

AMLSC

10 February 2021

EBA Staff

EBA Regular Use

Progress Update

on the EBA Call for Input on de-risking

Background

1. As AMLSC members are aware, the EBA launched in June 2020 a “Call for input” on the topic of ‘de-risking’, to which AMLSC members had been given an opportunity to provide early input by commenting on the set of questions external stakeholders were invited to respond to. Many of the comments received, as well as those of other committees (SCPS and SCconFin), were subsequently taken on board before publishing the Call on the EBA website.¹

Respondents from outside the financial sector

2. The final major group of respondents were those respondents who claimed to be ‘accidental americans’ (i.e., citizens of a foreign country other than the U.S. who may be considered an American citizen under the U.S. nationality law). Unfortunately, the input submitted by the respondents in this category was often too unclear to understand the related issues better. The EBA however noted the following:
 - Some respondents in this category indicated that in decisions made to de-risk them, clear reference was made by the banks to the fact that they were holding a US citizenship and that reference was made to FATCA requirements. One respondent indicated being told explicitly that the US requirements were too burdensome and that US sanctions were too important.
 - Respondents referred to denied access to bank accounts, a mortgage, a loan and/or have experienced restrictions on bank accounts, such as limitations imposed on the savings account and restrictions in accessing some investment products and life insurances.

Next steps

¹ [EBA Call for Input on de-risking](#)

3. EBA staff will continue to analyse the feedback received to arrive at a view as to whether or not additional policy output is required to mitigate the apparent issues reported by respondents. For example, the observation that entities and customers are being de-risked without much advance notice, and without explanation and without a possibility to request a review of the decision raises questions whether mitigating measures are warranted and legally feasible. AMLSC members will be kept informed and updated on any additional policy outputs in that regard.