



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Andrea ENRIA

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Nuno Melo
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 23 April 2020

Re: Your letter (QZ-009)

Honourable Member of the European Parliament, dear Mr Melo,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 13 March 2020.

In your letter, you raise several questions concerning the supervision of exposures and financial transactions in Portugal related to Ms Isabel dos Santos, whose assets have been seized at the request of the Portuguese Public Prosecutor's Office in March 2020.

As regards possible impairments to be recorded in the accounts of Portuguese banks as a consequence of the judicial action against Ms dos Santos, ECB Banking Supervision, through Joint Supervisory Teams in which the Banco de Portugal also participates, is closely monitoring the implications for the safety and soundness of banks and banking systems in the euro area countries concerned. As a prudential supervisor, we examine the adequacy of decisions taken by banks and reviewed by their auditors in the light of the particular situation of each exposure. While I cannot disclose specific details related to individual cases, I can assure you that we apply our common European supervisory standards to the evolution of the situation of these exposures.

Regarding the duty to scrutinise financial transactions and clients as laid down in anti-money laundering legislation, the Banco de Portugal is the competent authority for the supervision of such obligations. I am therefore not in a position to answer questions related to this or to the role of any other Portuguese national authority in this area.

Let me, however, underline that safe and sound governance arrangements have always been a top supervisory priority for ECB Banking Supervision and remain in the supervisory spotlight in 2020. We continuously assess governance from several perspectives, including the adequacy and efficiency of internal

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control functions, such as compliance and internal audit. As I have previously stated, from a euro area perspective and in consideration of the results of the 2019 Supervisory Review and Evaluation Process, controls and procedures regarding anti-money laundering are still insufficient.¹

In this context, I would like to reiterate the very strong commitment of ECB Banking Supervision to contribute, within the bounds of its prudential mandate, to ensuring robust governance of all risks incurred by banks, including those linked to the fight against financial crime, and our determination to actively cooperate with all authorities responsible for anti-money laundering and combating the financing of terrorism (AML/CFT).

Yours sincerely,

[signed]

Andrea Enria

¹ <https://www.bankingsupervision.europa.eu/press/speeches/date/2020/html/ssm.sp200128-886dbc9984.en.html>