



EUROPEAN COMMISSION

Internal Market and Services DG

FREE MOVEMENT OF CAPITAL, COMPANY LAW AND CORPORATE GOVERNANCE

Brussels, 16 March 2006

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

SUMMARY RECORD

Agenda item 1: Adoption of the agenda

The Chairman presented the agenda with the discussion of possible implementing measures being the main issue for this meeting. The agenda was adopted.

Agenda item 2: Adoption of minutes.

The Commission took note of all comments and stated that the minutes of the Committee meeting of 8 February 2006 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

The Chairman recalled that if the measures are to be adopted within the desired 6-month deadline 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.

Prior to the meeting, the Commission had circulated a revised working document and at the meeting a compilation of Member States comments article-by-article was distributed. The commission invited Member States to comment on the revised working document. There was a substantial exchange of views on the issue of politically exposed persons for which a significant number of Member States continue to favour the inclusion of a definition close to the FATF definition. Regarding simplified customer due diligence (CDD), whilst Member States continue to have converging views on the application of simplified CDD for particularly low-risk customers, they remain divided regarding the application simplified CDD to low-risk products. Member States also continue to have

converging views regarding the issue of financial activity carried out on an occasional or very limited basis.

Agenda item 4: FATF Debriefing

Prior to the meeting, the Commission had circulated a debriefing of the FATF plenary meeting held mid-February under the South African Presidency of the FATF.

Agenda item 5: Effectiveness of the AML/CTF measures

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

Agenda item 6: Other issues

A delegation gave a short introduction to an upcoming seminar on terrorist financing that will take place in Vienna in June.

In a reply to a request from a delegation, the Commission presented the state of play on the implications of the US Patriot Act and the points of complaint raised by some European banks.

The Commission stated that the next meeting of the Committee was likely to take place on 29 March 2006 in Brussels.