



**EIB Group**  
**Anti-Money Laundering**  
**and Combatting the Financing**  
**of Terrorism Policy**

July 2021



**European  
Investment  
Bank Group**



# **EIB Group Anti-Money Laundering and Combating the Financing of Terrorism Policy**

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## Version Control

Version	Date	Change description
1.0	04/04/2012	Creation of principle-based Counterparty Acceptance and Monitoring (CAM) Procedure.
2.0	02/07/2014	Introduced EIB Group AML-CFT Framework, covering integrity, money laundering and financing of terrorism risks.
2.1	12/10/2016	Adopted 4 <sup>th</sup> AMLD measures on identification of beneficial owners, reporting of suspicions and references to data protection provisions (EIB Group AML-CFT Framework).
2.2	18/01/2018	Updated EIB Group AML-CFT Framework to adopt AMLD definition of ML-FT, reporting obligations, Sanctions provisions and data retention requirements.
2.3	08/12/2020	Revised EIB Group AML-CFT Framework to take into account 5 <sup>th</sup> AMLD provisions
3.0	22/07/2021	Revision as part of the Transitional Roadmap initiative (EIB Group AML-CFT Policy)

This document will take effect once approved by the respective Boards of Directors and published. It remains in effect until replaced by a new version.

## Glossary

AML	Anti-money laundering
AML-CFT	Anti-money laundering and combatting the financing of terrorism
AMLD	European Union anti-money laundering and combatting the financing of terrorism directives
BBP	Best Banking Practice
CFT	Combatting the financing of terrorism
Data Protection Regulation	Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018
EBA	European Banking Authority
EIB	European Investment Bank
EIB Group	European Investment Bank and European Investment Fund
EIB Group AML-CFT Policy	EIB Group Anti-Money Laundering and Combatting the Financing of Terrorism Policy
EIB Group NCJ Policy	EIB Group Policy towards weakly regulated, non-transparent and non-cooperative jurisdictions and tax good governance
EIF	European Investment Fund
EPPO	European Public Prosecutor's Office
EU	European Union
EU Legislative Acts and Guidelines	Legislative acts and guidelines applicable to commercial banks issued or adopted by EU institutions, bodies and agencies
EIB Group	European Investment Bank Group
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
KYC	Know Your Customer
Lead Organisations	Organisations and standard setting bodies, including the EU, the United Nations, the International Monetary Fund, the Financial Stability Board, the FATF, the OECD, the Global Forum, the G20, the Inclusive Framework on BEPS and any successor organisation, as the case may be (from the <a href="#">EIB Group NCJ Policy</a> )
Management Bodies	For the purposes of this Policy refers to the EIB Board of Directors and/or the EIB Management Committee, as well as the EIF Board of Directors and/or the EIF Chief Executive / Deputy Chief Executive
ML	Money laundering
ML/TF	Money laundering and terrorist financing
MLRO	Money Laundering Reporting Officer
OCCO	Office of the Chief Compliance Officer
OECD	Organisation for Economic Co-operation and Development

OLAF	European Anti-Fraud Office
Persons subject to this Policy	All staff members of EIB Group entities, the EIB and EIF Boards of Directors, the members of the EIB Management Committee, the EIF Chief Executive/Deputy Chief Executive and any other person providing the EIB Group with services, irrespective of their administrative position or status, e.g. secondees, local agents, graduates, trainees/interns and summer students and any other persons not directly employed by EIB Group entities but providing services to the EIB Group, such as temporary workers (interim staff), external consultants or employees of other service providers, to the extent that their contractual agreements with the EIB Group entities so provide
Rights of the Data Subject	Data subjects are entitled to request an access, rectification and, for duly justified reasons, blockage and erasing of this data
TF	Terrorist financing
Tipping off	Unlawfully informing prospective or existing EIB counterparty(ies), or other third persons, that compliance concerns may be, or have been raised in relation to an operation and/or counterparty, and/or that an investigation has been, is being, or may be, carried out, including its outcome.
TRC	Tax and Regulatory Compliance
UN	United Nations



# 1 Introduction

ML, TF, and [tax crimes](#) undermine, among others, the stability and integrity of financial systems, the efforts by governments to ensure sustainable development of their economies and their ability to collect adequate public revenues. The EU, its institutions, and its bodies are strongly committed to the fight against ML/TF both within the EU and globally. Since the first AMLD in 1990, the EU has developed a solid and continually evolving regulatory framework for countering and combatting ML/TF.

The EIB Group, consisting of the EIB and the EIF, places great emphasis on integrity and good governance and is committed to the highest standards of AML-CFT.

The nature of the EIB, the nature of its members, the non-profit making basis of its operations and its strategy driven also by public policy objectives are important features that distinguish the EIB from commercial banks. In fulfilling its public policy mission, the EIB applies BBP principles<sup>1</sup>, as contemplated in the [EIB Statute](#) and the [EIB Rules of Procedure](#). Although the EIB is generally not subject to EU Legislative Acts and Guidelines, it has voluntarily decided to comply with these EU Legislative Acts and Guidelines to the extent determined by the [BBP Guiding Principles](#). This applies on an individual and on a basis of the consolidated situation, which means the situation as if the EIB formed a single entity together with its subsidiaries (entities controlled by the EIB, such as the EIF).

Accordingly, EIB Group applies as BBP the general principles and standards set out in EU law, notably the AMLD<sup>2</sup> and for interpretation purposes, takes into account international standards such as the [FATF recommendations](#). The EIB Group hence requires its counterparties (those receiving financial support from the EIB Group) to comply with applicable laws in the field of AML-CFT.

Against this background, the EIB Group continuously monitors and enhances the effectiveness of its compliance standards and controls. It hence aims to mitigate the risk of misuse of funds from EIB Group or from other sources for the purpose of activities that are illegal or abusive in relation to applicable laws.

The EIB Group AML-CFT Policy establishes the key principles governing AML-CFT and related integrity aspects in relevant EIB Group professional activities. It is applied through respective EIB and EIF implementing procedures.

The EIB Group AML-CFT Policy supersedes the “EIB Group Anti-Money Laundering and Combating the Financing of Terrorism Framework” and applies when establishing a business relationship, as well as to all new or renewed operations where EIB Group entities provide professional activities, as detailed in the implementing procedures.

All Persons subject to this Policy are responsible for adhering to the EIB Group AML-CFT Policy and its implementing procedures, as applicable.

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<sup>1</sup> The EIF applies Best Market Practice (BMP).

<sup>2</sup> Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU (5<sup>th</sup> AMLD) and 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 (4<sup>th</sup> AMLD).

## 2 Scope

### 2.1 Objectives

The EIB Group AML-CFT Policy and its implementing procedures establish principles and measures designed to prevent the EIB Group and Persons subject to this Policy from being used for or connected with ML, TF or other criminal activities<sup>3</sup>.

Adherence to the EIB Group AML-CFT Policy also aims, among others, at preventing the EIB Group from being exposed to reputational damage and financial loss as a result of non-compliance with applicable AML-CFT standards.

### 2.2 Applicability

This Policy is applicable to the professional activities of EIB Group entities, as detailed in the applicable implementing procedures.

This Policy shall apply to all Persons subject to this Policy.

The responsibilities of EIB Group entities' Management Bodies include, setting, approving, and overseeing the implementation of adequate and effective internal governance and internal control frameworks such as this Policy, to ensure compliance with applicable requirements. In the context of countering ML/TF, this also includes setting the risk appetite, monitoring against risk exposures and taking decisions in respect of granting finance and establishing business relationships.

### 2.3 Definition of Money Laundering

ML<sup>4</sup> is intentionally engaging in:

- a) the conversion or transfer of property, knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an activity to evade the legal consequences of that person's action;
- b) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of, property, knowing that such property is derived from criminal activity or from an act of participation in such an activity;
- c) the acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from criminal activity or from an act of participation in such an activity;
- d) the participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions referred to in foregoing points.

ML shall be regarded as such even where the activities which generated the property to be laundered were carried out in any country / jurisdiction.<sup>5</sup>

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<sup>3</sup> See definition in Art. 3 (4) AMLD.

<sup>4</sup> See definitions in Art. 1 (3) and (4) AMLD.

<sup>5</sup> See definition in Art. 1 (3) AML Directive.

## 2.4 Definition of Terrorist Financing

TF is the provision or collection of funds, by any means, directly or indirectly, with the intention that they be used, or in the knowledge that they are to be used (in full or in part) to commit or to contribute to the commission of any of the offences referred to in Articles 3 to 10 of [Directive \(EU\) 2017/541 of 15 March 2017](#) on combatting terrorism.

Where TF concerns any of the offences laid down in articles 3, 4 and 9 of Directive (EU) 2017/541, it shall not be necessary that the funds be in fact used, in full or in part, to commit or to contribute to the commission of any of those offences, nor shall it be required that the offender knows for which specific offence or offences the funds are to be used.<sup>6</sup>

## 3 Three Lines of Defence Framework

The internal management of ML/TF risks and controls of the EIB Group entities follows the three lines of defence model for addressing and managing risk.

Business lines, as the first line of defence, take risks and are responsible for their operational management directly and on a permanent basis, as detailed in the implementing procedures.

In the AML-CFT context, the EIB Group compliance functions constitute the second line of defence and performs, among others, risk-based monitoring of first line of defence controls, set standards and provide guidance, support and counsel on ML/TF risk tolerances. The involvement of the compliance functions shall be commensurate to identified ML/TF risk factors.

Internal Audit represents the third line of defence. It independently reviews the first two lines of defence, assesses the adequacy and effectiveness of AML-CFT controls, and provides assurance to the EIB and EIF Boards of Directors on the sound management of AML-CFT risks.

## 4 Risk Management

### 4.1 Risk Appetite

Under the [EIB Group Risk Management Charter](#), the Group Risk Appetite Framework includes a risk appetite statement incorporating among other limits to the exposure to ML/TF risks, and an outline of the roles and responsibilities of those overseeing the implementation and monitoring of the relevant Risk Appetite Framework aspects.

### 4.2 Compliance Risk Assessment

For the management of ML/TF risks, the EIB and the EIF conduct Compliance Risk Assessments, as applicable to the EIB Group. Their standards and principles follow the AMLD and best industry practice

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<sup>6</sup> See definition in Art. 1 (5) AMLD, together with Art. 11 of Directive (EU) 2017/541 on combating terrorism and replacing Council Framework Decision 2002/475/JHA and amending Council Decision 2005/671/JHA.

with regard to the risk dimensions and factors used to assess the ML/TF risk exposure, and are adapted to the nature and size of each entity. These results are also consolidated on a Group level. To this end, the EIB Group entities may also incorporate input from relevant EU-wide risk assessments.

### **4.3 Risk-Based Approach**

While its entities do not open or manage accounts or accept deposits and are driven by public policy objectives, the EIB Group has adopted this Policy and its implementing procedures with the aim of applying AML-CFT measures to proportionally respond to the AML-CFT risks that it may be exposed to. The EIB Group applies a risk-based approach to AML-CFT when mitigating the ML/TF risk of its professional activities, taking into account, among others, factors such as the type of counterparty (including sector), business relationship, product or transaction and country of operation. The ML/TF risk associated with new products and significant changes applied to existing ones are identified, assessed and approved.

## **5 Counterparty Due Diligence**

The EIB Group has in place a counterparty due diligence process which takes into account, among others, factors including the type of counterparty (including sector), business relationship, product, service or transaction and country(ies) of operation.<sup>7</sup> Through the EIB Group NCJ Policy and its implementing procedures, the EIB Group takes into consideration jurisdictions classified by one or more Lead Organisations for not having made sufficient progress towards satisfactory implementation of EU and/or internationally agreed standards in connection with AML-CFT and/or tax transparency/tax good governance standards. The EIB Group entities also apply the following counterparty due diligence measures to an extent determined on a risk-sensitive basis.

### **5.1 Identification and Verification of Identity of Counterparties benefiting from EIB Group professional activities**

The EIB Group identifies and verifies the identity of the counterparties benefiting from its professional activities, on the basis of documents, data or information obtained from a reliable and independent source.

### **5.2 Identification and Verification of Identity of Beneficial Owner(s)**

The EIB Group takes reasonable measures to verify and record the identity of the beneficial owner(s) i.e. the individual(s) of counterparties benefiting from EIB professional activities:

- who (ultimately) own(s) or control(s) the counterparty or its assets; or
- on whose behalf a transaction is carried out, or the business relationship with the EIB Group is established.

For relevant entities which do not have a beneficial owner or if there is any doubt that the person(s) identified are the beneficial owner(s), equivalent controls are applied to the senior managing official(s).

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<sup>7</sup> See Art. 13 of the AMLD.

That is, the natural person(s) who exercise(s) (executive) control over the management of the relevant entity.

### 5.3 Establishment of Purpose of Business Relationship

Within the context of its professional activities, the EIB Group takes reasonable measures to duly assess the purpose and intended nature of its business relationships and the overall ML/TF risk. This includes related integrity aspects of its business relationships in order to avoid being involved in professional activities and /or business relationships structured for the purposes of criminal activities or co-financed through funds of possibly illicit origin.

### 5.4. On-going Monitoring

On-going monitoring (including monitoring of transactions) is implemented in order to detect possible ML/TF or related integrity risks which may arise throughout the life of business relationships. The intensity and extent of the ongoing monitoring is calibrated following a risk-based approach.

## 6 Reporting Obligations

### 6.1 Persons Subject to Reporting Obligations

Persons subject to this Policy are required to report, in line with the reporting channels set out therein, any alleged misconduct, breaches or any suspicions of ML/TF.

Unlawfully informing prospective or existing EIB counterparty(ies) or other third persons, that compliance concerns may be, or have been raised in relation to an operation and/or counterparty, and/or that an investigation has been, is being, or may be, carried out, including its outcome is prohibited (Tipping off). Tipping off a prospective or existing counterparty is a breach of professional duties and may constitute a criminal offence, therefore allegations of Tipping off may trigger the opening of an investigation/inquiry against the person who has tipped off the prospective or existing counterparty, which may result in disciplinary proceedings and sanctions and possible referral to national authorities for criminal prosecution. Suspicions that funds, regardless of amount, may be the proceeds of criminal activities or related to ML or TF in the professional activities of the EIB Group, must be reported for assessment and, if appropriate, investigation, to the Inspectorate General. Results of relevant assessments and investigations are shared with the EIB and EIF Heads of Compliance in their capacity as MLROs reporting ML/TF suspicions to the Luxembourg FIU, as appropriate (please see 6.2 below).

The applicable [EIB](#) and [EIF](#) Codes of Conduct and the [EIB Group Whistleblowing Policy](#) stipulate the conditions under which the EIB Group provides assistance and ensures confidentiality of the identity and protection against retaliation for Persons subject to this Policy who report suspicions of ML or TF.

## 6.2 Compliance Functions

The EIB Group has in place Memoranda of Understandings, for EIB and EIF with the FIU of the Grand Duchy of Luxembourg for the reporting of suspicious transactions or activities. The Heads of Compliance act as designated MLROs for EIB and EIF, respectively. In their capacity, the Heads of Compliance or their delegates report suspicions of ML/TF to the Luxembourg FIU.

## 6.3 Inspectorate General

The Inspectorate General assesses, and if appropriate investigates, allegations of prohibited conduct, including ML/TF related to EIB Group professional activities. It cooperates directly with and reports to the EPPO and OLAF. It may also refer suspected prohibited conduct to other competent authorities per the [EIB](#) and [EIF](#) Anti-Fraud Policies.

# 7 Sanctions Compliance

The EIB Group entities are committed to comply with applicable sanctions provisions/regulations relating to its professional activities (EU, UN, and as determined by the EIB Group, Sanctions Authorities outside the EU) as per the EIB Group Sanctions Compliance Policy as periodically amended.

# 8 Data Management

## 8.1 Data Protection

Personal data processed by the EIB Group entities under this Policy and its implementing procedures are subject to the provisions of the Data Protection Regulation<sup>8</sup>. The processing of personal data for the purposes of AML-CFT is considered by the AMLD to be a matter of public interest and as such, the processing is lawful for the purposes of the Data Protection Regulation<sup>9</sup>. The Regulation is applicable to any potential exchange of KYC personal data of common counterparties benefiting from EIB professional activities.

Data subjects are entitled to request an access, rectification and, for duly justified reasons, blockage and erasing of the data (Rights of the Data Subject), and may exercise their rights by contacting the Data Controller. Data subjects also have the right of recourse to the European Data Protection Supervisor at any time.

Detailed provisions relating to the application of the Data Protection Regulation for AML-CFT purposes are available in the related [EIB](#) and [EIF](#) Privacy statements available on the respective public website.

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<sup>8</sup> See Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC.

<sup>9</sup> See Art. 43 AMLD as well as Art. 5 (1)(a) Data Protection Regulation.

## 8.2 Record Retention

Records of all transaction data and data obtained for the purposes of identification, as well as of all documents related to AML-CFT will be kept for a 5-year retention period after the end of the business relationship.

## 9 Training

The EIB Group entities provide compulsory training on AML-CFT, including on the protection of personal data, to all staff and, as appropriate, to members of its governing bodies. The training is updated regularly and held on recurrent basis to help recipients recognise operations or activities which may be related to ML/TF and to instruct them as how to proceed in such cases. In addition, specific *ad-hoc* training or other awareness-raising initiatives may be provided to staff regarding responsibilities with respect to their line of defence.

## 10 Review

In respect of international standards and relevant EU Legislative Acts and Guidelines to the extent determined by the BBP Guiding Principles, this document remains in effect unless replaced by an updated version approved by the EIB and EIF Boards of Directors.

The EIB Head of Compliance maintains the EIB Group AML-CFT Policy in cooperation with the EIF Head of Compliance and with the EIB Group services concerned. The Heads of Compliance propose for approval by the relevant decision-making bodies any appropriate updating, taking into account international standards and relevant EU Legislative Acts and Guidelines to the extent determined by the [BBP Guiding Principles](#).







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