

New “Microfinancing” Approach to Combat Terrorist Financing

Alexander Oppers

News

On 1 March 2018, MEPs [adopted recommendations](#) (by 533 votes to 24, with 43 abstentions) on how to deal with terrorist financing. They were submitted to the Council, the Commission, and the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy. The idea is that the best way to combat international terrorism is to cut off financial resources. To achieve this goal, international cooperation and the early exchange of relevant information are necessary. In order to ensure this, a formalised European platform should be created that works within the existing structure.

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The major recommendations include:

- Prevention of terrorist financing should be seen as a key priority;
- Intelligence agencies should increase their coordination and cooperation and form a European anti-terrorism financial intelligence platform that could be managed, for example, by Europol;
- A centralised database listing suspected persons, entities, and transactions is to be implemented and consistently kept up to date;
- Stronger monitoring of suspicious religious and educational places, institutions, centres, charities, cultural associations, and similar entities, as well as the inclusion of all their transactions in the centralised database;
- The regulation of money transfers, the transfer of precious metals and commodities (especially petrochemicals) as well as cultural goods, e.g., works of art and antiques, by means of documentation;
- Increased transparency with respect to company owners through public registers of legal entities, including companies, trusts, foundations; central registers of bank accounts, financial instruments, real estate ownership, life insurance, and other relevant assets that could be related to money laundering and terrorist financing;
- Making sure that banks monitor pre-paid debit cards to ensure identification;
- Dismantling of tax havens;
- Evaluation of the dangers of e-gaming, virtual and crypto currencies, block chain and FinTech technologies to make them controllable.

Furthermore, the EP stressed that Member States and the Commission should prepare annual reports on their progress.

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