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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**on the application of Regulation (EU) 2018/1672 of the European Parliament and of the
Council of 23 October 2018 on controls on cash entering or leaving the Union and
Repealing Regulation (EC) No 1889/2005 pursuant to article 19 of this Regulation**

1. INTRODUCTION

Criminals across Europe are using the financial system in a way that endangers the security of the EU and its citizens. There are two main ways in which criminals exploit the financial system. The first is by taking the proceeds of crime and re-introducing it to the legitimate economy (money laundering). The second is by diverting money from the legitimate economy through the financial system to fund criminal activity. In the context of money laundering schemes, cash ⁽¹⁾ still features prominently today, according to Europol's latest serious and organised crime threat assessment of 2025.

Regulation (EU) 2018/1672 on controls on cash entering or leaving the Union ⁽²⁾ (the Cash Controls Regulation) lays down rules to protect the EU against money laundering or terrorist financing by fraudulent operators who might attempt to cross EU external borders carrying cash or move cash via other means, in order to circumvent the controls of the formal financial system.

This report presents the feedback gathered by the Commission on the implementation of the Cash Controls Regulation. It fulfils the obligation under Article 19 of the Cash Controls Regulation, which requires the Commission to submit a report to the European Parliament and to the Council on the Regulation's application.

2. GENERAL BACKGROUND

2.1. European Union anti-money laundering and counter-terrorist financing (AML/CFT) legislation and international aspects

The Cash Controls Regulation lays down controls on cash entering or leaving the EU. It is part of the EU anti-money laundering and counter-terrorist financing (AML/CFT) legislative framework and complements Directive (EU) 2015/849 ⁽³⁾ and Directive (EU) 2018/1673 ⁽⁴⁾.

In addition, the Regulation aims to tackle Recommendation 32 on cash couriers of the Financial Action Task Force (FATF). As a member of the FATF, the European Commission is committed to implementing the FATF's recommendations on developing and promoting global policy standards on AML/CFT, at both national and international level.

⁽¹⁾ For a definition of cash, see Section 3.1. of this report.

⁽²⁾ Regulation (EU) 2018/1672 of the European Parliament and of the Council of 23 October 2018 on controls on cash entering or leaving the Union and repealing Regulation (EC) No 1889/2005, OJ L 284, 12.11.2018, ELI: <http://data.europa.eu/eli/reg/2018/1672/OJ>.

⁽³⁾ Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, OJ L 141, 5.6.2015, ELI: <http://data.europa.eu/eli/dir/2015/849/2024-07-09>.

⁽⁴⁾ Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law, OJ L 284, 12.11.2018, ELI: <http://data.europa.eu/eli/dir/2018/1673/OJ>.

EU legislation on cash controls has been in place since 2005 ⁽⁵⁾. It was reviewed once in 2018 to take account of the development of international norms and the EU AML/CFT framework, but also to take stock of the Commission priorities under the 2016 terrorism finance action plan.

2.2. The cash controls legislation

The Cash Controls Regulation fully entered in application on 3 June 2021 and was further complemented with:

- Commission Implementing Regulation (EU) 2021/776 of 11 May 2021 establishing templates for certain forms as well as technical rules for the effective exchange of information under Regulation (EU) 2018/1672 of the European Parliament and of the Council on controls on cash entering or leaving the Union ⁽⁶⁾;
- Commission Implementing Decision C(2022)1801 of 24 March 2022 laying down measures for the uniform application of controls by establishing common cash movements risk criteria and standards pursuant to Regulation (EU) 2018/1672 of the European Parliament and of the Council on controls on cash entering or leaving the Union (not published in the Official Journal of the European Union (OJEU) due to its sensitive, non-classified nature).

2.3. Scope of the report

According to Article 19 of the Cash Controls Regulation, by June 2024, and every five years thereafter, the Commission, on the basis of the information regularly received from the Member States, must submit a report to the European Parliament and to the Council on the application of that Regulation.

The present report will address all items under Article 19, namely whether:

- (a) other assets [are] included within the scope of this Regulation;*
- (b) the disclosure procedure for unaccompanied cash is effective;*
- (c) the threshold for unaccompanied cash [is] reviewed;*
- (d) the information flows in accordance with Articles 9 and 10 and the use of the Customs Information System (CIS), in particular, are effective or whether there are obstacles to the timely and direct exchange of compatible and comparable information between competent authorities and with FIUs ⁽⁷⁾; and*
- (e) the penalties introduced by Member States are effective, proportionate and dissuasive and in line with the established case-law of the Court of Justice of the European Union and whether they have an equivalent deterrent effect across the Union on the infringement of this Regulation.*

In accordance with Article 19, the report also includes:

⁽⁵⁾ Regulation (EC) No 1889/2005 of the European Parliament and of the Council of 26 October 2005 on controls of cash entering or leaving the Community, OJ L309, 25.11.2005, ELI: <http://data.europa.eu/eli/reg/2005/1889/OJ>.

⁽⁶⁾ OJ L 167, 12.5.2021, ELI: http://data.europa.eu/eli/reg_impl/2021/776/OJ.

⁽⁷⁾ Financial Intelligence Units.

(a) a compilation of information received from Member States regarding cash related to criminal activities which adversely affect the financial interests of the Union;

(b) information on exchange of information with third countries.

This report covers the period from the entry into application of the Regulation on 3 June 2021 until 2 June 2024 (inclusive).

This report does not cover Commission Implementing Decision C(2022)1801 establishing common cash movements risk criteria and standards as it is a sensitive non-classified document not published in the OJEU, as mentioned above.

2.4. Means used to prepare the report

The present report draws on:

- Member States' responses to an EU survey covering all aspects of the implementation of the Cash Controls Regulation;
- information provided by Member States' customs authorities during the exchanges with the Commission, including the meetings of the Cash Controls Expert Group;
- information provided by Commission departments;
- statistical data available in the Customs Information System (CIS) cash module ⁽⁸⁾;
- information provided by FIUs ⁽⁹⁾.

3. CORE ELEMENTS OF THE CASH CONTROLS REGULATION

3.1. The definition of cash

'Cash' is defined as comprising four categories ⁽¹⁰⁾:

- currency (banknotes and coins);
- bearer-negotiable instruments (e.g. traveller's cheques, cheques, promissory notes or money orders);
- commodities used as highly-liquid stores of value as listed in point 1 of Annex I of the Cash Controls Regulation (i.e. coins with a gold content of at least 90% and bullion such as bars, nuggets or clumps with a gold content of at least 99.5%);
- prepaid cards which are non-nominal cards that store or provide access to monetary value or funds ⁽¹¹⁾.

⁽⁸⁾ CIS also includes data on cases related to the United Kingdom with respect to Northern Ireland, as the Cash Controls Regulation continues to apply in the UK pursuant to Article 5 and Annex 2 of the Protocol on Ireland/Northern Ireland of the Windsor Framework.

⁽⁹⁾ An obligation to report any suspicious transaction to FIUs has been laid down by Council Directive 91/308/EEC. FIUs were set up as hubs to assess such transactions, interact with their counterparts in other countries and, where required, contact judicial authorities.

⁽¹⁰⁾ Article 2(1)(a) of Regulation (EU) 2018/1672.

⁽¹¹⁾ Although included in the definition of cash set out in the Cash Controls Regulation, prepaid cards are currently not subject to the rules on cash controls movements due to the fact that the relevant point in Annex I of the Cash Controls Regulation mentions: P.M. (pro memoria).

3.2. The obligation to declare cash (cash declaration)

An **obligation to declare** is imposed on natural persons entering or leaving the EU ⁽¹²⁾ carrying cash of a value of EUR 10 000 or more on their person, in their luggage, or in the means of transport. Its level has been set so as to not restrict free movement unduly or overburden citizens and authorities with administrative formalities.

The carriers concerned are required to make the cash available to the competent authorities for inspection. They must provide the following information, either in writing or electronically:

- full personal details, such as name, nationality and date of birth of the carrier, the owner and the intended recipient of the cash;
- value and nature of the cash, its origin, its intended use and the method of transport.

The definition of ‘carrier’ excludes those carriers who undertake the professional conveyance of goods or people ⁽¹³⁾.

3.3. The obligation to declare unaccompanied cash (disclosure declaration)

For movements of **unaccompanied cash** (i.e. cash entering or leaving the EU in postal packages, courier shipments, unaccompanied luggage or containerised cargo), the competent authorities may require the sender or the recipient, or a representative thereof, to make a disclosure declaration, systematically or on a case-by-case basis, in accordance with national procedures. The obligation to disclose unaccompanied cash is subject to a EUR 10 000 threshold, the same as the one applied to persons carrying cash.

3.4. Sub-threshold amounts

The Cash Controls Regulation also provides for the recording of information on movements of cash below the set threshold, if there are indications of criminal activity in these movements ⁽¹⁴⁾. This information is shared with the respective FIU and with the competent authorities in other Member States.

3.5. Capacity to detain cash temporarily for further investigations

The competent authorities are entitled **to detain cash temporarily** ⁽¹⁵⁾ in certain circumstances, and in accordance with the conditions laid down in national law:

- firstly, where the obligation to declare or to disclose cash has not been met; and
- secondly, where there are indications of criminal activity, irrespective of the amount or whether the cash is accompanied or unaccompanied.

⁽¹²⁾ Article 3 of Regulation (EU) 2018/1672.

⁽¹³⁾ Article 2(1)(h) of Regulation (EU) 2018/1672.

⁽¹⁴⁾ Article 6 of Regulation (EU) 2018/1672.

⁽¹⁵⁾ Article 7 of Regulation (EU) 2018/1672.

The period of detention is limited to the absolute minimum time that other competent authorities need to determine whether there are grounds for further actions, such as investigations or seizure of the cash based on other legal instruments. This period is set by the Cash Controls Regulation and cannot exceed 30 days. It can be extended to a maximum of 90 days in specific and duly assessed cases.

3.6. Exchange of information between competent authorities and with the Commission

To ensure effective cooperation, the Cash Controls Regulation provides for the **exchange between Member States' competent authorities** of the following information: (i) ex officio declarations ⁽¹⁶⁾; (ii) sub-threshold amount cases; (iii) declarations and disclosure declarations, where there are indications that the cash is related to criminal activity; and (iv) anonymised risk information and risk analysis results.

Moreover, where there are indications that the cash is related to criminal activity which could adversely affect the financial interests of the EU, the relevant information must also be shared with the Commission, the European Public Prosecutor's Office and Europol where they are competent to act.

A Specific module has been developed within CIS for implementing the Cash Controls Regulation and to allow for exchange of information. This module is managed by the European Anti-Fraud Office (OLAF).

3.7. Information to be sent to the Financial Intelligence Unit (FIU)

The competent authorities that collect information pursuant to the Cash Controls Regulation must **send** it in a **timely manner** to the national FIU to enable further analysis and so that the information can be compared with other data as provided for in Directive (EU) 2015/849 ⁽¹⁷⁾.

3.8. Penalties

To **encourage compliance** and deter circumvention, Article 14 of Regulation (EU) 2018/1672 requires Member States to introduce **penalties for non-compliance** with the obligations to declare or disclose cash. Those penalties should not take into account the potential criminal activity associated with the cash, which may be the object of further investigation and measures that fall outside the scope of the Regulation ⁽¹⁸⁾.

Those penalties should be effective, proportionate and dissuasive, and should not go beyond what is required to encourage compliance. Penalties introduced by Member States should have an equivalent deterrent effect across the EU on the infringement of the Cash Controls Regulation.

⁽¹⁶⁾ i.e. in case where the obligation to declare accompanied cash under Article 3 or the obligation to disclose unaccompanied cash under Article 4 has not been fulfilled, the competent authorities compose, in writing or in an electronic form, an ex officio declaration containing to the extent possible the necessary details.

⁽¹⁷⁾ Article 9 of Regulation (EU) 2018/1672.

⁽¹⁸⁾ Recital 35 of Regulation (EU) 2018/1672.

3.9. A harmonised declaration form

To ensure the uniform application of controls and the efficient processing, transmission and analysis by competent authorities of the declarations, Commission Implementing Regulation (EU) 2021/776 lays down templates for:

- the cash declaration and the relevant additional sheet;
- the cash disclosure declaration and the relevant additional sheet;
- the form for official use (to be filled in and attached to the ex officio declarations under Article 5(3)), recoding of information under Article 6(1) and (2) and declarations obtained under Articles 3 and 4 where there are indications of criminal activity;
- the transmission of anonymised risk information and risk analysis results.

3.10. Information campaigns

To **raise awareness** about the obligations laid down in the Cash Controls Regulation, Member States, in cooperation with the Commission, must develop appropriate information materials on the obligation to declare or disclose cash ⁽¹⁹⁾.

3.11. Main novelties laid down by Regulation (EU) 2018/1672

The main novelties of the Cash Controls Regulation are:

- **an extended definition of cash** to cover also commodities used as highly-liquid stores of value (gold) and prepaid cards for both accompanied and unaccompanied cash (in freight and postal shipments);
- **an increase in the sharing of information** between competent authorities and between competent authorities and FIUs;
- provision for the **IT system** to be used for such exchanges;
- the powers granted to competent authorities to act upon lower amounts of cash if they suspect a **link with criminal activities**;
- the powers granted to competent authorities to require the sender or the recipient (or a representative thereof) to make a **disclosure declaration** for cash entering or leaving the Union in postal packages, courier shipments, unaccompanied luggage, or containerised cargo (movements of unaccompanied cash).

4. ASSESSMENT ON THE IMPLEMENTATION OF THE CASH CONTROLS REGULATION BY MEMBER STATES

4.1. Information campaigns

⁽¹⁹⁾ Article 8 of Regulation (EU) 2018/1672.

The Commission, in cooperation with the Member States, organised a large information campaign throughout the European Union to support the implementation of the Cash Controls Regulation and to inform the EU public and travellers into the EU about their obligations.

The Commission made available dedicated campaign materials to all the Member States, including factsheets, infographics, posters and short films subtitled in the relevant language. All the materials were translated into 30 languages ⁽²⁰⁾ to ensure wide coverage ⁽²¹⁾.

4.2. Accompanied cash

310 042 cash declarations were filed during the period covered by the present report. 23 097 cases with infractions were notified in CIS+ Cash (i.e. cases where either no declaration was made, or the information provided was incomplete or incorrect or there were indications that cash was related to criminal activity).

The declaration procedure for accompanied cash has been implemented by all the Member States according to the statistical results presented in Chart 2 in Annex A. For the period between 2022 and 2023, Poland, Germany and France represented 57% of the reported accompanied cash cases.

According to the results of the survey, Member States consider the cash declaration procedure to be effective and give it a positive assessment (65% rated it as very good, 30% as good, and 5% as fair).

Most respondents agreed on the following points.

- The Cash Controls Regulation gives customs authorities the power to stop and detain cash where there are indications that that cash is related to criminal activities.
- The declaration procedure is reliable in detecting cross-border movements of cash.
- The declaration procedure allows customs authorities to gather information to identify illicit cash movements. The wide range of information collected is particularly useful for subsequent investigations.

However, two Member States remarked that the procedure could be improved; one of them mentioned specifically the poor quality of the data provided by carriers in their cash declarations.

4.3. Unaccompanied cash

6 532 cash disclosure declarations were filed during the period covered by this report, and 102 infractions related to this procedure were notified in CIS+ Cash. There were 6 Member States that did not record any cash disclosure declarations for the period between 2022 and 2023 (Belgium, Ireland, Malta, Slovenia, Finland, Sweden).

Most of the Member States which responded to the survey had a neutral-to-positive view of the unaccompanied cash disclosure procedure (6 rated it as good, 11 as fair and 3 as poor). They consider that it allows for better control of cash movements and that it functions efficiently. Some

⁽²⁰⁾ AR, BG, CH, CS, DA, DE, EL, EN, ES, ET, FI, FR, GA, HI, HR, HU, IT, JP, LT, LV, MT, NL, PL, PT, RO, RU, SE, SK, SL, TR.

⁽²¹⁾ See, for example, the factsheet [Get up to speed with the latest cash control rules!](#).

Member States expressed the view that the procedure is effective as it is based on risk analysis rather than on the mandatory submission of the cash disclosure declaration.

Nonetheless, Member States expressed the following three reservations.

- The unaccompanied cash disclosure procedure is administratively complex;
- The 30-day deadline to submit the disclosure declaration upon request by the customs authorities is too long;
- The risk analysis needs to be fine-tuned to be effective.

One Member State observed that the fact that the disclosure of unaccompanied cash is only upon request and not mandatory in all cases makes customs controls more challenging. That Member State also added that, in its view, the figures from international actions show that the risk of unaccompanied transport of cash in postal, parcel and courier shipments is lower than initially assumed.

4.4. Use of CIS Cash by competent authorities

Competent authorities send the relevant information to be recorded in CIS in the following manner:

- (a) by manually entering the information via the CIS user web interface; or
- (b) by exporting the information from their national system(s) and importing it into CIS using the CIS XML data format; or
- (c) by connecting their national system(s) directly to CIS via a system-to-system interface provided by CIS.

11 Member States' customs administrations have connected their national systems directly to CIS via a system-to-system interface provided by CIS (Belgium, Bulgaria, Estonia, Greece, France, Latvia, Malta, Austria, Poland, Portugal, Sweden). Two Member States (Czechia and Germany), although having been granted access via this system-to-system interface, have not used the system so far. Indeed, Germany stated that it is currently using an Excel file developed at federal level to report cash data. Nevertheless, automatic access is currently being developed by Germany. Czechia responded that the connection between its national system and CIS was not yet available at the time of the survey.

Concerning the data exchanges through CIS, the Member States that participated in the survey indicated their generally positive experience with the exchange of data (see Chart 4 in Annex B). They consider the CIS+ Cash module as an 'easy to use system', which allows for the smooth processing of data. One Member State stated that the CIS+ Cash module is a major source of information for identifying and analysing suspected cases of money laundering.

Nevertheless, some Member States mentioned that they had encountered challenges when transferring information from their national systems to CIS. Two Member States pointed out that when they encounter infringements, the data have to be manually entered twice instead of being transferred automatically from the CIS+ Cash module to the CIS+ Fraud module. The Commission is aware of this issue which is impeding the implementation of the 'one seizure/one report' concept. The difficulty stems from the fact that the two modules are based on different legal bases. Efforts to resolve it are underway.

Moreover, three Member States (Spain, Italy and Slovenia) still encounter difficulties with the direct transmission of specific information to the CIS+ Cash module, due to internal technical issues. All three reported that they are working towards finding a solution.

4.5. FIU access to data

The survey showed that even though the Cash Controls Regulation clearly provides that the transmission of information from national FIUs must be performed via the CIS+ Cash module ⁽²²⁾, not all Member State FIUs have access to it yet. Indeed, only 20 Member States had access at the time of the survey.

Of the Member States FIUs with no access to the CIS+ Cash module:

- 3 Member States explained they were currently establishing the connection with the CIS+ Cash module;
- 1 Member State explained that, according to its national legislation, its customs administration shares information under the Cash Controls Regulation with the FIU through a national tool;
- 1 Member State explained that due to technical issues, the national FIU is unable to access CIS data.

4.6. Penalties

Member States must clearly differentiate between the penalties imposed solely for the failure to declare or disclose cash under the Cash Controls Regulation and the penalties they may impose for criminal activities. All Member States have put in place penalties for failure to comply with the obligation to declare accompanied cash or the obligation to disclose unaccompanied cash.

Under the different national legislation, a variety of penalties have been put in place. Some Member States (Belgium, Czechia, Denmark, Germany, Greece, Spain, France, Croatia, Italy, Luxembourg, Hungary, Malta, Austria, Poland, Romania, Slovenia, Slovakia, Finland, Sweden) have set only administrative penalties, without imposing criminal penalties (see Table 1 in Annex B). The administrative penalties consist of:

- an amount to be seized, with a minimum and maximum level set;

and/or

- a fine, with a minimum and maximum level set;

and/or

- a set percentage of the amount over EUR 10 000 to be seized, under specific conditions provided in the Cash Controls Regulation;

and/or

- a fine, with the amount depending on the person's legal category or status.

⁽²²⁾ Article 9 of Regulation (EU) 2018/1672 provides that competent authorities must send information on cash declarations, disclosure declarations, ex officio declarations and sub-threshold amounts suspected to be related to criminal activity to FIUs through the cash module available in CIS.

Bulgaria, Estonia, Latvia, Lithuania, Netherlands, and Portugal impose both criminal and administrative penalties. Two Member States (Ireland and Cyprus) impose only criminal penalties.

4.7. Exchanges of information with non-EU countries

Member States or the Commission may, under mutual administrative assistance, send the following information to a non-EU country, subject to the written authorisation of the competent authority which originally obtained the information, provided that such transmission complies with the relevant national and EU law on the transfer of personal data to non-EU countries:

- (a) ex officio declarations composed under Article 5(3);
- (b) information obtained under Article 6;
- (c) declarations obtained under Article 3 or 4, where there are indications that the cash is related to money laundering or terrorist financing.

Moreover, any such transmission of information by Member States must be notified to the Commission.

According to the survey, a total of 85 exchanges of information with non-EU countries were carried out by 7 Member States since the entry into application of the Cash Controls Regulation. Over 90% of the exchanges were with Ukraine and the United-Kingdom. A smaller number of exchanges were held with Kazakhstan, Türkiye, and the United-States - see Chart 5 in Annex B.

4.8. Cash related to criminal activities which adversely affect the financial interests of the EU

Under the Cash Controls Regulation, where there are indications that the cash is related to criminal activity which could adversely affect the financial interests of the EU, the information recorded by the competent authorities, is made available to the Commission, to the European Public Prosecutor's Office and to Europol, where they are respectively competent to act, further to the competent authorities of other Member States. The financial interests of the EU are 'all revenues, expenditures and assets covered by, acquired through, or due to the Union budget and the budgets of the institutions, bodies, offices and agencies established under the Treaties and budgets managed and monitored by them' ⁽²³⁾.

14 Member States have reported 23 such cases to the Commission for the reporting period. All the cases concern accompanied cash and are divided almost equally between cases involving cash entering the EU (11 cases) and cases of cash leaving the EU (12 cases).

4.9. Improvements needed in the implementation of certain measures by Member States

- Some Member State FIUs still do not have access to the CIS+ Cash module or are not using it to transmit the relevant information. This situation raises some concerns as it represents non-compliance with the legislation and its objective, as the exchange of

⁽²³⁾ Article 2(3) of Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO'), OJ L 283, 31.10.2017.

information is being done outside the legislative framework provided for. The Commission has reminded Member States on multiple occasions of the requirement to comply with Article 9 of Regulation (EU) 2018/1672.

- Regarding the sanctions, the latest mutual evaluation reports of the FATF, some Member States' sanctions are not sufficiently dissuasive. In this respect, the European Court of Justice (ECJ), has examined the national sanction mechanisms adopted for the implementation of Article 9 of Regulation (EC) No 1889/2005. The opposite problem, namely excessive sanctions, is also a concern. According to its judgment in Case C-255/14 ⁽²⁴⁾ the ECJ considered that a fine equivalent to 60% of the amount of undeclared cash above EUR 50 000 does not seem to be proportionate as such a fine goes beyond what is necessary in order to ensure compliance with that obligation and the fulfilment of the objectives pursued by that Regulation. Member States should take into account this case law as well as the mutual evaluation reports of the FATF.
- Member States have notified the Commission of their exchange of information with non-EU countries only recently, following a specific request from the Commission. The Commission has reminded Member States on multiple occasions of their obligation to notify any exchange of information with a non-EU country immediately. To facilitate notifications from Member States, the Commission has prepared and shared a common template that can be used on a voluntary basis; this is already being used by some Member States.
- Concerning the mandatory reporting on cases that could adversely affect the financial interest of the Union, the information reported by Member States was either incorrect or incomplete. The reporting made by Member States of those cases needs to be improved.

5. ASSESSMENT OF THE NEED TO AMEND THE CASH CONTROLS REGULATION

5.1. Scope: analysis of other assets to be potentially included

5.1.1. Results of the survey on the definition of cash

The power to adopt delegated acts to amend Annex I has been delegated to the Commission. This is for two reasons, namely: (i) to promptly adapt to future changes of the FATF's international standards; and (ii) to prevent the circumvention of the Regulation through reliance on commodities used as highly liquid stores of value or on prepaid cards. As part of the survey, Member States were asked about the merits of including other assets within the scope of the Regulation. 14 of the 20 Member States that completed the survey replied that the list of assets currently covered by the definition is sufficient. However, some Member States made suggestions for amendments to the list (see chart 6 in Annex B). These suggested amendments are set out in the five bullet points below.

- 4 Member States proposed to add prepaid cards.

⁽²⁴⁾ Judgment of the Court of Justice of 16 July 2015, *Robert Michal Chmielewski v Nemzeti Adó- és Vámhivatal Dél-alföldi Regionális Vám- és Pénzügyőri Főigazgatósága*, Case C-255/14, ECLI:EU:C:2015:475.

- 6 Member States proposed to add other commodities used as highly liquid stores of value such as precious stones, precious metals and alloys, as well as high-value ‘luxury goods’ such as wristwatches, jewellery, or precious metals (e.g. platinum) and stones (e.g. diamonds).
- 1 Member State proposed to add cryptocurrencies ⁽²⁵⁾.
- 1 Member State suggested the inclusion of silver/bronze with the same conditions currently applicable for gold content.
- 2 Member States suggested that the condition that limits the application of the Regulation to coins and bullion with a gold content above a specific percentage should be removed, and that the value of gold should be used instead as the only relevant condition (equal to or above EUR 10 000).

One Member State stated that adding prepaid cards could help to identify and fight smuggling trends. However, according to that Member State, such an addition to Annex I should only be made after proper consultation among the 27 Member States and clear guidelines developed at EU level.

On high-value items, one Member State stated that such items also facilitate the movement of illicit funds across borders as they can be used as a substitute for currency. Nevertheless, there has been no dedicated study or analysis of the potential relevance of customs checks under the Cash Controls Regulation on this type of fraud.

5.1.2. Analysis on prepaid cards and commodities used as highly-liquid stores of value

(a) Analysis by the Commission and Europol

The Commission’s view is that there is no clear evidence that the definition of cash needs to be amended. This view is based on the work done in the context of the supranational risk assessment on the risk of money laundering and terrorist financing affecting the single market and relating to cross-border activities.

According to Europol, prepaid cards are used to commit a variety of economic and financial crimes, including the financing of terrorism. The threat mostly stems from ‘open loop’ prepaid cards, which are sold on the internet, at post offices and local stores and which can be used as normal debit or credit cards. Europol considers prepaid cards as high-risk products as they can be used anonymously online or in offshore jurisdictions to make payments in the EU. Furthermore, there are no legal limits to the number of cards that a person can purchase or to who is eligible to purchase a card.

The European Financial and Economic Crime Threat Assessment 2023 ⁽²⁶⁾ gives two examples of the use of prepaid cards for illicit purposes.

In the first example, prepaid cards are used to commit romance fraud. In the second example, together with crypto vouchers, prepaid cards are used for channelling criminal proceeds into cryptocurrency gambling platforms hosted in non-EU jurisdictions where transactions are hard to trace.

⁽²⁵⁾ Recital 13 of Regulation (EU) 2018/1672: ‘Despite the high level of risk posed by virtual currencies, as evidenced in the Commission’s report of 26 June 2017 on the assessment of the risks of money laundering and terrorist financing affecting the internal market and relating to cross-border activities, customs authorities do not have competence to monitor them’.

⁽²⁶⁾ See [The Other Side of the Coin: An Analysis of Financial and Economic Crime | Europol](#).

Despite prepaid cards being known as a high-risk payment method in the context of money laundering, the Commission and Europol did not report any cases of illicit use of prepaid cards involving cross-border physical movement of persons or transport by couriers or parcels.

(b) Analysis by Member States' FIUs

Member States' FIUs were also asked whether there was evidence that prepaid cards or commodities used as highly-liquid stores of value (excluding coins with at least 90% gold and bullion with at least 99.5% gold) are extensively used for money laundering. If the FIUs did indeed believe there was such evidence, they were asked what sort of evidence they had found and for which types of prepaid cards and commodities.

Nine Member State FIUs provided responses. Based on their replies, there is no clear evidence that prepaid cards are used extensively for money laundering, and in particular in the context of persons entering or leaving the EU. Furthermore, they said that in practice, it is difficult to distinguish a prepaid card from other types of debit or credit cards.

Regarding commodities used as highly-liquid stores of value, the FIUs noted that travellers into the EU sometimes fail to declare high-value items such as luxury watches, jewellery, diamonds and crypto currency ledger wallets. This is done to avoid paying duties and value added taxes at import and constitutes tax evasion, which is different from money laundering.

Therefore, a thorough evaluation of the merits of including these types of assets in Annex I, keeping in mind customs control capacities, should be conducted.

5.2. Threshold for unaccompanied cash

The survey also asked Member States whether they considered the financial threshold of EUR 10 000 for unaccompanied cash as suitable (see chart 7 in Annex B).

From the 20 Member States participating in the survey, only 14 provided a reply to this question. 95% of them considered that the threshold was appropriate and therefore did not need to be reviewed.

They also noted that the threshold is well known to all counterparts and stressed that, for cash amounts under the threshold, the Cash Controls Regulation sets out the necessary provisions for recording relevant information and detaining the cash for further investigation if there are signs of criminal activity.

There was, therefore, a general agreement to maintain the current threshold.

6. CONCLUSION

Based on the results of the survey and on the other information provided by Member States and Commission's departments, the Cash Controls Regulation performs efficiently to achieve its objectives.

Member States perceive it as an important legal instrument for controlling the physical movement of cash at the EU's external borders and combating money laundering.

Information flows take place via the CIS+ Cash Module, and comparable information is being directly exchanged between the competent authorities and with FIUs in a timely manner. Nevertheless, there is still room for improvement related to the use of the CIS system in some Member States.

The newly introduced disclosure procedure for unaccompanied cash performs sufficiently well.

There is no need for the moment to revise the threshold or to include other assets in Annex I of the Cash Controls Regulation. The Commission is closely monitoring new trends in money laundering and terrorist financing, and the possible use of other commodities used as highly-liquid stores of value and of prepaid cards as a means to circumvent the obligation to declare. This first assessment does not show any need to amend the current framework.

ANNEX A - ANNUAL STATISTICS ON ACCOMPANIED AND UNACCOMPANIED CASH CASES

The following cash-controls charts are based on:

- data extracted from the CIS+ Cash module at the time of the survey,
- data communicated by Member States that are still encountering difficulties with the direct transmission of specific information to the CIS+ Cash module due to internal technical issues.

They cover the periods between 1/1/2022-31/12/2023 (inclusive).

Chart 1 presents the total number of cases of cash handled at EU borders. For the reference period (1/1/2022-31/12/2023), 226 796 cases were identified by the competent authorities empowered to implement the Cash Controls Regulation. This includes cases with and without infraction.

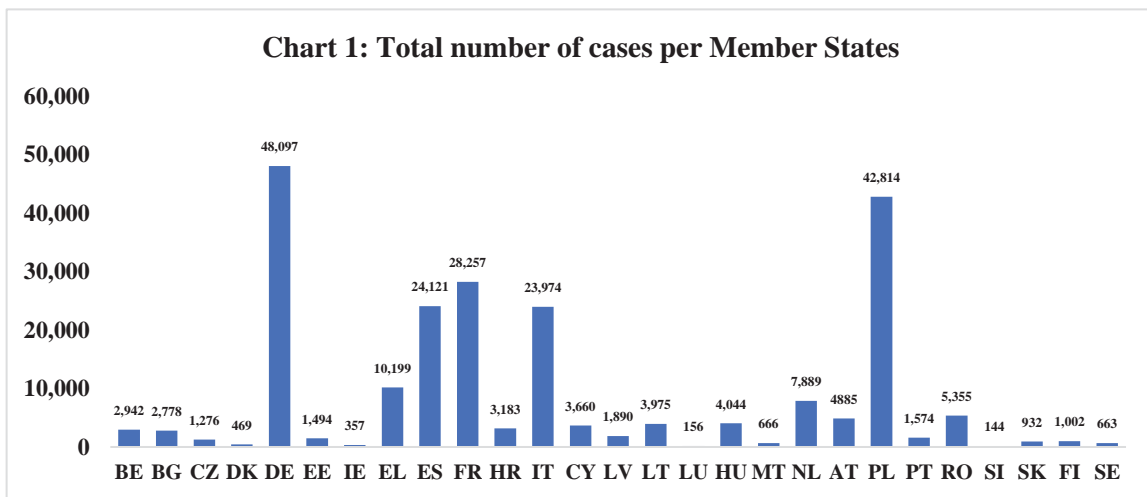
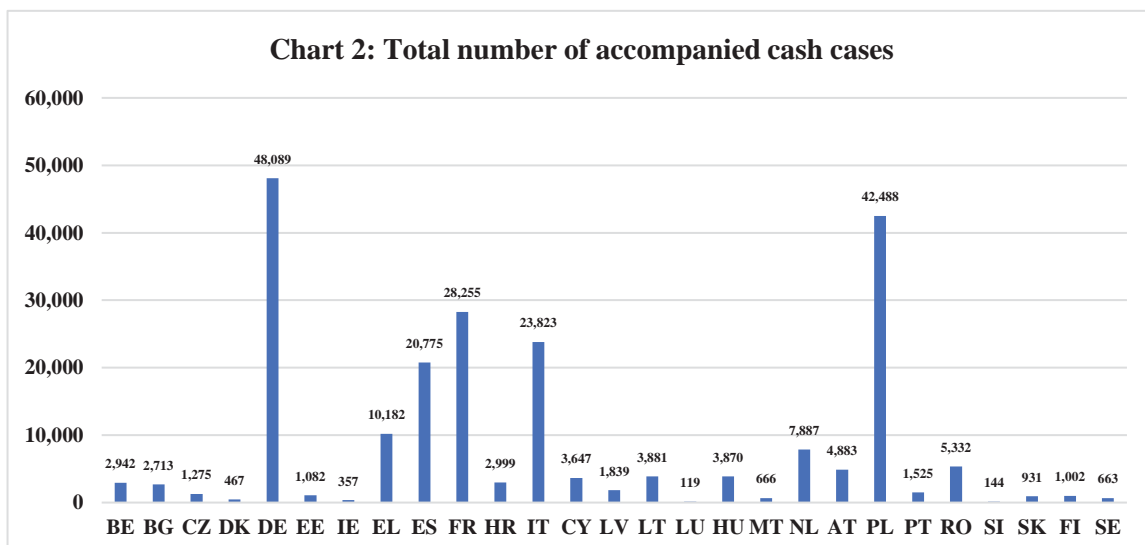
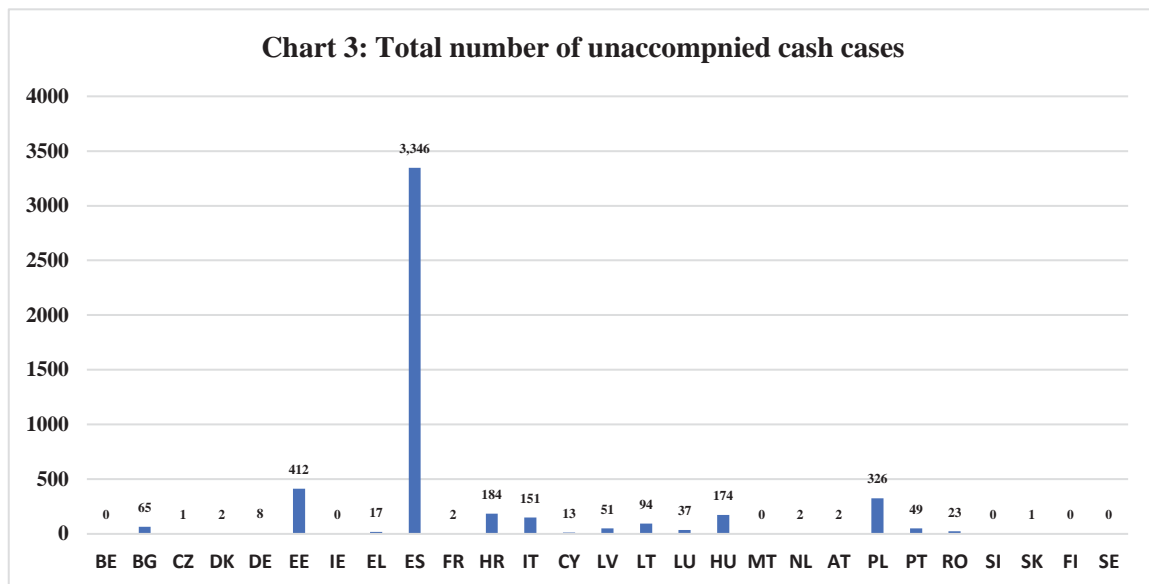


Chart 2 and Chart 3 show the total number of cases per Member State for accompanied cash (Chart 2) and unaccompanied cash (Chart 3) for the reference period (1/1/2022-31/12/2023).





There is a large difference between the total number of accompanied cash cases (221 836), including with infractions) and the total number of unaccompanied cash cases (4 960 including with infractions).

The Commission publishes annually statistical data in accordance with Article 18 of Regulation (EU) 2018/1672 on controls on cash entering or leaving the EU. These reports can be consulted on TAXUD's website, where general information on cash controls can also be found: [EU Cash Controls - European Commission \(europa.eu\)](https://ec.europa.eu/taxud/).

ANNEX B - ANSWERS TO THE SURVEY

The charts below represent a selection of the responses provided by Member States.

Chart 4 shows the results of the assessment made by the Member States that took part in the survey. The assessment shows how Member States viewed the implementation of Articles 9 and 10 of the Cash Controls Regulation. Generally, Member States had a positive experience with the exchange of data through the CIS+ Cash module. Only a few of them rated specific aspects of their experience with the CIS+ Cash module as poor or very poor.

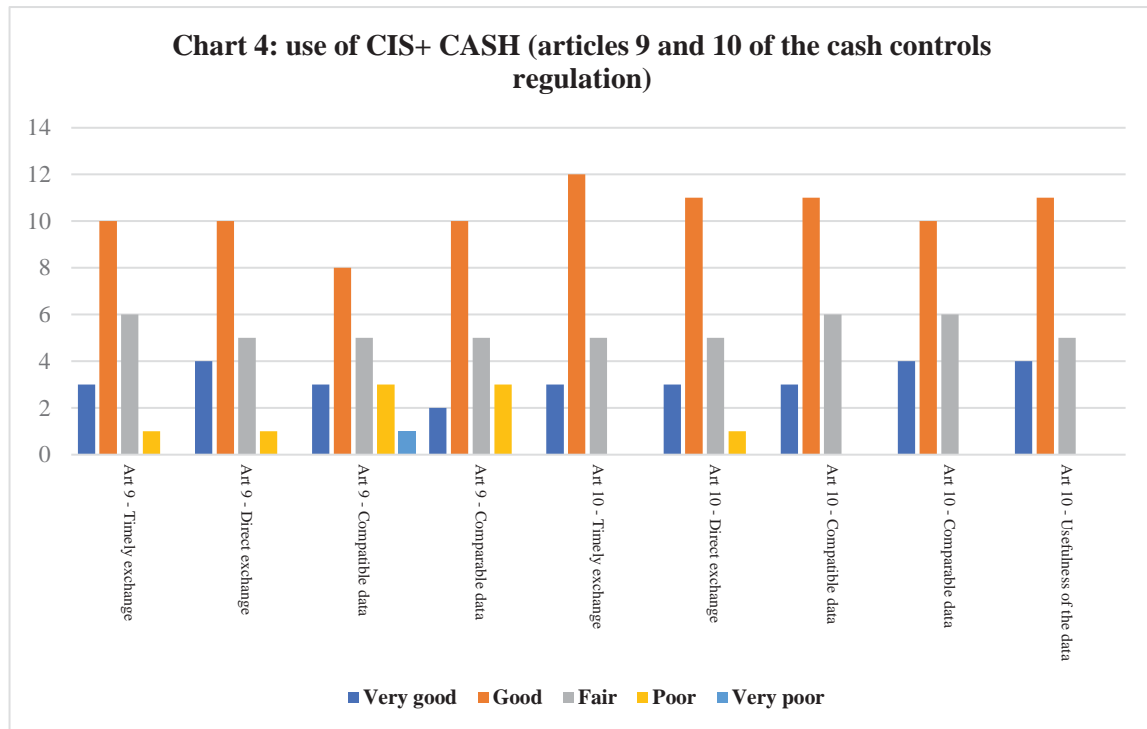


Chart 5 shows the number of information exchanges with non-EU countries on cases related to cash. Most of the exchanges of information between Member States and non-EU countries based on Article 11 were with the United Kingdom, Ukraine and Russia. A few exchanges with Türkiye, the United States, the United Arab Emirates and Kazakhstan were also reported (only 8.23% on the total exchanges with non-EU countries).

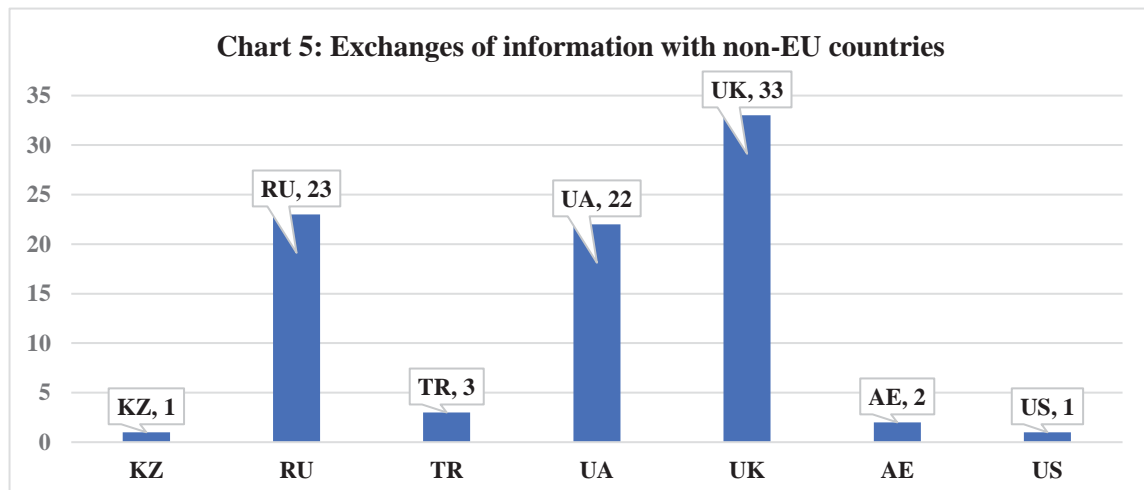


Table 1 summarises the different penalty systems established by Member States to comply with Article 14 of the Cash Controls Regulation. Most of the Member States apply administrative penalties.

Table 1: Member States' penalty systems under the Cash Control Regulation

| Penalties | Member States | Type of penalties |
|------------------------------------|--|--|
| Administrative | BE, CZ, DK, DE, EL, ES, FR, HR, IT, LU, HU, MT, AT, PL, RO, SI, SK, FI, SE | <ul style="list-style-type: none"> • seizure of a specific amount, with a minimum and/or maximum amount set and/or • fine imposed, with a minimum and/or maximum amount set and/or <ul style="list-style-type: none"> • seizure of the amount above EUR 10 000, under certain conditions and/or <ul style="list-style-type: none"> • a percentage of the total amount of the undeclared cash or of the amount exceeding the threshold and/or <ul style="list-style-type: none"> • fine, with the amount depending on the person's legal category/status (legal person, sole proprietor or self-employed individual, natural person) |
| Administrative and criminal | BG, EE, LV, LT, NL, PT | <ul style="list-style-type: none"> • percentage of the value of non-declared cash, or a fine, or an amount seized (with minimum and/or maximum limits set) and/or <ul style="list-style-type: none"> • imprisonment, depending on the circumstances |
| Criminal | CY, IE | <ul style="list-style-type: none"> • imprisonment if the obligation to declare is not fulfilled or <ul style="list-style-type: none"> • a fine |

Chart 6 summarises the proposals made by Member States on the need to amend Annex I of the Cash Controls Regulation. Among the 14 Member States that completed the survey, 43% support the proposal to add other commodities used as highly-liquid stores of value and 29% support the proposal to add prepaid cards.

Chart 6: Proposals on modifying Annex I

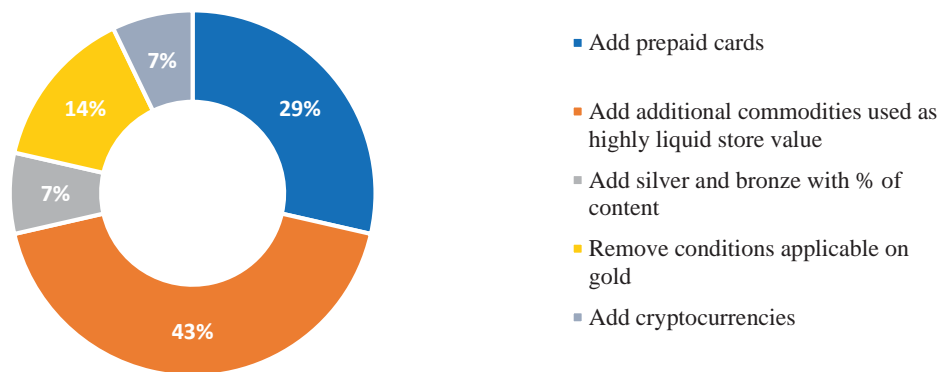


Chart 7 shows the Member States' responses to the survey on the EUR 10 000 threshold set out in the Cash Controls Regulation. There is a general agreement that the current threshold is effective and should remain the same (95% positive answers).

Chart 7: Member States' assessment of the current threshold

