



EUROPEAN COMMISSION

Internal Market and Services DG

FREE MOVEMENT OF CAPITAL, COMPANY LAW AND CORPORATE GOVERNANCE

Brussels, 15 October 2007

12th meeting of the Committee on the Prevention of Money Laundering and Terrorist Financing

Brussels, 2 October 2007

SUMMARY RECORD

1. INTRODUCTION

Chairman welcomes

2. AGENDA AND MINUTES OF LAST COMMITTEE MEETING

The agenda was adopted and the minutes of the previous meeting will be revised and adopted by written procedure.

3. FATF PREPARATION AND COORDINATION

(1) AML seminar in the northern part of Cyprus

The Commission debriefed on the ongoing activities in relation with the northern part of Cyprus. The European Commission acting as an honest broker handed over to the authorities in the northern part of Cyprus on 11 July 2007 the FATF Report on "Anti-money Laundering/Combating the Financing of terrorism in the northern part of Cyprus". The representatives of the European Commission conveyed the message that the FATF expects to receive from the northern part of Cyprus, for its October plenary, an action plan (including an implementation calendar) addressing the weaknesses identified by the FATF report. The Chairman concluded that next steps had to be decided at the upcoming FATF Plenary meeting in Paris on 8 – 12 October 2007.

(2) Private sector outreach

Delegations commented on the FATF President's proposal for a private sector committee to the FATF and whether the governance and representation model was acceptable.

(3) Nuclear proliferation finance

Delegations commented and exchanged views on the draft additional FATF guidance regarding the implementation of activity-based financial prohibitions of UNSCR 1737. The Committee was informed that this document had been sent to the European Banking sector for consultation and members were invited to consult with their respective banking sectors.

(4) Implementation of SR VII and SR IX

The Chairman informed that the FATF had the intention to raise the issue of the treatment of the EU internal borders in relation with the implementation of SR VII and SR IX. Delegations spoke in favour of strongly supporting and defending the EU implementation of SR VII (EU regulations 1781 on wire transfers) and SR IX (EU Regulation 1889 on cash controls) within the FATF framework

(5) Mutual evaluations

Delegations made no comments regarding the draft evaluation of Finland. Regarding Greece, the Committee was given an update on the progress made since its evaluation was completed by the FATF.

4. MONEYVAL PLENARY MEETING ON 10 – 14 SEPTEMBER 2007

The Committee was debriefed on the 24th Moneyval meeting that took place in September.

5. BANK OPENING AND CUSTOMER MOBILITY

The Commission explained that there are indications that among other regulatory barriers, the know-your-customer requirements are jeopardizing cross-border opening of bank accounts. The Commission informed that it receives complaints from citizens about refusals by banks to open bank accounts and the use of AML legislation by banks as the reason for such practices. Delegations were in general of the view that banks are using the money laundering argument as an excuse to refuse customers. Delegations also conceded that the question of the risk based approach should be considered, which explains the policy of some banks not to accept non-resident customers.

6. STATE- OF PLAY OF MEMBER STATES IMPLEMENTATION OF THE 3RD ANTI-MONEY LAUNDERING DIRECTIVE

Delegations provided information in relation to the state of play of their implementation of the 3rd Anti-Money Laundering Directive.

7. ROUNDTABLE DISCUSSION ON SELECTED ISSUES

Delegations exchanged preliminary views on a number of selected issues related to the implementation of the 3rd AML Directive (large cash payments, definition of serious crime and data protection). These issues may be revisited once the Directive will have been implemented by Member States.

8. OTHER ISSUES

(1) FIU Platform

Delegations were informed that the FIU Platform would meet the following day (3 October)

(2) Meeting with the private sector

The Commission debriefed delegation on the meeting with financial services industry on 24 September. The questions of proliferation, SR VII and bank account mobility were the main subjects discussed.

(3) CEBS

CEBS presented recent activities of the 3L3 AML Task Force.

(4) Study on Beneficial Ownership

The Commission debriefed about the presentation of the study on beneficial ownership that took place on 24 September.

(5) Statistics and money laundering

The Commission debriefed about the work of the expert group on criminal statistics.

(6) New study on non-for-profit organisations

The Commission informed Delegations that a contract has been awarded for a new study on non-for-profit organisations and that the contractor may contact them.

(7) Financing Programme (2007-2013)

The Commission provided information in relation to the financing programme (2007-2013) in the Justice, Freedom and Security area.

(8) Terrorist Financing meetings

Delegations were informed that the Portuguese Presidency organises a joint seminar with the US on 27/28 November on financial sanctions to combat terrorism: freezing of assets, designated persons etc. The Portuguese delegation invited other MS to participate and present contributions.

9. NEXT MEETING

The next meeting may take place on 15 November (to be confirmed).