Prevention of the use of the financial system for the purposes of money laundering or terrorist financing

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Opinion of the European Central Bank on a proposal for a directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and on a proposal for a regulation on information accompanying transfers of funds.

The ECB received two requests for an opinon from the Council: the first one concerns the proposal for a directive of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, the other concerns a proposal for a regulation of the European Parliament and of the Council on information accompanying transfers of funds. The ECB also received requests from the European Parliament for an opinion on the proposed Union instruments.

The ECB welcomes the proposed Union instruments.

As regards the proposed directive, the ECB notes that its legal basis is Article 114 of the Treaty and that it accordingly aims to approximate relevant national provisions and minimise inconsistencies between them across the Union. Article 5 of the proposed directive would permit Member States to choose to apply stricter measures than merely requiring the dealer to satisfy the customer due diligence, reporting and other relevant obligations under the proposed directive. Any such measures should be carefully weighed against the expected public benefits.

Furthermore, the ECB notes that according to recital 35 of the proposed directive, it is not the Union legislators' intention to include within the scope of the regulation persons who provide 'credit or financial institutions solely with a message or other support systems for transmitting funds or with clearing and settlement systems' such as the ECB operated TARGET2 system. Whilst supporting this approach, the ECB recommends **providing for this exemption** in the enacting terms of the proposed Union instruments, rather than in the recitals.