

Finantsinspeksioon clarifies the partial disclosure by the Danish Financial Supervisory Authority concerning its independent full right to carry out onsite inspection in the Danske Bank Estonia Branch, and invites the DFSA to consider a full disclosure

20/02/2019

[News](#)

The Danish Financial Supervisory Authority today issued a press release saying that the Danish Ministry of Industry, Business and Financial Affairs has sent the Danish Parliament two documents from the historical correspondence with Finantsinspeksioon, the Estonian Financial Supervisory Authority, on the AML supervision of Danske Bank's Estonian branch.

Finantsinspeksioon of Estonia considers it misleading to publish only two letters, or any incomplete selection, from all the exchanges between the supervisors over the years. Finantsinspeksioon has no other option in this unfortunate situation but to broaden disclosure of the recorded exchange with other relevant correspondence so that the public may be informed in a more balanced manner.

- The DFSA letter dated 17 April 2013 says that the DFSA is ready to contribute to the onsite work of Finantsinspeksioon, and in its letter of 10 February 2014 Finantsinspeksioon informed the DFSA about its planned initial onsite inspection and requested feedback on the plan;
- In its letter of 20 February 2014 the DFSA responded to the Finantsinspeksioon letter of 10 February 2014, thanking Finantsinspeksioon for the information and expressing the hope that it would receive a summary of the results of the onsite inspection;
- In its letter of 23 April 2014 Finantsinspeksioon informed the DFSA of its plan to conduct a second onsite inspection and said that it would appreciate any feedback about the planned inspection. Our existing records indicate no response to that letter from the DFSA. Interviews with employees also indicate that there was no answer from the DFSA to this letter from Finantsinspeksioon. Finantsinspeksioon completed the onsite inspection and compiled a report of more than 300 pages in December 2014;
- On 5 February 2015, Finantsinspeksioon described the results of the two onsite inspections as requested.

More importantly, the European banking directive states that the DFSA as the home country supervisor was and is free to carry out onsite inspections of a branch of a Danish credit institution in the host country, provided the home supervisor has informed the host supervisor prior to the inspection. This means that legally speaking, Finantsinspeksioon cannot restrict the DFSA from carrying out onsite inspections at the Danish incoming branch. We must emphasise that Finantsinspeksioon has never wanted to, and would never want to, restrict such inspections, and quite the contrary, we would welcome them.

Following this partial disclosure, Finantsinspeksioon invites the DFSA to consider agreeing that both authorities should, in a reciprocal manner, make public all the supervisory documentation about Danske Bank, in the form of onsite reports and other administrative acts, and letters from both the DFSA and Finantsinspeksioon of Estonia discussing the period until 2015, as far as the law allows.

Finantsinspeksioon would finally like to note that the letter it sent was published by the Danish authorities without the consent of Finantsinspeksioon.