

Brussels, 5<sup>th</sup> April 2017

## Minutes

32<sup>nd</sup> Meeting of the EU FIU Platform  
29 -30 March 2017, Brussels

### **1. Approval of the agenda and of the minutes of previous meeting**

The Commission welcomed the participants and proposed combining agenda points 6 and 7 and taking point 8 after points 9 and 10. The revised agenda was adopted accordingly.

The Commission recalled that the minutes of the 31<sup>st</sup> meeting were sent on 17 March 2017 and asked if these could be approved. Two FIUs requested changes to the minutes; the revised minutes were approved the following day without further changes.

### **2. Nature of the meeting**

Meetings of the EU FIU Platform are non-public. The positions expressed by participants may not necessarily reflect an official position of the Member State, State or organisation it represents.

### **3. List of points discussed**

#### **• FIU.Net Updates**

Europol presented the 2016 progress report and its main findings. According to the 2016 usage statistics, 15.277 regular case files and 33.964 cross border reports were exchanged between FIUs. With regard to further development, Europol clarified that the need for refactoring refers to bugs in the system and its capacity to hold large volumes of information. Some system functionality is not currently being delivered. Europol is working closely with one FIU (~~LU~~) as it has not been able to file cross border reports (XBR) since January 2017 due to technical issues. Europol also stressed the importance of storing backups on local servers.

In order to respond to the IT demand in 2017, Europol has allocated 3 full-time developers with 550 man-days in total for development (as opposed to maintenance) of the FIU.net system as follows:

- 250 man-days for cross-border dissemination - until 1<sup>st</sup> May
- 210 man-days for refactoring - ongoing during 2017
- 90 man-days for other developments (prioritised user demand) – depending on the speed of the refactoring process

Europol took over more than 60 outstanding user demands. A list of 15 high priority items has

been shared with the Advisory Group (AG), which decides on the allocation of the development resources available. The result of the prioritisation showed that the highest priority was improving user friendliness. A new process for registering user demands has been established using the Europol Platform for Experts (EPE). Europol provided an explanation of how to access the request form and the form these should take.

Europol reiterated that it wants to offer flexibility concerning SIENA integration and that it may be that SIENA does not offer the right solution. Europol has committed to maintaining and developing FIU.net until any new system is delivered.

Concerning the user workshop that took place on 21 and 22 December 2016, Europol reported that most participants were satisfied based on the feedback received. It was noted that many users requested more time to practice with the system and to have more information on Ma3tch filters. Training activities in 2017 will focus on on-site visits and re-drafting a comprehensive user manual.

The Platform was informed that the AG and the Europol Management Board approved Norway's connection to FIU.net. Europol stated that there are no legal obstacles to connecting other third countries that have an operational agreement with Europol. The Commission offered to provide additional information on the procedure for agreeing operational agreements after the new Europol Regulation comes into force on 1 May 2017.

*Information point only – no conclusions or vote*

- **FIU.NET Advisory Group**

The AG Chair ~~FF~~ noted that it was agreed that the AG would continue to concentrate on high level matters and proposed that strategic discussions should continue between Europol and the AG.

The workshop between Head of Europol's National Units (HENUs) and FIUs on 15 March 2017 did not result in any concrete decisions but it was agreed to continue this dialogue.

Concerning the use of Ma3tch, the AG Chair stressed that more FIUs should start using filters as they will be used in the planned cross border dissemination (XBD) and in all operational pilots with Europol. However, many FIUs have not used filters at all or have not updated their filters for several months. It was also noted that only 12 FIUs participated in an AG meeting concerning XBD and that more volunteers are needed for the further development of the system and to solve operational questions (requirements, content of reports, handling of received information etc.). All FIUs were urged to prepare for the exchange of cross border reporting.

Regarding the technical development of the FIU.net, the Platform was informed that the total development resources available are 550 man-days, of which it was hoped that 20 could be held in reserve for “hot fix” needs. Also, it was noted no comments have been made on prioritised developments – which can be used as a mandate to define areas where more resources are needed.

Current AG memberships will end on 31 December 2017; names for the members of the AG for the next 2 years are needed by September/October.

The AG Chair recalled that no consensus was reached on the proposed Terms of Reference (ToR), for which a draft was presented by two FIUs at the last AG meeting. The Platform was invited to provide an idea of the future direction. It was explained that the FIUs agreed to continue the drafting of ToR while Europol saw no need for the document. A discussion followed in which one FIU stated that, in order to fulfil the Common Understanding, the AG should not engage in operational projects and should focus on issues concerning the functioning and management of FIU.NET within Europol and the participation of FIUs in that context. Europol requested clarification on the role of the AG; Europol considers the AG as an operational group on the basis of the Common Understanding (CU) and Service Level Agreement (SLA). Another FIU reported that during the earlier Egmont I meeting, it had been agreed that the role of the AG is restricted to technical matters and that operational and strategic issues are for the FIU Platform. Hence, Europol can engage with the AG as its regular counterpart, but the AG is bound by the decisions of the FIU Platform. One FIU presented the history of the ToR proposal, beginning in 2015 when it was suggested to conduct a mapping exercise of the parts of the CU that were not complied with. The **ToR** idea of was endorsed in August 2016 and a drafting team set up. It was already specified in 2013 and 2015, through the original Common Understanding and its subsequent update, that Europol should seek the opinion of the AG for decisions made with respect to FIU.net, but this did not work well and the Platform decided, upon proposal by the AG, that “Terms of Reference” should be drafted to offer a more precise scope. The current draft deals with stakeholders’ roles from both sides, thematic areas where FIUs participate in the governance (with relevant issues being communicated from Europol to the AG) as well as with applicable procedures. Europol reiterated its position from the last AG meeting – that the CU and SLA cover all questions of cooperation between Europol and the FIUs; that Europol is responsible for the management and strategic direction of FIU.net; and even if Europol sees no need for an additional document it is willing to discuss any problem or issue with the AG. The AG Chair presented 3 possible options to address this issue: (1) an additional semi-binding document (ToR); (2) ending the ToR project and relying only on discussions between Europol, the AG and the Platform or (3) producing an interpretative document for the CU, adding that it would be useful to write down the different interpretations of the role of the AG and discuss this in the AG. Europol responded that the ToR topic came up in July/August when the SLA had not yet been concluded and that it wants to be consistent with the concluded SLA. One FIU supported the idea of a non-binding interpretative document. Another FIU suggested focusing more on making progress with FIU.net instead of procedures. It was agreed that members of the AG would revise the draft ToR and present a modified document and that Europol will discuss this internally, that the AG will focus on concrete matters concerning the functioning and the management of FIU.NET in pursuance of the Common Understanding and that options will be kept open until it is clear what is needed.

*Information point only followed by informal discussion – no conclusions or vote*

- **Situation concerning the standardization of cross-border dissemination**

Europol presented its strategy on how to improve the usage of Ma3tch after 5 years of implementation. Four indicators have been identified: a) number of filters, b) size of filters, c) way of sharing and d) date last modified.

Based on these criteria, the FIUs were classified into four user categories of Ma3tch with 10 frequent, 5 non-frequent users, 6 experimental users and 7 non-users. However, taking into account that some FIUs are moving forward as regards their use of Ma3tch, there will soon be 13 frequent users, 4 non-frequent users, 6 experimental users and 5 non-users. In order to encourage these 15 FIUs to make improved usage of Ma3tch, 15 FIUs were divided into three groups – depending on their legal obstacles:

- FIUs without legal hindrances will be approached one by one to encourage the use of Ma3tch and to see what is preventing them from updating filters (quick progress is expected);
- FIUs with no legal obstacles but with other obstacles (align rules with 4AMLD, few hits found, technical problems, lack of awareness). This group included 3 AG members which will be expected to lead by example, but where the key to increased use would be more awareness and additional assistance.
- FIUs with legal obstacles or other problems will only be given assistance at their request.

One FIU explained that they were concerned by the security issues raised in the Leuven University study; Europol noted that others had disagreed with the conclusions of the study and that all FIUs had accepted the SLA in that context. Another FIU noted that it would prefer to see more FIUs completing the data in order to be able to see the functionality of the system.

Europol then reported on activities since the last platform meeting regarding XBD. It was stressed that the model designed by the working group has been approved and resources are reserved for 2017 – which is why Europol could only begin work in January 2017. With regard to its call for FIUs to perform Proof of Concepts (PoC) in order to test the workability of the relevance and selection criteria, Europol noted that only 4 FIUs have carried out PoC and that more input is needed from other FIUs. Also, no positive responses were received on the call for FIUs to delegate IT specialists to sub-working group for mapping (import/export) and matching.

The timeline for implementing XBD was presented from January 2017 until 1 May 2017. It was noted that the User Acceptance Tests (UAT) by FIUs will run in parallel with technical tests in April 2017 – which are run continuously by O51. Europol stressed that the work will not be completed by 1 May 2017 but that extended projects are needed afterwards to fine-tune the solution, determine best practices, create guidance documents and generate input for user agreements/user protocol. Volunteers were therefore requested to participate in the extended project. When asked about the application of criteria by 1 May 2017, Europol explained that the criteria were presented and approved, but will probably not remain the same as they will need to

be adjusted due to problems occurring – which is why extended projects are needed. The Commission underlined that the tight deadline makes sense with regard to the extended projects and thanked those FIUs that had sent IT experts to support the development of the system.

The discussion was then followed by a presentation from the Project Lead of the XBD working group regarding the models, technical solutions and options for FIUs to use the agreed model. It was recalled that reporting entities are very often not linked at all to the FIUs receiving these reports and that it is important to connect the cross-border reporting system with the cross-border dissemination system. However, when the selection criterion is applied - which contains information about natural persons, legal persons and financial assets - many STRs will have to be shared without being really relevant for another MS. In order to prevent the dissemination of redundant information (e.g. nationality or country of birth of natural persons), there are two possibilities to check the relevance:

- If the STR is relevant for another MS, the STR should be shared with the FIU of this MS and all information should be put in Ma3tch filters.
- If there is no relevance, there is no need to share the information. However, all information contained in the STR should be made available in Ma3tch filters because other concerned FIUs might already work on the same person. In this case, a match could pop up to ask for more information and the STR may become relevant because of a Ma3tch hit.

In case of relevant STRs, the information can be shared either as a case file if the STRs are also relevant for the sending FIU – or, if not, in XB format. It was noted that the content of a cross-border report can be retrieved automatically due to its standardised format which also contains a link to the MS (selection criteria) and a short description of the case. The Project Lead informed the Platform that the entire cross-border dissemination process runs on the local FIU.net server and highlighted the fact that FIUs can decide if they want to share the information and to automatize the sharing process of a specific report or not. However, once the selection criteria are met and the XBD XML has been transferred onto the local FIU.net server, the Ma3tch filters are created automatically.

Concerning the technical solutions of the processes described, three options were presented:

- Option 1: For FIUs who want to rely on the FIU.net, Europol designed a system where FIUs can put STRs (XBD XML) into FIU.net. The system will then automatically apply the selection criteria and put the relevant report to the next step where some relevance criteria are applied automatically and some will need manual review. After this process, the FIU can decide to share the report or not. It is also possible to activate an autosend feature for a specific report or for all reports if the report is sent out in the XB format.
- Option 2: The FIUs apply the selection criteria in their own IT system and only send reports that meet the selection criteria to FIU.net XB system. FIU.net will not apply any additional selection criteria. Some relevance criteria are applied automatically. If no relevance criteria apply, Ma3tch filters are created automatically, based on the selection criteria.

- Option 3: Both selection and relevance criteria are applied by the FIUs in their national IT systems for which the FIUs have to establish statistics on the criteria. Once relevance criteria are met, the reports are transferred to FIU.net and Ma3tch filters are created automatically. The FIU can choose if it wants to create a case file or a cross border report. The XML file exported by the FIU contains both the selection and relevance criteria which are compliant with Art. 53 of the 4AMLD.

One FIU asked whether the filters should be developed by the FIUs and if only extracts of the STRs are disseminated. The Project Lead replied that the filters are created automatically and that FIUs can always share more information as long as they are included in the XML file, which is not mandatory. Another FIU raised concerns about the automatically applied relevance criteria, as it does not want to have to submit defensive reports. Europol stated that FIUs can decide what they want to share and explained that the information is available in the filter and can be accessed by other FIUs. Other FIUs stressed that there is a risk that obliged entities are sending unimportant STRs and that it has not been discussed what should be done after receiving STRs. Also, it was suggested to do more linking in the system in order to see the broader picture of active persons in Europe. One FIU reported that it received a very large number of reports from another MS which led to a considerable additional workload. As this will be the future of all FIUs, it was stressed that it is important to find best practices and that automatized filters will play an important role. It was also stated that the use of Ma3tch for national systems should first become the norm before implementing XBD. Another FIU noted that the Ma3tch filter was intended to share only extracts but is now going beyond this purpose as the information in the filter is shared among all FIUs that have the filter in the system; it is important that, under whichever option, the sharing of information is only limited to FIUs without Europol being involved, in line with applicable provisions and the legal basis, unless of course all FIUs involved in the cross-border exchange consent to further sharing. It was noted that further solutions will be discussed once the tool is used.

The Commission stressed the fact that FIUs will not meet the reporting requirements if they do not provide all information but that it is possible to go beyond the scope of the Directive and apply different procedures if this is agreed by all FIUs. Europol explained that due to technical limitations (1 million data entries), the data from Ma3tch filters is only retained for 60 days, but that future developments would consider these IT needs.

*Information point only followed by informal discussion – no conclusions or vote*

- **FIU.Net - statistical needs**

The Commission recalled that Article 44 of the 4AMLD states that MS shall ensure that they are able to review the effectiveness of their systems to combat money laundering and terrorist financing by maintaining comprehensive statistics on matters relevant to the effectiveness of such systems. It was noted that it also is a legal requirement for Member States to transmit the relevant statistics to the Commission. The Commission is working to find an efficient way to collect data which also works well for Member States, minimising the work for national contact points. In this context, the Commission distributed a pilot questionnaire to Member States in December 2016. The questionnaire is an attempt to facilitate work to transmit the relevant

statistics to the Commission and covered FIUs' data on obliged entities; number of STRs and number of cross border requests for information. 22 Member States had completed the questionnaire. The Commission noted that these statistics might be derived from FIU.net and invited FIUs to consider the usefulness of a functionality that would extract statistics from the system. If appropriate, FIUs could (through the AG) request that such a function is added to FIU.net. Certain Member States commented on the scope of the questionnaire and noted that not all the information requested by the 4AMLD is available in FIU.net. One FIU stressed that it would welcome a simpler table than the one that had been distributed through the EGMLTF. The Commission had consulted the members of EGMLTF on the draft format and taken comments into account but is open for further adjustments if FIUs prefer to transmit statistics through standardised .xls files (possibly complementing extracts of statistics from FIU.net). It was noted that as a future observer at Egmont the Commission will have access to a larger base of EU FIU statistics. However, even if the Commission would like to make the work of the Member States as easy as possible, the obligation under the 4AMLD to transmit statistics falls on Member States and it is not an obligation for the Commission to collect data. In reply to a question on how the information will be used by the Commission, the Commission explained that this will both feed into future SNRAs and the development of future policy initiatives, but this also would ensure that Member States are able to review the effectiveness of their own regulatory systems and support their work on NRAs.

*Information point only followed by informal discussion – no conclusions or vote*

- **HENU – FIU workshop + EMPACT Operational pilot proposal and FIUs' exchange of information with foreign LEAs and Europol**

Europol presented three pilot projects (TFTP, FTF, EMPACT) and reported that an update on the Terrorist Finance Tracking Programme (TFTP) has been launched a few months ago with positive results. On the proposal on foreign fighters, Europol explained that it wants to use matching technology in FIU.net in order to make data on financing of foreign terrorist fighters (FTF data) available for use. An FTF dataset has already been identified in collaboration with the ECTC, but more time is needed to obtain approval to share it. As to the proposal of flash reports from the US Financial Crimes Enforcement Network (FinCEN), Europol explained the idea to share data received from third countries with the 28 Member States. An operational meeting was organised with US FinCEN, which was positive towards the idea and discussed the volumes, formats and information flows. It was proposed to put the information in a filter that is accessible for FIUs and to launch a test with 2016 data, for which a final confirmation is needed. Concerning EMPACT (the European multidisciplinary platform against criminal threats), it was stated that the aim is to use matching technology in order to match lists of high value targets within EMPACT priority areas against FIU data with a view to building joint cases and analyses. However, the proposal requires full elaboration in cooperation with participating FIUs and EMPACT leaders. Europol stressed that it is aware of the fact that FIUs, EMPACT priorities and HENUs are all different and informed the Platform that it will host a meeting between interested EMPACT areas (SPOC) and FIUs on 5 April 2017 to fully define the work flow. So far, 8 negative and 7 positive responses to participate in pilot projects were received. Discussion points will be inter alia: points of contact, information to be included in filters by competent authorities (CAs) and FIUs and options of follow up procedures regarding

the legal frameworks.

Europol also reported on the HENU-FIU workshop, where possible barriers to developing diagonal cooperation were discussed. Contacts were established to look for solutions at national level to facilitate cooperation with Europol. As some legal frameworks require FIUs to act independently, approval will be needed for direct contacts between FIUs and Europol for the purpose of operational pilots.

*Information point only – no conclusions or vote*

- **AOB - XBRL**

An AOB point on the standardisation of bank data was raised. It was reported that asset recovery offices were encountering resource problems because of different standards of financial data that they have to harmonise before they are able to work with them. In order to have a common standard, the FIU concerned wanted to raise awareness of the eXtensible Business Reporting Language (XBRL), which has the advantage that the validation is done automatically by the system as the validation tool is integrated in XBRL. It is used by two tax authorities who are dealing with this data and who found it very useful. The FIU concerned will distribute a memorandum for discussion during the next meeting. Europol informed that it is also working on a software solution that aligns the data of FIUs and LEAs in a standardized format and is therefore interested.

*Information point only followed by informal discussion – no conclusions or vote*

- **Follow-up to the Project "Mapping exercise on FIU powers and obstacles for cooperation"**

The Commission recalled that the FIU Platform adopted the mapping report at the last meeting and agreed to discuss the follow up actions at this meeting. Two discussion papers produced by the Commission and the EU FIU Platform Secretariat were distributed to Platform members to inform participants in advance of the meeting. Points to be addressed were: follow up measures to the mapping report, the engagement strategy related to the mapping exercise and revisions to the FIU Platform work plan

During an initial tour de table, one FIU reminded that publication of the report had been considered and that this exercise might be of benefit to FATF. Another FIU recommended prioritising certain elements due to the large number of issues highlighted. One FIU suggested prioritising data sources and dissemination/analysis work. One FIU highlighted that the report represented a snapshot of a certain moment and that both national legislation and the 4AMLD had changed since.

The Project Leader then presented the key findings of the discussion paper point by point. The AMLD allows for different models of FIU as long as cooperation works and the report shows FIUs are indeed very different, with undesired effects on FIUs' operations and cooperation. The question was posed as to the need for FIUs to become more similar in order to improve



cooperation. One focus should be on the differences in how information is analysed and disseminated. The Directive moves towards a common definition of analysis, as FIUs perform different core tasks and have different arrangements regarding several points (dissemination, access to information etc.). Furthermore, the Directive makes clear that all FIUs should be able to obtain information from obliged entities. Barriers in some countries to accessing banking information should be tackled. Differences in databases could be addressed, along with defining clearly what should fall within the categories of “administrative”, “law enforcement”–and “financial” information. As a minimum, a common understanding should be agreed on what a STR should look like. CTRs offer another opportunity for operational work. Diagonal cooperation is not covered by the Directive, but the mapping exercise suggests perhaps it should be.

The Platform members commented on the mapping exercise report and stressed the need to decide on priorities for follow-up work. Several FIUs were in favour of a focus on the scope of the analysis function and the impact of domestic powers on international cooperation, also via the reciprocity condition. Other FIUs noted that practical obstacles should be also discussed, especially regarding the different period of time for postponements and receipt of information.

5 FIUs were not in favour of publishing the mapping report on the internet with the objections that it offers only a partial picture as certain aspects are not valid anymore. 3 FIUs considered that the report should be published as it gives a good overview of different issues and shows that FIUs are aware of problems and of the need to take appropriate action through follow up work. It was argued that it would be unproductive to address the problems only in the Platform and that the report would allow FATF, LEAs and tax authorities to learn from it. FIUs should therefore sell the good work that has been done. One FIU had no strong preferences but noted that if the report were to be published, it would be important to include a clear introductory note and not to wait for another round of updates. The Commission recalled that it has been decided to include a disclaimer after the last meeting to clarify that changes due to the implementation of the 4AMLD are not taken into account in the report. The Commission proposed to change the wording of the disclaimer if necessary and stressed that the report will remain undisclosed until consensus is reached in the group. As to the use for intelligence purposes, a short evaluation was proposed by one FIU and will be followed up.

*Information point only followed by informal discussion – no conclusions or vote*

- **Follow-up to the FATF Heads of FIU meeting**

An FIU reported on the meeting of the FATF Heads of FIUs where the Spanish presidency wanted to foster the exchange of FIUs in the FATF environment. The first part of the structured brainstorming session was focused on terrorism financing and outlined the desired future capabilities of FIUs in this field. The second part of the meeting – which is presented in the paper written by the FATF Secretariat – concentrated on enhancing the work of FIUs in the future, but not as structured as in the mapping exercise.

It is expected that there will be a lot of comments on the discussion paper that will be forwarded to all Member States with a view to be finalised in June 2017. The reporting FIU stressed the importance to have this discussion in parallel in order to prevent duplication and to find synergies between FATF and the FIU platform as the paper covers basically the same issues of the mapping exercise but with a different structure. A further remark was made on the missing role of Egmont and that it would be helpful to distribute the report as an annex to the minutes for the non FATF members. It was suggested that a link should be made in the FATF document to the mapping exercise in order to facilitate the work in June 2017 and avoid duplication. The Commission replied that there is a strong link between the two exercises and encouraged FIUs being part of the project team in order to present the outcome of the mapping exercise.

*Information point only followed by informal discussion – no conclusions or vote*

- **Review of the FIU platform work plan**

The Commission presented the work plan and proposed to circulate an updated version of the work plan for later approval.

*Information point only – no conclusions or vote*

- **Joint analysis: Money remittance project**

One FIU reported on the pilot cooperation with a Money remittance company ('RM'). At present, the RM analysis team is able to produce in-depth and valuable analyses. This allows creating a full picture of certain criminal networks. However, the project has not yet started and it was highlighted that several legal obstacles have been identified and need to be tackled. Further steps of cooperation will be elaborated after RM has delivered its required provisions in the following week. Furthermore, it was discussed with RM to inquire about the use of the US legal environment as an alternative option. This would enable a disclosure of all EU-related information to FinCEN whereby FinCEN then may forward relevant information to FIU analysis teams. The Commission welcomed the successful cooperation at this stage but also highlighted the need to stick to the legal basis, especially with regard to data protection. The Commission was not aware of legal impediments at this stage and asked the FIU to prepare a concept paper regarding the identified obstacles and possible solutions. Europol expressed its willingness to support the joint analysis of data and could share best practices. Another participant recalled and re-launched the proposal to start a joint analysis exercise where FIUs can share experiences in processing intelligence on ISIL gathered through multilateral exchanges (especially on remittances), with a view to identifying recurrences and common patterns. It was agreed that a concept paper should be prepared to initiate this exercise. An update was also provided on a successful follow-up to the Micri project presented in June 2016.

*Information point only followed by informal discussion – no conclusions or vote*

- **State of play of the amendments to the 4AMLD**

As to the amending of the 4AMLD, the Commission informed the Platform that the European Parliament has adopted its report – which has direct relevance for the FIU work as the proposed changes concern numerous articles of the Directive. The Commission recalled that some FIUs attended the Council Working Party and that it will not renegotiate any positions but wants to listen to the needs and constraints of the FIUs and to receive expert feedback on a) bank account registers, b) access to information held by obliged entities and c) FIU to FIU cooperation.

Concerning the cooperation among the FIUs, the Commission explained that the European Parliament supports the Commission's proposal (technical amendments, double penalty, fiscal excuse etc.), but has also added a number of additional proposals:

- Provide a notification system in case one FIU refuses to exchange information with another FIU;
- Prepare a report every 2 years on barriers to effective cooperation;
- Designate a person as contact for Mutual Legal Assistance;
- Report annual statistics;
- Regulate international cooperation between EU FIUs and third countries.

The full text of amendments was received by the FIUs. The FIU provisions will be discussed during the second trilogue on the proposal for a 5AMLD by the Council, the Commission and the European Parliament on 4 April 2017 in Strasbourg.

One FIU noted that the proposed Art. 45 paragraph 1a) implies that FIUs were entitled legal authorities in order to designate at least one official for receiving requests, which is not always the case. It was then stressed that the additional proposal of Art. 65 f) - entitling obliged entities to report directly to FIU.net - is not acceptable. Furthermore, concerns were raised about the functioning of an EU FIU since FIUs are institutions that are included in international conventions and have international commitments going beyond the EU. When asked if the idea of an EU FIU was taken from the report on the mapping exercise where it is referred to that possibility, the Commission replied that a paper was already published at the FIU Platform before the mapping exercise. Another FIU expressed its hope that VC will be included in the amendments and stated that the proposal to designate an official goes against the independency and autonomy of FIUs. The Commission clarified that the position on VC are aligned in the proposal and will probably become obliged entities. One FIU, recalling the outcomes of the Mapping Exercise, welcomed the proposition of an EU FIU but stressed the need to reflect on how to coordinate its activities, its implementation and to foster the FIU platform, against a background of profound differences among EU FIUs. It was supported by another FIU that considers the mere discussion as very fruitful, however it is concerned about the timeframe.

*Information point only followed by informal discussion – no conclusions or vote*

- **EU Supranational risk assessment (SNRA)**

The Commission informed the Platform that the analysis on SRNA is still on track and that the report will be published by June. It has consulted the private sector as well as civil society (e.g. NPOs, consumer organisations etc.) and is now finalising the analysis by defining the mitigating measures. A discussion document – which is only a working paper for discussions and not an official document – has been shared with the FIUs in order to identify relevant points for FIUs. Furthermore, it was explained to the Platform that the analysis covers different sectors and is complemented by an analysis of the non-financial sector where a risk is posed by cash. The Commission stressed that the use of cash is extremely attractive due to its anonymity feature and highlighted the constructive discussion with the gambling sector. For instance, it has been assessed that Bingo poses only a low risk compared to other gambling products.

It was then reported that the financial sector is looking for supporting tools (e.g. reliable BO register) and needs more feedback from FIUs. The Commission also asked for feedback regarding the follow up of individual cases until the end of the week. One FIU raised the issue that a large number of countries have incorporated restrictions on cash payments without being obliged by the 4AMLD and asked about the supervision of these restrictions and why Bingo and Poker have been included in the SNRA when there is such a low risk. The Commission explained that the aim of the SNRA is to have a comprehensive overview of all products in order to assess each level of risk. Therefore, the assessment deliberately covers situations with a low risk level, in particular for gambling as Member States would have to account for the findings of the SNRA if they decide to exempt a gambling service. Concerning cash payment restrictions, the Commission informed participants that DG ECFIN is conducting a survey with the purpose of examining whether there is a need for a common threshold for cash payments at EU level. Based on this open consultation, it should be assessed if there is an interest in establishing cash restrictions and how restrictions should be implemented. It was pointed out that this initiative was initially included in the Action Plan on Terrorism Financing and that the final report at the end of June will show whether there is a direct link between cash payments and terrorist financing and how to proceed.

Another FIU noted that contrary to the low risk for non-life assurance stated in the SRNA, its national risk assessment has assessed a risk for non-life assurance. Also, it was recalled that the risk assessment was intended to be used as guidelines for national supervisors but is now moving into areas without national supervision. The Commission replied that supervision will be an important point and that proper application must be ensured.

*Information point only followed by informal discussion – no conclusions or vote*

- **Upcoming report on a system to track terrorism financing (follow-up of 3rd Security Union Progress Report)**

The Commission referred to the appraisal conclusions issued in the 3<sup>rd</sup> progress report on the Security Union and informed the Platform that it will continue its assessment this year, with a view to reporting in summer 2017. It was recalled that options for an EU system have been considered before in a communication on a Terrorist Finance Tracking System (TFTS) in 2013,

with the result of a negative assessment. However, in light of the evolving terrorist threat in the EU, technical developments and the fact that the existing tools in place to track TF have limitations (e.g. exclusion of SEPA payments), it was concluded that a possible new system could provide a more complete picture of relevant financial transactions, earlier and faster identification of perpetrators as well as evidence for prosecution. These benefits need to be weighed against challenges in terms of feasibility, costs and the impacts on fundamental rights and data protection. The Commission will engage in further broad consultation with financial service providers and law enforcement and plans to engage a contractor to conduct a study of existing measures. The Commission invited members of the Platform to provide their views on a possible new system to track terrorist financing.

*Information point only – no conclusions or vote*

- **Any other business**

FATF – footnote in the methodology on c. 20.1 ("promptly")

A discussion paper of the FATF Secretariat was sent to the Platform in order to clarify how to assess compliance with criterion 20.1 of the Methodology, specifically whether financial institutions are required to file suspicious transaction reports "promptly". The Commission stressed the importance of taking the proposal into account and asked for comments by 31 March 2017. One FIU noted that the draft proposal is clearer than the previous one but that there is still a lack of definition of "promptly". Another FIU stated that as not being a supervisory authority, it welcomes if authorities are acting in a timely manner but it does not want to put pressure on other authorities and stressed that the present proposal is acceptable.

Commission application as observer in Egmont

The Commission informed the Platform that the formal application has been sent at the end of January 2017. It expects a decision by end of July and would welcome the support of the Egmont members. If the application is accepted, the Commission will invite the Egmont Secretariat as an observer to FIU Platform meetings. One FIU asked whether this step is necessary. Another participant responded that it is unlikely that the Secretariat will attend. The Commission confirmed that it is a condition of the Charter to grant reciprocity when becoming an observer.

Organisational issues EU FIU Platform / Egmont Europe I Region

Concerning the possible observer role of the Commission in meetings of the Egmont Europe I Region group, one FIU stressed that FIUs should still be given the opportunity to coordinate among themselves separately. This was confirmed by the Commission.

Workshop with the Israeli FIU

The proposed joint workshop has been postponed until after the summer, as the Israeli FIU is involved in a FATF mutual evaluation. The Commission stated that it remains committed to this initiative and will keep the Platform updated.

## FIU advisor position in Amman

The Platform was informed about an open FIU advisor position in Amman, Jordan. The job description will be disseminated to FIUs.

*Information point only followed by informal discussion – no conclusions or vote*

### **4. Conclusions/recommendations/opinions**

*The EU FIU Platform did not issue or deliver any general conclusions nor was any issue put to a vote.*

### **5. Next steps**

The Commission will:

- provide additional information on the procedure for agreeing operational agreements after the new Europol Regulation comes into force on 1 May 2017.
- circulate an updated version of the FIU Platform work plan for later approval.

As regards the governance of FIU.net and the ToR; members of the AG will revise the draft ToR and present a modified document. In addition, more FIUs should test the workability of the relevance and selection criteria for cross border dissemination of STRs and provide input to Europol – more FIUs should delegate IT specialists to sub-working group for mapping (import/export) and matching.

### **6. Next meeting**

No suitable date could be agreed for the next FIU Platform meeting. Possible options are Valencia in June or Brussels in September. The date of the next meeting will be confirmed at a later date.

## **7. List of participants**

### **Country / Financial Intelligence Units from:**

Belgium  
Bulgaria  
Cyprus  
Czech Republic  
Denmark  
Estonia  
Finland  
France  
Germany  
Greece  
Ireland  
Italy  
Latvia  
Lithuania  
Luxembourg  
Malta  
Netherlands  
Poland  
Slovakia  
Slovenia  
Spain  
Sweden  
United Kingdom

### **Observers**

Liechtenstein  
Norway  
Europol

### **European Commission:**

DG HOME  
DG JUST