

Communication from the Commission on an Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing (C (2020) 2800 final).

FINAL DOCUMENT APPROVED BY THE JUSTICE AND FINANCE COMMITTEES

The Committees on Justice and Finance of Italy's Chamber of Deputies, meeting in joint session to consider, in accordance with Rule of Procedure 127, the Communication from the Commission on an Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing (C (2020) 2800), hereinafter referred to as the "Action Plan";

Taking note of the information and opinions acquired in the course of their examination;

Whereas:

The object of the European Commission's Action Plan is to reinforce anti-money laundering activities and to counter terrorist financing (AML/CFT) in response to the constant growth of these two phenomena whose scope and nature have become a cause for alarm;

Actions to counter these phenomena are quite properly regarded as strategically important, also in view of the huge budget resources that the EU is going to distribute to alleviate the crisis caused by the COVID-19 pandemic and the attendant high risk of interference by organised crime;

It is therefore a matter of increasingly pressing concern that financial transfers be promptly monitored so as to prevent criminal profiteering, which, moreover, would cause dangerous market distortions;

The Action Plan sets out the next steps and prefigures the legislative action that the EU will need to take in respect of the following six action areas: the effective enforcement of existing EU rules to combat money laundering and terrorist financing; the adoption of a comprehensive EU Regulation to put an end to the regulatory incoherence resulting from the uneven application by different Member States of relevant EU directives; the establishment of a EU-level supervisory authority; the adoption of a

support and cooperation mechanism for Financial Intelligence Units (FIUs); the enforcement of criminal law provisions and information exchange at EU level; the strengthening of the international dimension of the EU's AML/CFT framework with particular regard to third countries whose shortcomings in this area jeopardise the Single Market.

Considering that:

Many have underscored the need to improve the monitoring of financial flows and, above all, the need to enhance the exchange and sharing of information among the various competent authorities;

There is a clear need to update supervisory tools and, especially, to develop new instruments that can keep pace with and counter the use of technology (Fintech) for money-laundering purposes;

In particular, steps should be undertaken to disclose and identify transactions carried out on cross-border payment platforms, which enable parties to effect payments while hiding their identity;

The proposal to complement the current system with AML/CFT supervision at the EU level warrants full consideration. This would entail the establishment of a core EU Unit whose functions, competences, and interactions with national supervisors would be defined in a legislative proposal to be introduced in the first quarter of 2021. The mooted EU Unit must be accorded the necessary independence and operational autonomy to perform its appointed tasks, while arrangements must also be made to ensure proper liaison between it and national supervisory authorities in charge of AML/CFT, which will require a clear definition of their respective areas of competence;

The enhancement of information exchanges through a support mechanism for national FIUs must not, however, come at the cost of the independence and autonomy of the FIUs themselves, which, along with the confidentiality of the reporting parties, must be adequately protected;

A careful evaluation needs to be made of the views of the European Data Protection Supervisor, which advises that the different nature both of the FIUs themselves and of the data they generate currently precludes the transmission of the data to the Europol database, which can hold only records produced by judicial police authorities;

Acknowledging that this document must be transmitted to the European Parliament, the Council and the Commission as part of political dialogue,

Do hereby express

A favourable opinion

With the following remarks:

- a) The Action Plan should be implemented in the manner envisaged by the European Commission with a view to overcoming as soon as possible the problems that have emerged in recent years mainly as a result of the inconsistencies arising from the uneven adoption of EU rules by different countries and the consequent serious divergences by some from the highest standards and best practices;
- b) The European Commission could address this issue by producing detailed periodic reports on Member States' compliance with the fourth and fifth anti-money laundering directives and by identifying, as part of the monitoring process, existing best practices to be adopted by all Member States in a structured fashion;
- c) The effectiveness of the systems regulating the exchange of information among the various competent authorities needs to be enhanced and perfected as a matter of absolute urgency;
- d) The pursuit of the foregoing objectives must also be conducted in a manner that preserves the best of what has already been achieved, including the mechanisms of proven effectiveness and elevated professional proficiency in fighting terrorism and organised crime that Italy has developed and refined in recent decades;
- e) Improving the effectiveness of AML cooperation implies considering proposals for the clearer definition of the respective competences of Eurojust and Europol, also in the light of the establishment of the European Public Prosecutor's Office. It is particularly important to strengthen the terms of reference and powers of the two agencies so that they may better coordinate investigations and thus avoid the inefficiencies that arise from, among other things, rivalry between the judicial and law enforcement authorities of different Member States;

- f) We are supportive of the idea of structuring the relationship between the future FIU network as envisaged by the European Commission and the investigative and judicial authorities so as to create a system for the reporting of suspicious transactions that is effective, swift-acting and conducive to the launching of criminal investigations, where appropriate;
- g) Consideration needs to be given to the possibility of extending the operational scope of the future FIU network to include the exchange of information relating to corruption and tax evasion. With respect to the latter, an extension of scope seems eminently justifiable in light of the fact that the vast majority of suspicious transaction reports refer to cases of tax evasion;
- h) Finally, the updating of the current EU rules and instruments offers a potentially useful opportunity for Italy to rationalize its (objectively highly complex) organisation and division of powers and competencies and to further improve its efficacy at preventing and combating terrorism and organised crime, including by raising the judicial authorities' awareness of the severity of the threat posed by these phenomena.