Basic information

2005/2065(INI) INI - Own-initiative procedure	Procedure completed
The fight against terrorist financing **Subject** 7.30.20 Action to combat terrorism	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
LIBE Civil Liberties, Justice and Home Affairs	BORGHEZIO Mario (IND/DEM)	25/11/2004

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2667	2005-06-13
Justice and Home Affairs (JHA)	2696	2005-12-01
Justice and Home Affairs (JHA)	2664	2005-06-02

Key events

Date	Event	Reference	Summary
31/03/2005	Non-legislative basic document published	B6-0221/2005	
28/04/2005	Committee referral announced in Parliament		
24/05/2005	Vote in committee		Summary
26/05/2005	Committee report tabled for plenary	A6-0159/2005	
02/06/2005	Debate in Council		
07/06/2005	Decision by Parliament	T6-0222/2005	Summary
07/06/2005	Results of vote in Parliament		
07/06/2005	Debate in Parliament		
07/06/2005	End of procedure in Parliament		

13/06/2005	Debate in Council		
01/12/2005	Debate in Council		

Technical information	
Procedure reference	2005/2065(INI)
Procedure type	INI - Own-initiative procedure
Legal basis	Rules of Procedure EP 134o-p3
Stage reached in procedure	Procedure completed
Committee dossier	LIBE/6/26129

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Non-legislative basic document		B6-0221/2005	31/03/2005	
Amendments tabled in committee		PE357.846	04/05/2005	
Committee report tabled for plenary, single reading		A6-0159/2005	26/05/2005	
Text adopted by Parliament, single reading		T6-0222/2005 OJ C 124 25.05.2006, p. 0023-0254 E	07/06/2005	Summary

The fight against terrorist financing

2005/2065(INI) - 07/06/2005 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Mario BORGHEZIO (IND/DEM, IT) stating that minimum standards should be adopted to prevent organisations being used by terrorists to channel funds. (Please see the summary of 24/05/2005.) Parliament stated that such minimum standards should be formulated for rules on transparency in the charity sector to ensure that banks, credit institutions, insurance and finance companies and not-for-profit organisations achieve maximum transparency in their own management, financial and accounting procedures. They should exclusively use official bank accounts for fund deposits and standard and formal channels for fund transfers, and publish balance sheets which include information on the precise identity of the recipients and on the intended use of the funds.

Other recommendations include the following:

- establish cooperation and exchange structures, including at technical level, to facilitate structured exchanges of information between EU intelligence services, including Europol and Eurojust;

- implement, via the urgent adoption of suitable legislation, measures to ensure the monitoring and traceability of international banking transactions, since these are major means of payment for supplies of weapons and drugs and the proceeds may be used for terrorist ends;

- implementation of all the FATF (Financial Action Task Force on Money Laundering) recommendations;

- introduce measures to monitor transfers of funds initiated outside the official channels and prevent the use and infiltration of not-for-profit associations and charities by terrorist organisations, while also supporting the proposal for a European code of conduct and for the charitable sector which would require the publication of balance sheets and institute common rules for auditing and monitoring of accounts;

- establish the requirement that financial institutions, and any other entities subject to obligations relating to the prevention of money laundering, urgently communicate all useful information to the competent public authorities when there is reason to suspect that certain funds might be channelled into terrorist activities or, more generally, to terrorist networks.

It should be noted that the most urgent measure to combat the financing of terrorism is the revised directive on money laundering, which includes provisions against financial transactions suspected of being used to finance terrorist activities.

This recommendation is part of a package of seven recommendations to the Council suggesting the next steps to be taken as part of the Action Plan against Terrorism, which is to be reviewed by the European Council at the summit on 16-17 June. (See also CNS/2004/0812, CNS/2004/0069, INI/2004 /2214, INI/2005/2044, INI/2005/2198, and INI/2005/2046.)