

PARLIAMENT OF ROMANIA

CHAMBER OF DEPUTIES

DECISION

on the adoption of the opinion referring to the Proposal for a Directive of the European Parliament and of the Council amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directive 2009/101/EC

COM(2016) 450

Pursuant to Articles 67 and 148 of the Romanian Constitution, republished, Law No 373/2013 on cooperation between Parliament and the Government in the area of European affairs, and Articles 160 to 185 of the Rules of Procedure of the Chamber of Deputies, republished,

the Chamber of Deputies hereby adopts this Decision.

Sole Article. – Having regard to Opinion No 4c-19/1093, adopted by the Committee for European Affairs at its meeting of 27 September 2016, the Chamber of Deputies:

1. Notes that the proposal sets out a series of measures to better counter the financing of terrorism and to ensure increased transparency of financial transactions through the amendment of Directive 2015/849, which contains extensive references to precautionary measures concerning clients and the obligations of regulated professions to report suspicious transactions on the part of clients.
2. Notes that, although Directive (EU) 2015/849 represents an important step forward in the prevention of money laundering and the financing of terrorism, the existence of shortcomings in the global financial system necessitates additional measures for improving the legal framework in this area; consequently, the present proposal tackles five problems connected with the financing of terrorism and related to:
 - a) suspicious transactions that are made using virtual currencies and that are not sufficiently monitored by the authorities;
 - b) insufficient measures to mitigate risks associated with anonymous prepaid instruments;
 - c) the limitations on the ability of Financial Intelligence Units (FIUs) to access and exchange information held by obliged entities in good time;
 - d) the fact that FIUs do not have access, or have only delayed access, to information on the identity of holders of bank and payment accounts;

e) uncoordinated and unclear customer due diligence requirements, as a result of which suspicious transactions involving high-risk countries are less efficiently monitored.

3. Draws attention to virtual payment methods, given that virtual electronic communities can offer a high degree of anonymity, and profits can be transferred in the real world by electronic transfers of funds that, when improperly used, can bring about the risk of terrorist financing.

4. Points out that Romania requested definitions of 'fiduciary currency' and 'wallet providers offering custodial services of credentials necessary to access virtual currencies' so that, in the compromise position presented on 29 September 2016 at the high-level meeting focused on greater efficiency and the development of capacities in the fight against fraud, the definitions were amended.

5. Recognises that it is necessary to regulate virtual currencies in both Romania and other Member States, but believes that it is uncertain which competent authority will efficiently authorise, register and supervise the entities concerned.

6. Acknowledges that the financial sector has an important role in preventing and combating money laundering and the financing of terrorism and that feedback and the exchange of information are important elements of an efficient system for combating these phenomena.

7. Supports the idea of improving financial administrations' access to information on the identity of bank services holders in order to prevent the collection, transfer and use of funds by terrorists; believes that it is necessary to take a number of measures such as applying one-off financial penalties (for example, the freezing of assets), protecting vulnerable sectors (charities, financial services companies) and encouraging the efficient reporting of suspicious financial transactions.

8. Appreciates the considerable efforts on the part of the European Union to develop the capacity for combating the use of the financial system to launder money or finance terrorism, and to develop relevant new ideas.

9. Notes that the improvement of the current preventive framework is motivated by the need to keep pace with new developments in the technology used by alternative financial systems – developments that remain outside the scope of EU legislation or that are exempt from that legislation.

10. Alternative systems for transferring funds constitute an important issue that needs to be tackled with a view to preventing money laundering and the financing of terrorism. That is because these systems operate outside the conventional financial sector and allow securities and funds to be sent from one place to another, facilitating money transfers by immigrant workers to their countries of origin. It therefore considers that a balance needs to be struck between protecting the legitimate use of these systems and combating their improper use for money laundering and financing terrorist activities.

11. Recognises that the proposed amendments can make for greater transparency and enable the competent authorities efficiently to detect criminal and terrorist financing flows.

12. Believes that new measures will increase the clarity and coherence of Member State legislation by introducing a mechanism for identifying, collecting, storing and accessing information on beneficial ownership and will bring about a better knowledge of the holders of bank and payment accounts and of their activities.

13. Considers that Member States need to step up cooperation between competent national authorities, FIUs and private-sector financial institutions in order to facilitate and improve the exchange of information on money laundering and the financing of terrorism. However, it is also of the opinion that the efficient exchange of information between the competent authorities of the European Union depends on extensive and efficient coordination at the national level for the purposes of identifying and analysing the relevant information.

14. Considers it better that the judicial system be involved in the future development of the minimum common standards that are to be developed at Member State and EU level in the area of financial investigations. This should be in conditions in which activities designed to finance terrorism can be better identified by combining financial information with information about terrorism, obtained via law enforcement and intelligence bodies.

15. Considers that the proposal for a Directive is such as to support the efforts of the competent authorities, given that terrorist organisations are able to operate in different countries on the basis of their being able in principle to finance the preparation, organisation and committing of acts of terrorism within a country from one location in another; In the light of this, it believes that the actions taken by the authorities of the Member States to limit and monitor such financial operations may ensure that the transfer of funds necessary for financing terrorist activities is blocked and may help in the identification of terrorist organisations.

16. Is of the opinion that, in order to obtain the intended results of the measures to prevent and combat the financing of terrorism, the actions that the amendment of the Directive are designed to bring about should:

– enable the identification, consolidation and maintenance of the best legal methods of detecting terrorist organisations early and safely, and prevent such organisations from transferring funds and other assets;

– not be limited to tackling only terrorist organisations but extend, rather, to tackling the associates of such organisations (foreign terrorist fighters, financiers and those who collect funds, or any other person who knowingly supports terrorist activities).

17. Believes that the proposed deadline of 1 January 2017 for transposing Directive 849/2015, which is to be amended, is unrealistic despite the firm commitment made to combating the criminal activities concerned, and that it will not be possible to implement the proposed amendments within such a short period. It therefore recommends maintaining the initial deadline for transposition, namely June 2017.

18. Supports, in principle, the amendments proposed with a view to ensuring greater transparency and enabling the competent authorities efficiently to detect flows of criminal and terrorist financing .

This Decision was adopted by the Chamber of Deputies at its sitting of 4 October 2016 in compliance with Article 76(2) of the Romanian Constitution, republished.

**THE PRESIDENT
OF THE CHAMBER OF DEPUTIES**

Florin IORDACHE

Bucharest, 4 October 2016

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