



EUROPEAN COMMISSION

Internal Market and Services DG

FREE MOVEMENT OF CAPITAL, COMPANY LAW AND CORPORATE GOVERNANCE

Brussels, 3 April 2006

**FOURTH MEETING OF
THE COMMITTEE ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST
FINANCING – BRUSSELS, 29 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 March 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 were to be adopted within the desired 6-month deadline foreseen by the Directive, this meeting was likely to be the last opportunity for the Member States to engage into a technical discussion before the Commission will propose formal draft measures, with a view to have a vote at the next meeting of the Committee on 10 May 2006. He recalled that 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.

Prior to the meeting, the Commission had circulated a revised working document and a compilation of Member States comments article-by-article was distributed together with a synthesis of the comments received from interested parties.

There was a substantial exchange of views on what should be understood by politically exposed persons (PEPs) and a consensus emerged on a definition of PEPS close to the FATF one. Regarding simplified customer due diligence (CDD), there were converging views on the application of simplified CDD to low-risk customers as well as with regard to low-risk products, provided a low threshold would be imposed, beyond which normal customer due diligence would apply. A proposal was made for a higher threshold for leasing. Member States were globally

favourable to the approach proposed for financial activities carried out on an occasional or very limited basis. The Chairman thanked the Member States for being constructive and expressed his appreciation for the overall result of the discussion on the issue of implementing measures.

Agenda item 4: Effectiveness

Prior to the meeting, the Commission had circulated a strategy paper on the issue of effectiveness of the national AML/CTF systems. The suggestion put forward by the Commission in this respect were very well received by the Member States and further work will be carried out to ensure a collection of meaningful information and statistics on the fight against money laundering and terrorist financing.

The Commission stated that the **next meeting** of the Committee would take place on **10 May 2006 in Brussels**.