



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 16 November 2012**

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**NOTE**

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from:	General Secretariat of the Council
to:	Delegations
Subject:	Summary record of the meeting of the European Parliament <b>Special Committee on Organised Crime, Corruption and Money Laundering (CRIM)</b> , held in Brussels on 12 November 2012

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The meeting was chaired by Ms ALFANO (ALDE, IT). The agenda was adopted. The committee approved the minutes of the meeting of 17-18 September, 24 September and 15 October 2012.

***Item 4 on the agenda***

***Money laundering - key elements for preventing and combating organised crime***

***Protecting the financial system against money laundering***

The first invited speaker Mr Neylan, Financial Action Task Force (FATF) Secretariat, outlined the main elements of the revised 2012 FATF recommendations on money laundering, they include *inter alia*, the risk-based approach, the requirement that predicate offences should include tax crimes, the criminalisation of terrorist financing, targeted financial sanctions (asset freezing) and oversight of non-profit organisations, targeted financial sanctions against proliferation, and new requirements for preventive measures for domestic politically exposed persons, as well as strengthened transparency requirements.

The second invited speaker, Mr Bassi, DG MARKT, European Commission, talked about developing and adapting EU anti-money laundering standards in view of the 2012 FATF recommendations. He stressed that the review was ongoing and that it was essential to strike the right balance between the freedom of movement of capital in the internal market and the necessary measures to prevent money laundering. He explained that the Commission proposal should be ready in early 2013 and would be hopefully adopted by the two co-legislators by the end of 2013.

In the subsequent discussion, CRIM members raised the following issues : taxation and money laundering (Ms FAJON, S&D, SI), regret at the lack of progress in reducing the number of tax havens in the world and the possible greater need for harmonisation (Mr NEWTON-DUNN, ALDE, UK), monitoring of EU Member States by FATF (Mr BORGHEZIO, EFD, IT), and cooperation with the Vatican (Ms ALFANO).

In his replies, Mr Neylan explained that the FATF was essentially a standard setting body that issued principles and standards accompanied by very detailed interpretative notes setting out what members were expected to do and that it functioned through peer review; therefore, it was not a harmonisation body. He also explained that tax crimes were outside the scope of the FATF mandate. He explained that after serious concerns raised regarding the Vatican, a Council of Europe committee had conducted an evaluation and was now in the process of follow-up. Mr Bossi added that as a result of the upcoming revised Directive on money laundering, the EU would implement global standards through domestic rules. He agreed that the issue of tax havens needed to be addressed in the near future and warned MEPs that taxation issues required unanimity in the Council.

## ***Cluster II***

### ***Assessment of channels and techniques used for money laundering and of the instruments for the prevention of money laundering***

The third invited speaker, Mr Delepiere, President of CTIF/CFI, Belgian Financial Intelligence Unit, presented the practical experience of the Belgian FIU.

The fourth invited speaker, Mr Costa, former Under-Secretary-General of the United Nations, spoke about money laundering as a key element for drugs crime. He stressed in particular that although with regard to the world drug situation, the supply and demand side was well documented, the economics of drugs and the laundering of drug money were not equally well understood. He saw

anti-laundering measures as key to fighting crime and explained that in times of financial crisis, where there was lack of liquidity, the conditions were particularly favourable for mafias to penetrate the banking sector. He was particularly critical of recent examples of a lenient approach being taken towards unscrupulous behaviour of white-collar professionals and commercial banks involved in money laundering.

The fifth invited speaker, Mr Fiedler, of the University of Hamburg, spoke about money laundering and online gambling, and he highlighted *inter alia* that this essentially unregulated and untaxed sector provided ample opportunities for money laundering.

The sixth invited speaker, Mr Wack, Financial Security Consultant, Chairman of the EBIC Working Group on Money Laundering, talked about anti-money laundering compliance and risk management in the banking sector. He recommended that access by financial institutions to information contained in public company registers would have to be improved.

In the subsequent discussion, CRIM members raised the following issues: the demise of the reputation of the financial sector (Mr MITCHELL, EPP, EI), and the lack of political will for concrete action on tax evasion (Ms GOMES, S&D, PT).

Before the meeting closed, the Chair gave the floor to Mr CROCETTA (S&D, IT), the first Vice-Chair, who will be leaving the EP in order to take up the post of President of the Region of Sicily. He stressed he was the first post-war president of Sicily who was openly anti-mafia and was looking forward to bringing dignity back to people of Sicily.

### ***Item 6 on the agenda***

#### **Next meeting(s)**

28 November 2012, 9.00-12.30 and 15.00-18.30