Basic information

1998/2149(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Money laundering: implementation of the directive 91/308/EEC. 2nd report **Subject** 7.30.30.08 Capital outflow, money laundering	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs, Citizens' Rights	NEWMAN Edward (PSE)	23/09/1998

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	MILLER Bill (PSE)	28/10/1998
LIBE Civil Liberties and Internal Affairs	LAMBRAKI Irini (PSE)	24/11/1998
CONT Budgetary Control	The committee decided not to give an opinion.	

Council of the European Union

Key events

Date	Event	Reference	Summary
01/07/1998	Non-legislative basic document published	COM(1998)0401	Summary
17/07/1998	Committee referral announced in Parliament		
23/02/1999	Vote in committee		Summary
23/02/1999	Committee report tabled for plenary	A4-0093/1999	
09/03/1999	End of procedure in Parliament		
21/06/1999	Final act published in Official Journal		

Technical information

Procedure reference	1998/2149(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148 Rules of Procedure EP 050
Stage reached in procedure	Procedure completed
Committee dossier	JURI/4/10270

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0093/1999 OJ C 175 21.06.1999, p. 0005	23/02/1999	
Text adopted by Parliament, single reading		T4-0147/1999 OJ C 175 21.06.1999, p. 0016-0039	09/03/1999	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1998)0401	01/07/1998	Summary

Money laundering: implementation of the directive 91/308/EEC. 2nd report

1998/2149(COS) - 01/07/1998 - Non-legislative basic document

PURPOSE: to present a second Commission report on the implementation of the Money Laundering Directive. CONTENT: this document constitutes the second Commission report to the Council and the European Parliament on the implementation of the 1991 Money Laundering Directive (91/308 /EEC). Given the global nature of this problem, this report first seeks to situate the EU's anti-money laundering effort within the wider international context. It thus reports on the efforts undertaken to spread the message to third countries and also records th considerable progress made in the ratification of the two major international money laundering conventions (Vienna and Strasbourg). The basic situation as regards implementation of the Directive is very satisfactory. All of the Member States have implemented the Directive in their national legislation and only one infringement procedure is currently open. The report notes the excellent progress made by all the Member States towards the criminalisation of the laundering of the proceeds of a much wider range of serious offences. It examines the efforts to combat money laundering via bureaux de change and other, possibly unregulated, financial activities. It also notes progress in the range of non-financial activities made subject to Member States' money laundering legislation and considers the question of the application of anti-money laundering measures to certain non-financial professions, and in particular the legal professions. The report considers the ongoing work in various fora to improve the cooperation and exchange of information between the various authorities concerned with money laundering. In response to requests from the Parliament, the Commission also reports on current trends in the techniques used by money launderers and on the work now being undertaken in other fora into the macroeconomic effects of money laundering. The report also attempts to provide some initial data on the results of the anti-money laundering effort. These show that suspicious transaction reports are being made in every Member State. The numbers of reported prosecutions and convictions are much lower. Similarly, the amounts of money confiscated appear to be small. Lastly, the report concludes that it would now be appropriate to update and extend the Directive in line with the wishes of the Parliament and the recommendations of the Action plan on organised crime.

Money laundering: implementation of the directive 91/308/EEC. 2nd report

1998/2149(COS) - 09/03/1999 - Text adopted by Parliament, single reading

The Parliament adopted its report, drafted by Mr. Edward NEWMAN (PES, UK), without debate. The Parliament calls upon the Commission to table a legislative proposal aimed at amending the Money Laundering Directive, comprising: - the inclusion in the Directive of professions at risk of being involved in money laundering or abused by money launderers, such as estate agents, art dealers, auctioneers, casinos, bureaux de change,

transporters of funds, notaries, accountants, advocates, tax advisors and auditors into the scope of the Directive with a view to fully or partially applying to them the rules contained therein or, if necessary, applying to them new rules taking account of the particular circumstances of these professions, and especially having full regard to their professional duty of discretion. - measures aimed at ensuring that legal requirements imposed on the financial sector in the wide sense of the term are equal for all branches of that sector and that the competitive position of economic actors in the financial sector is affected in an equal way in practice. It points to the need for the Directive to be comprehensively revised, and in particular for : - the individual articles of the Directive to be sub-divided more clearly to make them easier to read and more comprehensible; - the scope of the Directive to be extended to cover seizure of assets, and clear, workable standard procedural principles accordingly be laid down to govern confiscation, freezing, and seizure of assets; - the improvement of the reliability and quality of statistics, and the standardisation of information gathering in the Member States with a view to determining the number of criminal prosecutions brought, the numbers of suspects and persons convicted or acquitted, and the amount of assets frozen or seized; - steps to be taken to improve the basic and further training system for persons carrying on activities likely to be misused for money laundering purposes; - an obligation to be laid down to impose penalties for gross infringements of the reporting and notification requirement. The Parliament considers that the statement attached to the Directive also needs to be amended. It calls on the Commission and the Member States to tackle the issue of the use of electronic payment techniques and of the Internet for the purposes of money laundering by exploring the possibilities for specific legislative action. It calls upon the Member States, the Council and the Commission to take the necessary measures in order to prevent the use of shell companies established in accordance with the law of a Member State or of a third country for the purpose of money laundering wherever such activity has a sufficiently close relationship to the European Union. It calls on the Member States, the Council and the Commission to ensure the application of anti-money laundering legislation to those territories of the Member States to which Community law does not apply or does apply only in a restricted manner. It calls upon all the relevant actors to take all necessary steps in order to ensure the application of reasonable anti-moneylaundering standards to third countries. It calls for the European Judicial Network to be put to extensive use in cross-border criminal proceedings, in particular with a view to identifying, freezing, confiscating and seizing laundered assets, and prosecuting money launderers; it calls further for all judges and public prosecutors in the EU to be informed in detail about the help which can be obtained from the network. It calls for the Commission and the European Central Bank to consider measures which would minimise the risk of high denomination euro notes becoming the notes of choic for money laundering. It also urges the Commission and the European Central Bank to bring forward proposals to minimise the risk of money laundering in the context of electronic money.