



**COUNCIL OF  
THE EUROPEAN UNION**



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PRESSE 347

## **Council agrees a negotiating mandate on money laundering**

The Permanent Representatives Committee today agreed, on behalf of the Council, a negotiating mandate on new rules aimed at clamping down on money laundering and terrorist financing ([10970/14](#) + [10971/14](#))

It called on the future Italian presidency to start negotiations with the European Parliament once the Parliament has resumed work following the elections, with a view to adopting the new rules at early second reading.

The proposed directive and regulation are intended to ensure consistency between EU anti-money laundering rules and the approach followed at international level. The draft regulation deals more specifically with information accompanying transfers of funds.

The aim is to implement recommendations issued in February 2012 by the Financial Action Task Force (FATF), a 34-member body established by the G7 and regarded as a global standard for combating money laundering and terrorist financing. On some issues, the proposals expand on the FATF's requirements and provide additional safeguards.

The EU already has legislation to protect the proper functioning of the financial system. However, the changing nature of money laundering and terrorist financing – facilitated by the development of technology and other means at the disposal of criminals – requires continual adjustment to counter such threats.

# **P R E S S**

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The Commission presented the proposals in February 2013. The main modifications involve:

- Extension of the directive's scope, introducing requirements for a greater number of traders (i.e. reducing from €15 000 to €10 000 the cash payment threshold for the inclusion of traders in goods, and also including providers of certain gambling services);
- A requirement for evidence-based measures, and the provision of guidance by the European supervisory authorities, in the risk-based approach used to better target risks;
- Tighter rules on customer due diligence, whereby obliged entities such as banks are required to take enhanced measures where the risks are greater, and can take simplified measures where risks are demonstrated to be smaller.

#### Beneficial ownership, gambling, e-money and sanctions

The proposals contain specific provisions on the storage of information on beneficial ownership. As concerns access to the stored information, the Council's approach is to require unrestricted access for competent authorities, financial intelligence units and, if allowed by the member state, the obliged entity, i.e. for instance the bank. It however allows flexibility for member states in establishing the means for ensuring this, whilst providing indicative examples of the form that a storage mechanism can take.

For gambling services, the Council's position allows member states to introduce exemptions, but only after a risk assessment has been undertaken and without allowing exemptions for casinos and cross-border online gambling. Other member states would be informed of any exemptions granted. Member states would similarly be allowed exemptions, under certain conditions, for certain types of e-money instruments.

Pecuniary sanctions are by default set at a minimum of €1 million, although sanctions of at least €5 million could be imposed on both legal and natural persons for breaches involving credit institutions or financial institutions.

Based on article 114 of the Treaty on the Functioning of the European Union, both directive and regulation require a qualified majority for adoption by the Council, in agreement with the European Parliament. The Parliament adopted its position at first reading on 11 March 2014.