

MEPs set to vote on new rules to fight terrorist financing

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News

New rules to better equip EU countries to freeze and confiscate criminal assets across the EU will be voted on by Parliament's civil liberties committee later this week.



MEPs are set to vote on new rules to better equip EU countries to freeze and confiscate criminal assets | *Photo credit: National Crime Agency*

Part of the package is aimed at strengthening the fight against financing terrorism and organised crime.

The draft legislation, which is expected to be approved by members, would also allow national authorities to temporarily freeze assets that are at risk of suddenly being moved, if no action is taken.

The parliamentary vote takes place on Thursday.

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Currently about 100,000 cash control declarations are made each year which amounts to €60bn to €70bn.

However, during the same period, about 11,000 infringements are detected, amounting to €300m.

Member states report that Isis terrorists frequently transport cash amounts below the €10,000 threshold (around €7000) to avoid detection.

Despite the high risk posed by virtual currencies such as Bitcoin, these are not included in the definition of "cash". This is because customs authorities lack the resources to monitor them.

Terrorist attacks in European cities suggest that current EU laws do not sufficiently prevent access of terrorists to finance.

The EPP group and others have subsequently called for better EU cooperation to disrupt terrorist financing.

The new rules under which a member state will execute a freezing or confiscation order issued by another EU country are another important step in fighting terrorism and other serious crimes in the EU, said Luxembourg MEP Mady Delvaux

The S&D group member, who is co-rapporteur on the dossier, said, "Large sums of cash, be it banknotes or gold bullion, are often used for criminal activities such as money laundering or terrorist financing.

"With this legislation, we give our authorities the tools they need to improve their fight against those crimes. The central point is their fast access to all the information they need for their investigations."

She added, "We therefore ask their systems for data exchange to be interconnected and we repeat our call for an EU financial intelligence unit."

Further comment ahead of the vote in Parliament comes from Juan Fernando López Aguillar, who is co-rapporteur on the file.

The Spanish deputy said, "We have tried to strike the right balance between this instrument, which aims to strengthen, on the basis of internal market, the control of the cross-border cash passing through the external borders of the European Union, and protecting legitimate interests. So, making it proportional."

On 20 December, EU ambassadors confirmed the political agreement reached between the Council and Parliament on strengthened EU rules to prevent money laundering and terrorist financing.

The draft directive has two main objectives: preventing the use of the financial system for the funding of criminal activities and strengthening transparency rules to prevent the large-scale concealment of funds.

A Commission spokesperson said, “The aim is to close down criminal finance without hindering the normal functioning of financial markets and payment systems. The agreed text seeks to balance the need for increased security with the protection of fundamental rights and economic freedoms.”

The proposal is part of a Commission action plan against terrorist financing, established in 2016 following a spate of terrorist attacks in Europe.

The spokesperson added, “The agreement is an important step in removing the means available to terrorists. It contains new measures that will help the authorities to better track financial flows and disrupt the financing of criminal networks.”

About the author

Martin Banks is a senior reporter for the Parliament Magazine

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