

MEPs Propose Far-Reaching Measures to Stop Money Laundering

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News

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High-quality, interconnected registers of beneficial ownership, a preventive blacklisting policy, effective sanctions and beefed-up EU supervision – these are the main requests from MEPs as set out in the [resolution “A comprehensive Union policy on preventing money laundering and terrorist financing.”](#) The resolution was adopted in the plenary session on 10 July 2020. It comes in reaction to the Commission Action Plan on AML/CFT of 7 May 2020 ([see separate news item](#)), the Commission’s AML package as adopted in July 2019 ([see eucrim 2/2019, pp. 94 et seq.](#)), and other recent developments.

The vast majority of MEPs welcomed the Commission’s Action Plan on how to effectively fight money laundering and terrorist financing, in particular the Commission’s intention to deliver a single rule book in the field of AML/CTF and to present a new EU institutional architecture for AML/CTF, built on an EU-level AML/CTF supervisor and an EU coordination and support mechanism for FIUs. The EP even proposes widening the scope of obliged entities in a potential single rule book, which should address new and disruptive market sectors (such as crypto-assets). They also advocate the establishment of an EU FIU. The resolution highlights the most pressing changes needed to achieve an efficient EU AML/CFT framework. These include:

- Correct and homogenous implementation of the EU’s AML/CFT rules in the Member States, a zero-tolerance approach, and infringement procedures against EU countries that lag behind in transposing the rules into national law;
- Action by the Commission against general lack of enforcement of high-level corruption and money laundering cases in Member States;
- Quick blacklisting of non-cooperative jurisdictions and high-risk third countries, while creating clear benchmarks and cooperating with those undertaking reforms;
- Denying entities based in tax havens access to EU funding;
- Empowering the European Central Bank to withdraw the licences of any banks operating in the euro area that breach AML/CTF obligations, independently of the assessment of national AML authorities;
- Changing the European Banking Authority’s governance structure, so that it is able to carry out independent assessments;
- Strengthening inquiries into recent ML/TF scandals, e.g., Luanda Leaks, both at the EU and national levels;
- Adopting further initiatives that could enforce actions at the EU and national levels in AML/CTF, e.g., widening the competences of the EPPO and OLAF and strengthening existing agencies such as Europol and Eurojust;



- Considering a proposal on a European framework for cross-border tax investigations and other cross-border financial crimes.

MEPs have also taken position on several aspects related to AML/CFT. They highlight, for instance, the valuable contribution of international investigative journalism and whistle-blowers in exposing possible crimes. They call on Member State authorities to fully and transparently investigate money laundering and related crimes, including a thorough investigation into recent cases of concern, such as the assassination of journalist *Daphne Caruana Galizia* in Malta, the Danske Bank scandal in Denmark and Estonia, and the Wirecard scandal in Germany.

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