges in which they were invited. Furthermore, because Action Point 5 (taking steps to identify areas for common approach or joint actions) was also only partially implemented, colleges could not be used to address common risks and issues in a coordinated manner. Implementing these two action points is a condition for enhancing the effectiveness of colleges going forward. The good practices and recommendations the EBA made in the two previous reports on the functioning of AML/CFT colleges<sup>15</sup> in this regard remain valid.
55. The findings presented in Sections 3 and 4 of this report nevertheless suggest that most of the recommendations and good practices have not yet been taken into account by competent authorities.
56. Under the new [AMLD6](#), AML/CFT colleges will remain a key cooperation tool. This means that lead supervisors and members should continue to focus on enhancing the functioning of existing colleges to ensure that, by the time the new legislation is implemented in July 2027, these colleges are fully functional and effective.
57. Specifically, competent authorities should continue to focus on implementing Action point 4 (applying the risk-based approach to the organisation of the college) and Action point 5 (taking steps to identify areas for a common approach or joint actions), as they are key to improving the effective use of AML/CFT colleges by competent authorities going forward.
58. As of 1 January 2026, AMLA will take over the EBA's role and responsibilities vis a vis AML/CFT colleges. Therefore, it will fall to AMLA to take the necessary steps to ensure that this objective can be achieved.

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<sup>14</sup> See [EBA Report on the functioning of AML/CFT colleges in 2023](#).

<sup>15</sup> See report mentioned above and [Report on the functioning of AML/CFT colleges in 2022](#).



**eba** | European  
Banking  
Authority

Tour Europlaza, 20 avenue André Prothin CS 30154  
92927 Paris La Défense CEDEX, FRANCE  
Tel. +33 186527000

E-mail: [info@eba.europa.eu](mailto:info@eba.europa.eu)

<https://eba.europa.eu>