



EUROPEAN COMMISSION

Internal Market and Services DG

COMPANY LAW AND CORPORATE GOVERNANCE AND FINANCIAL CRIME

Brussels, 20 February 2006

**SECOND MEETING OF
THE COMMITTEE ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST
FINANCING – BRUSSELS, 8 FEBRUARY 2006**

SUMMARY RECORD

Agenda item 2: Adoption of the agenda

The Chairman (Ph. Pellé, DGMarkt/F2) presented the agenda which was adopted.

Agenda item 3: Adoption of minutes.

The Commission took note of all comments and stated that the minutes would be adopted by written procedure.

Agenda item 3: Possible implementing measures to the Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing

Due to the delayed distribution of the working documents, the Commission, upon the request of the Member States, agreed to organise a further discussion at a meeting on 8 March. Member States were invited to provide written comments ahead of this meeting. The Chairman recalled that if the measures are to be adopted within the 6 months foreseen by the Directive, the vote in the Committee should take place at the latest by the end of April. The Commission would therefore need to present a formal proposal by beginning of April at the latest. The transmission of the proposal to both members of the Committee and to the European Parliament will launch the official procedure leading to a vote. The Chairman recalled that these discussions do not prejudice any decision by the Commission on this subject.

There was then a substantial exchange of views on the issue of politically exposed persons for which a significant number of Member States continue to favour a minimum list of criteria, closely aligned to the FATF definition. Regarding simplified customer due diligence (CDD), Member States seemed to have converging views on the application of simplified CDD for particularly low-risk customers; whereas Member States were divided regarding the application of simplified CDD to low-risk products (such as long-term savings products). Member States had converging views regarding the issue of financial activity carried out on an occasional or very limited basis.

Agenda item 4: Horizontal issues

The Commission recalled that the two EC delegations papers had been submitted to the FATF Secretariat on 24 January 2006 for circulation to all FATF members prior to the Cape Town Plenary meeting in February 2006. These papers respectively explain the application of simplified CDD between EU banks, and the EU application of the FATF Special Recommendation VII on wire transfers and Special Recommendation IX on cash controls at borders.

Agenda item 5: FATF February Plenary meeting: Information, exchange of views, preparation and coordination on selected issues

Member States were invited to provide comments on the following issues: 1) Appropriate size of the FATF, 2) SRVIII: Non-profit organisations, 3) Mutual evaluations of Sweden and Ireland,(4) Procedures of AML/CTF assessments, (5) Revised methodology,(6) Typologies (state of play, notably on new payments technologies),(7) Anti-corruption and AML/CTF issues and (8) Tour de table on international_co-operation.

The discussion was very constructive and useful, in particular, on the issues of the appropriate size of the FATF and of SRVIII: Non-profit organisations. However, due to time constraints, not much time could be dedicated to the coverage of the other FATF agenda items.

Agenda item 6: Effectiveness of the AML/CTF measures

Due to time constraints the discussion on this agenda item was postponed for the next meeting of the Committee.

Agenda item 7: Other issues

The Commission recalled the objective, scope and context of the initiative in preparation aimed at establishing a platform for a dialogue among EU FIUs on issues of relevance for the implementation of 3rd third AML Directive. The Commission made it clear that it did not intend to set up a new committee. The objective was to provide an opportunity for EU FIUs to meet and discuss issues of a technical nature relevant for the implementation of the third Directive.

The Commission presented the state of play on the issue of enhanced cooperation with supervisors.

The Commission confirmed that the next meeting of the Committee would take place on 8 March 2006 in Brussels.