

**Agreement between the Government (Venstre, Liberal Alliance and Det Konservativ Folkeparti) and Socialdemokratiet, Dansk Folkeparti, Radikale Venstre og Socialistisk Folkeparti on further initiatives to strengthen efforts to combat money laundering and terrorist financing of September 19<sup>th</sup> 2018.**

19th of September 2018  
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Money laundering and terrorist financing are very serious criminal activities that are profoundly harmful to Danish society and Denmark's international reputation. Therefore, the framework for combating money laundering and terrorist financing must be effective and the sanctions severe.

Both in the EU and in Denmark, a number of initiatives have been taken to strengthen the fight against money laundering and terrorist financing. The Anti-Money Laundering Act, adopted in June 2017 and implementing the 4th Anti-Money Laundering Directive, introduces a more risk-based and targeted supervision, and the exchange of information between authorities has been strengthened. With the broad political agreement on 21 June 2017, a number of significant initiatives were also taken to strengthen efforts to combat money laundering in the financial sector. Among other things, it was agreed to significantly increase the range of penalties for money laundering, introduce the option of withdrawing a company's license for gross violations of the Anti-Money Laundering Act and tighten the fit and proper requirements for management members so that members of the Executive Board and Board of Directors can be removed from their position, should they violate the anti-money laundering rules. In addition, the authorities have significantly increased resources allocated to the enforcement of the rules.

With these tightenings and priorities, the authorities now have better tools for sanctioning and penalising money laundering.

Based on The Danish FSA's inquiry into money laundering in Danske Bank's Estonian branch, it is clear that further significant tightening of sanctions and rules is required regarding i.a. financial managers' responsibility to ensure sufficient skills and systems to avoid money laundering.

Against this background, the Government (Venstre, Liberal Alliance and Det Konservative Folkeparti) and Socialdemokratiet, Dansk Folkeparti, Radikale Venstre and Socialistisk Folkeparti agree on a national strategy (only available in Danish), which contains a number of concrete initiatives to strengthen the overall effort against money laundering and terrorist financing. These include i.a.

1. Increasing fines for violation of the Anti-Money Laundering Act by up to 700 percent, ensuring that the Danish level of fines will be among the absolute top in Europe
2. Fast-track scheme with the State Prosecutor for Serious Economic and International Crime (SØIK) for handling notifications about suspicious transactions
3. Extending the fit & proper requirements to include people responsible for combating money laundering as well as all key persons in banks
4. Requirements for banks and payment service providers to prepare a policy for sound corporate culture
5. Requirement for documented follow-up on inquiries made to companies' whistleblower scheme
6. Ban on the use of 500 euro banknotes in Denmark
7. Examining the possibilities for tightening the collaborative responsibility in case of omissions or inactivity in money laundering cases
8. Active Danish participation in the forthcoming international work to strengthen cooperation in combating money laundering across countries.

As soon as possible, the government will draw up proposals for necessary legislation, etc.

The signatory parties to financial agreements will assess the impact of the effort annually. The signatory parties will evaluate whether the allocation of resources to the Danish FSA and the Danish DBA are sufficient. The assessment of allocation of resources to the State Prosecutor for Serious Economic and International Crime should be handled in the coming annual agreement to the police and prosecution service. The signatory parties will make their first assessment of the effort in June 2019.