

NON PAPER: STATE OF PLAY OF THE IMPLEMENTATION OF THE ACTION PLAN FOR STRENGTHENING THE FIGHT AGAINST TERRORIST FINANCING- ECOFIN COUNCIL – 17/06/2016

Objectives and Actions	Responsible/ Timing	State of play
Preventing the movement of funds and identifying terrorist funding		
<i>Tackling the abuse of the financial system for terrorist financing purposes</i>		
Bring forward the date for effective transposition and entry into force of the 4 th AMLD.	<ul style="list-style-type: none"> – Member States – At the latest by 4th quarter 2016 	<ul style="list-style-type: none"> – Date endorsed by ECOFIN Council Conclusions on 12/02/16
Adopt a list of high-risk third countries with strategic deficiencies in their anti-money laundering/countering terrorism financing regimes.	<ul style="list-style-type: none"> – Commission – At the latest by 2nd quarter 2016 	<ul style="list-style-type: none"> – The Commission will prepare a delegated act with a EU list taking into account the FATF lists, once these are adopted (delegated act to be presented by end-June/early-July 2016); – The EU should also proactively engage with "low capacity" countries to help them improve their situation in terms of prevention of money laundering/ terrorist financing before they reach the point of being put on a FATF list.
Publish a report on a supranational assessment of money laundering and terrorism financing risks and recommendations to Member States on measures suitable to address those risks.	<ul style="list-style-type: none"> – Commission – 2nd quarter 2017 	<ul style="list-style-type: none"> – Work ongoing: Commission services have started consultations with the private sector and workshops with Member States and Agencies experts.

<p>Propose amendments to the following points of the Anti Money Laundering Directive:</p> <ul style="list-style-type: none"> - Enhanced due diligence measures/countermeasures with regards to high risk third countries; - Virtual currency exchange platforms; - Prepaid instruments; - Centralised bank and payment account registers or electronic data retrieval systems; - The access of Financial Intelligence Units to, and exchange of, information 	<ul style="list-style-type: none"> - Commission - At the latest by 2nd quarter 2016 	<ul style="list-style-type: none"> - An Impact Assessment has been finalised and the Commission is preparing amendments; - The adoption of the new proposal by the Commission is foreseen on 05/07/16.
<p>Improving the efficiency of the EU's transposition of UN freezing measures, including by enhanced information between EU and UN.</p>	<ul style="list-style-type: none"> - Commission - At the latest by 2nd quarter 2016 	<ul style="list-style-type: none"> - Work ongoing: Commission services have engaged in discussions with the UN ISIL/Al Qaeda sanctions committee and are working on measures to accelerate procedures and shorten the adoption of EU decisions.
<p>Reinforcing the capacity of Member States, the Commission, EEAS and economic operators to share information on challenges to implementation of restrictive measures, including to exchange information on potential new UN listings, via the Financial Sanctions Database.</p>	<ul style="list-style-type: none"> - Commission - At the latest by 2nd quarter 2016 	<ul style="list-style-type: none"> - Work ongoing: Commission services have consulted Member States on the basis of a questionnaire on an information-sharing platform; - A new application for the Financial Sanctions Database is also envisaged in order to alert banks at the stage of the adoption of UN listings (i.e. before the corresponding EU Regulations are adopted).

<p>Explore the possibility of a self-standing legislative instrument to allow for a broader consultation of bank and payment account registers for other investigations and by other authorities, beyond the scope of the AMLD.</p>	<ul style="list-style-type: none"> – Commission – At the latest by 2nd quarter 2016 	<ul style="list-style-type: none"> – Work ongoing: Analytical work also linked with the Impact Assessment prepared in view of amending the 4AMLD on centralised bank and payment account registers; – Commission services will consult with (i) the authorities managing the existing bank registers, (ii) the authorities that might have access to bank registers for purposes other than money laundering (law enforcement, Asset Recovery Offices, tax authorities, anti-corruption authorities) and the banking sector.
<p>Reinforcing the cooperation between FIU through appropriate measures.</p>	<ul style="list-style-type: none"> – Commission – At the latest by 2nd quarter 2017 	<ul style="list-style-type: none"> – Work ongoing on a series of work streams within the EU FIU platform; – The results of the "joint analysis" project have been presented on 10/06/16 at a EU FIU platform meeting; – FIUs were asked to complete a survey by the end of May which will help Commission services to carry out a mapping of FIU powers and obstacles to cooperation; Report on the results of this mapping exercise is expected by the end of 2016. – This could be the basis for new measures to be presented in the first half of 2017.

Other initiatives to complement the existing legal framework		
<i>Harmonizing money laundering criminal offenses and sanctions</i>		
Legislative proposal harmonising money laundering criminal offences and sanctions.	<ul style="list-style-type: none"> – Commission – At the latest by 4th quarter 2016 	<ul style="list-style-type: none"> – Work ongoing: Commission services are updating existing findings and preparing an Impact Assessment.
<i>Tackling illicit cash movements</i>		
Legislative proposal against illicit cash movements.	<ul style="list-style-type: none"> – Commission – At the latest by 4th quarter 2016 	<ul style="list-style-type: none"> – Work ongoing: Evaluation of and public consultation on the revision of Regulation 1889/2005 is completed and an Impact Assessment is in preparation.
Explore the relevance of potential upper limits to cash payments.	<ul style="list-style-type: none"> – Commission – Request to report back to the Council by May 2016 (Commission reported the progress made to the Financial Services Committee on 28 April 2016) 	<ul style="list-style-type: none"> – Work ongoing: 3 surveys were carried out (addressed to Member States, to law enforcement authorities and to the private sector). Commission services will now carry out a full impact assessment to assess costs and benefits on this basis.
The Commission will work with the European Central Bank, Europol and other relevant parties on the use of high denomination notes, in particular the EUR 500 note, which is a problem reported by law enforcement authorities.	<ul style="list-style-type: none"> – Commission and ECB – Request to report back to the Council by May 2016 	<ul style="list-style-type: none"> – The Governing Council of the ECB took the decision on 04/05/16 to gradually phase out the EUR 500 note.

<i>Completing the EU framework to track and freeze terrorist assets</i>		
An EU regime for the freezing of assets of terrorists under Article 75 TFEU.	<ul style="list-style-type: none"> – Commission – Conclude an assessment at the latest by 4th quarter 2016 	<ul style="list-style-type: none"> – Work ongoing: Commission services are updating existing findings and preparing consultation with stakeholders.
Strengthening the mutual recognition of criminal assets' freezing and confiscation orders.	<ul style="list-style-type: none"> – Commission – At the latest by 4th quarter 2016 	<ul style="list-style-type: none"> – Work ongoing: Commission services are preparing an Impact Assessment.
A possible European system which would complement the existing EU-US TFTP agreement by tracing transactions excluded under the mentioned agreement.	<ul style="list-style-type: none"> – Commission – Conclude an assessment at the latest by 4th quarter 2016 	<ul style="list-style-type: none"> – Work ongoing: Commission services are updating existing findings and preparing consultation with stakeholders.
Targeting the sources of funding		
Legislative proposal reinforcing customs' powers and cooperation and addressing terrorism financing related to trade in goods.	<ul style="list-style-type: none"> – Commission – Advanced to 1st quarter 2017 (COM(2016) 230 final) 	<ul style="list-style-type: none"> – Work ongoing: Commission services have started exploratory work to identify, analyse and describe the issues at stake. Discussions have taken place with the World Customs' Organisation, the OECD and US authorities. This should result in a clear view on the feasibility and nature of actions to be undertaken.

Legislative proposal against illicit trade in cultural goods.	<ul style="list-style-type: none"> - Commission - At the latest by 2nd quarter 2017 	<ul style="list-style-type: none"> - Work ongoing: Commission services have commissioned a study on possible measures to be taken, including the adoption of a Commission proposal dealing with imports of cultural goods. The study will form the basis for an impact assessment. Conclusions of the study are expected for the end of September 2016.
EU Action Plan on Illegal Wildlife Trafficking.	<ul style="list-style-type: none"> - Commission - At the latest by 1st quarter 2016 	<ul style="list-style-type: none"> - Adopted on 26/02/2016

The external dimension		
Launch projects to provide technical assistance to Middle East and North African (MENA) countries to fight against the trafficking of cultural goods.	<ul style="list-style-type: none"> – Commission and the High Representative – At the latest by 4th quarter 2016 	<ul style="list-style-type: none"> – Work ongoing: Commission services and the EEAS have started to collect information in relation to illicit trade in cultural good (notably in relation to "MENA" countries) and contact that have taken place with UN, UNESCO and Interpol. A French project in the context of G7 has also been taken into account. This information will help designing targeted assistance.
Strengthen support to third countries in complying with UNSCRs legal requirements and FATF recommendations.	<ul style="list-style-type: none"> – Commission and the High Representative – Ongoing 	<ul style="list-style-type: none"> – Work ongoing: A targeted project (EUR 22 million) will be launched by the 4th quarter 2016, if approved by Member States in July.
Support countries in the MENA and South East Asia regions to monitor, disrupt and deny the financing of terrorism.	<ul style="list-style-type: none"> – Commission and the High Representative – At the latest by 4th quarter 2016 	<ul style="list-style-type: none"> – Work ongoing: Actions undertaken under a EUR 16 million programme on countering terrorism financing/anti-money laundering (notably in Iraq, Iran, Lebanon and in the Horn of Africa and Uganda); – Projects are about to start in the MENA region relating to support to customs and border guards.
Deepen work to exchange information with third country partners to make/sustain listings under EU autonomous measures to combat terrorism.	<ul style="list-style-type: none"> – Commission and the High Representative – Ongoing 	<ul style="list-style-type: none"> – Work ongoing.