

Combating money laundering and terrorist financing: information on the payer accompanying transfers of funds, transposition of the Special Recommendation VII on “wire transfers” (SR VII) of the Financial Action Task Force (FATF) into Community legislation

2005/0138(COD) - 15/05/2006

The committee adopted the report by Alexander Nuno ALVARO (ADLE, DE) amending the proposed regulation on information on the payer accompanying transfers of funds. While broadly approving the approach pursued in the proposal, MEPs tabled a number of amendments under the 1st reading of the codecision procedure. In particular, they clarified certain exemptions, stipulating that the regulation should not apply to:

- electronic transfers covered by the derogation allowed in Article 11(5) of the Money Laundering Directive ("simplified customer due diligence"), unless the amount transferred is higher than EUR 1000;
- pre-paid transfers not exceeding EUR 150, carried out by means of a mobile phone or any other digital or IT device;
- post-paid transfers made by mobile phone or any other digital or IT device, as long as traceability is guaranteed;
- electronic giro payments, provided the payment service provider of the payee is able to trace the paying client and the transaction does not exceed EUR 1000;
- personal cash withdrawals;
- transfers of funds where there is a debit transfer authorisation between two parties;
- truncated cheques;
- the payment of taxes, fines or other levies within a Member State ; and
- transfers of funds where both the payer and the payee are payment service providers acting on their own behalf.

Other amendments made clarifications and additions to the definitions set out in the proposal. The committee also wanted a distinction to be drawn between account-based and non-account-based transfers as far as verifications were concerned, and said that the special nature of batch transfers should also be taken into account. Moreover, the sanctions envisaged for failure on the part of payment service providers to supply information on the payer should only be considered in the case of transfers exceeding EUR 1000. Lastly, MEPs said that the regulation's legal provisions should be renewed by means of the

codecision procedure rather than the comitology procedure, and added a review clause under which the proposal could be amended, following a Commission report by 2010 at the latest, with regard to electronic money "and other newly developed means of payment".