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25/06/2020

## Documents

[Decision \(pdf, 0.70 MB\)](#)

[Fact sheet \(pdf, 0.60 MB\)](#)

[Q&A \(pdf, 0.46 MB\)](#)

### **Finantsinspeksioon has issued a precept to AS SEB Pank and a fine of one million euros for breaches of the anti-money laundering and terrorist financing systems.**

Finantsinspeksioon identified during its supervisory proceedings inadequacies in AS SEB Pank activities in applying customer due diligence measures during customer on-boarding and throughout the business relationships. Shortcomings were also found in the reporting of suspicions of money laundering to the Financial Intelligence Unit. Finantsinspeksioon issued a precept to the bank requiring it to rectify these shortcomings. The discovery of these shortcomings during the supervisory proceedings led Finantsinspeksioon to open a misdemeanour case as well and to fine AS SEB Pank million euros for the failings in 2017-2019.

“Finantsinspeksioon has been giving the banks operating in Estonia a clear message that they need to invest into risk-sensitive and effective internal control systems to combat money laundering and terrorist financing. It is our job to inspect the systems of the banks and to react to weaknesses that we find. We identified shortcomings in the anti-money laundering work of AS SEB Pank and so we decided to issue a precept and a fine to the bank,” said chair of the Finantsinspeksioon management board **Kilvar Kessler**.

Finantsinspeksioon carried out an on-site inspection at AS SEB Pank from 26 August to 27 September 2019. The results were put together in a report of the on-site inspection that gave an assessment of the anti-money laundering systems and controls of AS SEB Pank and the actions of the management as at 25 August and earlier.

Finantsinspeksioon started a misdemeanour proceedings against AS SEB Pank on 28 January this year, and the result was that the bank was fined.

The misdemeanours were committed over the following periods:

- Breach of requirement to register and retain data 27.11.2017 - 27.09.2019( subsection 94 (2) of the MLTFPA)
- Breach of duty to identify beneficial owner 27.11.2017 - 27.09.2019 (subsection 85 (2) of the MLTFPA)

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- Breach of duty to monitor business relationship 27.11.2017 - 27.09.2019 (subsection 89 (2) of the MLTFPA)
  - Breach of duty to report suspicion of money laundering or terrorist financing 08.12.2017 - 18.09.2019 (subsectiion 92 (2) of the MLTFPA).

AS SEB Pank must rectify the shortcomings identified by the supervisory proceedings within six months. If the requirements in the precept have not been fulfilled timely or are not fulfilled correctly, Finantsinspektsioon has the right to require the bank to pay a penalty of 32,000 euros, and a further 100,000 euros for each subsequent identical or similar breach. AS SEB Pank has the right to appeal against the Finantsinspektsioon misdemeanour decision within 15 days of receiving the decision.

The precept and fine issued to AS SEB Pank will not affect the clients of the bank, which will continue to serve its clients in Estonia as normal. The management and staff of AS SEB Pank showed willingness to cooperate with Finantsinspektsioon during the proceedings and a desire to rectify the shortcomings identified.

During this inspection Finantsinspektsioon worked closely with the Swedish and Lithuanian financial supervisors in assessing the anti-money laundering work of AS SEB Pank, though the supervisory proceedings were carried out in each country separately. The Swedish financial supervisor investigated the group-wide management of money-laundering risks by the Scandinavian parent bank Skandinaviska Enskilda Banken AB. At the same time the Estonian and Lithuanian financial supervisors investigated whether the subsidiaries in Estonia and Lithuania of the bank followed the local anti-money laundering requirements.

The precept issued to AS SEB Pank, the misdemeanour decision and further materials can be found on the Finantsinspektsioon website [www.fi.ee](http://www.fi.ee).

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