

**11th Meeting of
the Committee for the Prevention of Money Laundering and Terrorist Financing**

Brussels, 18 June 2007

SUMMARY RECORD

Informal discussion on Third Countries Equivalence

In the margins of the Committee meeting, discussions were pursued between Member States upon the actual application of criteria for the recognition of third countries equivalence.

1. Adoption of the agenda

The Chairman welcomed all participants. The agenda was approved without changes.

2. Adoption of the minutes

The revised minutes of the Committee meeting of 19 April 2007 were adopted.

3. EIB's request for observer status at the Committee

The EIB presented its role in the field of the prevention of money laundering and terrorist financing as well as the reasons why it considered that to be granted observer status to the Committee would be of mutual benefits for both bodies.

Member States, discussing *in camera*, were of the opinion that further information needed to be gathered first and foremost before a decision on the granting of observer status to the EIB could be taken: (1) the EIB should provide more information on the added value it can bring, (2) the AML/CFT question *vis-à-vis* multilateral development banks should be examined as a whole; (3) it should be ensured that the acceptance of the EIB as an observer would not set a precedent and that the Commission should examine whether the EIB was already an observer in other Committees chaired by the Commission.

One Member State suggested that the EIB may be invited once or twice a year but not on a systematic basis.

At this stage, in view of the Member States' reaction, the Chairman proposed to adjourn the decision on the application of the EIB to a next Committee meeting and to inform accordingly the EIB representatives.

4. FATF Coordination

Trade-Based Money Laundering

It was noted that the WFTM paper on trade-based money laundering focussed on 6 basic principles that countries should be able to abide by.

The Chairman noted the link between that paper and the ongoing work of the FATF on the prevention of proliferation financing.

Prevention of proliferation financing

A Commission representative introduced the issue, noting that many of the comments made by Member States and the Commission were reflected in the revised draft guidance elaborated by the FATF to facilitate the implementation of a series of UN Security Council Resolutions and notably UNSCR 1737.

Member States insisted on the need for the FATF guidance to add value and be "implementable". The point was also made of the necessity for that guidance to be congruent with the implementing measures adopted by the EU in respect of UNSCR 1737 against proliferation. The Commission pointed out that, to a great extent, there is an agreed European position on relevant UN Security Council Resolutions to be found in the Common Positions and Regulations which give effect to them. Some Member States invited the Commission to communicate to the FATF the letter it had received from the European Banking Industry Committee (EBIC) on the FATF questionnaire and guidance.

Member States regretted the lack of time left to discuss an annex on possible additional guidance regarding the application of financial sanctions against financial institutions (e.g. the question of the identified Iranian bank). The forthcoming Portuguese Presidency stated that it intended to organise in October a joint-meeting between RELEX Counsellors and the finance experts to address these practical issues.

International Cooperation Review Group

A short discussion took place on a paper tabled by the FATF regarding the AML/CFT situation in the "northern part" of Cyprus.

Mutual Evaluation Reports for Greece and the UK

The Chairman noted a few points of possible EU relevance in both reports (notably regarding the scope of application of Special Recommendations VII and IX in relation to the EU dimension).

The Chairman insisted on the importance for Member States to commit to the best implementation possible of the Third Anti-Money Laundering Directive as a means to address the current deficiencies in their AML/CFT regime (sometimes in relation with the application of the 2nd AML Directive). This was a matter of credibility not only for individual Member States but also for the European Union and its perception by non -EU FATF members. The Chairman offered to organise "ex-post" transposition workshops.

China's accession to the FATF

Member States were supportive of China's immediate accession to the FATF as a full member, under the understanding that China was committed to taking appropriate action to remedy the current deficiencies of its AML/CFT regime, as illustrated by the Action Plan it had sent to the FATF.

5. Debriefing of the Moneyval Plenary meeting of 7 June 2007

It was noted in particular that a Memorandum of Understanding had been signed between the Council of Europe and the European Commission with a view to strengthening the ties and relations between both organizations. The mutual evaluation report for Poland was discussed at that Moneyval Plenary.

6. Debriefing on the work of the informal EU-FIU Platform

The Chairman provided a snapshot view of the work of the EU FIU Platform where FIU sub-groups have elaborated questionnaires on three topics, namely (i) information available and accessible to FIUs, (ii) feedback (between FIUs, between FIUs and the reporting entities as well as between FIUs and law enforcement authorities) and (iii) data protection. The objective is that three preliminary reports be available for the next meeting of the informal EU FIU Platform on 3 October.

7. Debriefing on CEBS 3L3 AML Task-Force

The Secretary General of CEBS reported on the current state of play of the work of the 3L3 AML Task Force. The Task Force has finalised a first report mapping out the supervisory practices with respect to AML/CFT. This report has now been endorsed by CEBS and will be submitted for approval to its sister committees, CESR and CEIOPS. This report will thereafter be presented to the Committee for the Prevention of Money Laundering and Terrorist Financing. The work of the Task-Force is now focussed on (i) the application of the risk-based approach to customer due diligence and (ii) consolidated supervision.

8. Roundtable discussion

Due to the short time left, the Commission could only provide a snapshot view of the work it has been carrying out in the area of **data protection and the fight against money laundering** and terrorist financing.