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Danske Bank money laundering scandal will be investigated by European supervisor following Greens' request

Good news! The European Commission has asked the European Banking Authority (EBA), the European “policeman” of banks, to investigate whether Danish and Estonian authorities did not respect EU law in the Danske Bank’s money laundering scandal. This happens a week after Greens / EFA Parliamentarians wrote to the European Commission and the EBA, asking them to do just that: start an investigation into possible violations of the EU anti-money laundering obligations in Denmark and Estonia.

- [Greens-EFA letter to the European Banking Authority](#)
- [Greens-EFA letter to the European Commission](#)

The Danske Bank, one of the largest banks in Denmark, [has been at the centre of one of the world's biggest money laundering scandals](#). In March 2017 already, the Danish newspaper Berlingske uncovered how millions of Euros were laundered through the Estonian branch of the Danish bank by suspicious customers mostly from Russia, the United Kingdom, and the British Virgin Islands. It appears that the bank, contrary to its obligations, did not check who their clients were and whether the source of funds was legitimate. Worst, Danske Bank’s management in both Estonia and Denmark had apparently received strong early warnings on suspected money laundering since 2014 already but did not react. [The bank' management had also be warned by a whistleblower in late 2013 about regulatory failures](#).

No later than last week, a recent investigation by the bank itself found “major deficiencies” in the running of its Estonian subsidiary. The investigation concluded that around €200bn in questionable funds - a much higher amount than anticipated - have flowed through the Estonian branch since 2009. Such scandal led to the resignation of the bank’s chair executive.

The Greens raised the alarm earlier in September already. According to our information, the Danish

financial regulator opened an investigation but rather late in the process. On top of this, it looks like the Head of the Danish financial regulator, Mr. Henrik Ramlau-Hansen, had a conflict of interest in this matter, having been a member of the Danske Bank's executive board at the time when the suspected breached occurred (where he has direct responsibility for anti-money laundering controls).

I asked the European Banking Authority [#eba](#) to make full use of its powers to probe what went wrong in the supervision of [#Danske](#) bank. I am also meeting the Danish and Estonian Ministers of Finance next week.

— Věra Jourová (@VeraJourova) [September 24, 2018](#)

The Greens welcome the request to investigate possible breaches of EU rules, by the Banking Authority, which can issue recommendations to national supervisors and give direct instructions to banks. In addition, we requested and obtained a debate during the European Parliament plenary session next week on the risks of money laundering in the European banking sector, as it is unfortunately not confined to Denmark or Estonia. Recent cases in Latvia (ABVL bank), Malta (Pilatus Bank) or the Netherlands (ING) show that the entire EU banking system is at risk of being used by criminals to launder dirty money.

The Greens / EFA group in the European Parliament made a priority to strengthen rules against money laundering, and welcomed the approval of the [5th Anti-money laundering directive earlier this year](#). In order to better tackle flows of illicit money, the Greens / EFA group will continue to call for improving EU anti-money laundering rules and their application as well as for strengthening European investigation powers in this domain.

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Contact person



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Attached documents

[Greens-EFA letter to the European Banking Authority - Danske Bank](#)

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