

Guest editorial eucrim 1-2022

Elżbieta Franków-Jaśkiewicz



eucrim

European Law Forum: Prevention • Investigation • Prosecution

Editorial

EDITORIAL

AUTHOR

Elżbieta Franków-Jaśkiewicz

Chair of MONEYVAL, Head of the International Cooperation Unit of the Financial Intelligence Unit (FIU) of Poland - General Inspector of Financial Information (GIFI))

CITATION SUGGESTION

E. Franków-Jaśkiewicz, "Guest editorial eucrim 1-2022", 2022, Vol. 17(1), eucrim, p1. DOI: <https://doi.org/10.30709/eucrim-2022-001>

Published in

2022, Vol. 17(1) eucrim p 1

ISSN: 1862-6947

<https://eucrim.eu>



Dear Readers,

The past year was again a challenging one for Europe and the world, due to the persisting COVID-19 pandemic. 2021 was also marked by one of the largest global money laundering scandals in recent history – the “Pandora Papers.” It demonstrated the growing scale of the money laundering threat and the persistence of launderers in abusing the international financial system to hide their illicit proceeds.

We are facing a combination of older and newer money laundering methods – both requiring coordinated action from governments in Europe and around the world. Traditional money laundering uses offshore jurisdictions while concealing the true ownership of assets behind several layers of “shell” companies. Specialised “gatekeepers,” e.g., lawyers, accountants, and other service providers often help launderers set up such companies, trusts, etc. The “Pandora papers,” like the “Panama Papers” five years ago, showed that “gatekeepers” can be complicit in large-scale, transnational money laundering schemes involving corrupt politicians and high-net worth individuals seeking to evade taxes. This is the reason why MONEYVAL has been focusing on such professions and working with the FATF to enhance their regulatory regime. In 2021, we achieved an important change in the international FATF standard to regulate the transnational operations of “gatekeepers.” This change will oblige certain professions to establish group-wide anti-money laundering programmes and pave the way for tighter supervisory cooperation among governments. These measures will be challenging to implement, since supervisory cooperation in this area did not exist before. However, governments must mobilise their efforts in order to finally curb the money laundering abuses we have witnessed in recent years.

One money laundering trend is related to the emerging virtual assets sector – the increasing global use of cryptocurrencies – and other components of the rapidly evolving ecosystem of “decentralised finance”. This alternative system removes the traditional forms of control that banks and institutions have on financial flows and services. In most cases, the components of one single crypto-business are spread across multiple countries. It creates enforcement and supervisory challenges for governments, due to rapidly evolving tech infrastructure, the cross-border nature of financial services, and difficulties in determining which national jurisdiction is responsible for their oversight. Supervisory cooperation in this field is in its very nascent stages and is not yet keeping pace with the rapid evolution of technology.

The difficulties with supervision of both “gatekeepers” and virtual assets can only be overcome by using innovative supervisory methods. Necessitated by the challenges of the pandemic, MONEYVAL has just completed a typologies study looking into supervisory practice in times of crisis and under challenging external circumstances, which is sure to help us improve supervision.

It is well known that money launderers have been abusing cryptocurrencies from their inception over a decade ago, initially to transfer and conceal proceeds from drug trafficking. Nowadays, their methods are becoming increasingly sophisticated and take place on a larger scale. Today, virtual assets are abused to launder proceeds from fraud, corruption, and tax evasion. The larger virtual assets are seeing heavy market manipulation, which is a major predicate offense for money laundering. These challenges require a clear and comprehensive response, and MONEYVAL is taking extensive measures in this area. MONEYVAL’s evaluations and follow-up processes are now closely looking into the regulatory framework for virtual assets in member states, and a 2022 typologies study will be solely dedicated to cryptocurrency money laundering trends.

It is clear that Europe continues to face significant money laundering challenges. However, enhanced cooperation and commitment between our law enforcement agencies, supervisory authorities, financial intel-

ligence units, and the private sector as well as effective cross-border cooperation will give us the capacity to tackle existing and new threats.

COPYRIGHT/DISCLAIMER

© 2022 The Author(s). Published by the Max Planck Institute for the Study of Crime, Security and Law. This is an open access article published under the terms of the Creative Commons Attribution-NoDerivatives 4.0 International (CC BY-ND 4.0) licence. This permits users to share (copy and redistribute) the material in any medium or format for any purpose, even commercially, provided that appropriate credit is given, a link to the license is provided, and changes are indicated. If users remix, transform, or build upon the material, they may not distribute the modified material. For details, see <https://creativecommons.org/licenses/by-nd/4.0/>.

Views and opinions expressed in the material contained in eucrim are those of the author(s) only and do not necessarily reflect those of the editors, the editorial board, the publisher, the European Union, the European Commission, or other contributors. Sole responsibility lies with the author of the contribution. The publisher and the European Commission are not responsible for any use that may be made of the information contained therein.

About eucrim

eucrim is the leading journal serving as a European forum for insight and debate on criminal and “criministrative” law. For over 20 years, it has brought together practitioners, academics, and policymakers to exchange ideas and shape the future of European justice. From its inception, eucrim has placed focus on the protection of the EU’s financial interests – a key driver of European integration in “criministrative” justice policy.

Editorially reviewed articles published in English, French, or German, are complemented by timely news and analysis of legal and policy developments across Europe.

All content is freely accessible at <https://eucrim.eu>, with four online and print issues published annually.

Stay informed by emailing to eucrim-subscribe@csl.mpg.de to receive alerts for new releases.

The project is co-financed by the [Union Anti-Fraud Programme \(UAFB\)](#), managed by the [European Anti-Fraud Office \(OLAF\)](#).



**Co-funded by
the European Union**