Prevention of money laundering: controls of cash entering or leaving the Community

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PURPOSE: to prevent money laundering through customs cooperation. CONTENT: Money-laundering via cross-border cash movements represents a threat to the security and financial interests of the Member States and the Community. This threat can be effectively combated by customs administrations, which are already familiar with international cooperation. Recourse to customs co-operations is also necessary because the machinery introduced by Council Directive 91/308/EC covers only money-laundering operations conducted through credit institutions, financial institutions and certain professions. The consequence is that large sums of money of dubious origin are entering and leaving the Community, which cannot be detected by this mechanism. Accordingly, this proposal deals with the obligatory declaration of cash at external frontiers: -any person entering or leaving Community customs territory and carrying a sum of EUR 15000 or more in cash must declare that sum. -the form of obligatory declaration is laid down in the proposal. Imposing the use of a standard pre-printed declaration form will enable customs administrations to improve synergies and exchange information more easily. -"cash" encompasses a whole range of fungible assets. -where there is evidence that cash is being carried for the purposes of money-laundering operations, information obtained through the declaration or through subsequent controls will automatically be transmitted to the competent authorities of the appropriate Member State, and, in certain circumstances, the Commission. -the competent authorities have the powers to ensure compliance with the obligation to declare and to exercise effective control. -Member States must introduce penalties for failure to lodge a declaration. The level of fines may not exceed a quarter of the sum carried. -there are provisions for divulging information to non-Member countries if cash is being carried for terrorist groups.