



ANTI MONEY LAUNDERING

EESC input

AML /CFT

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AML

Legislation and targets

The commission has targeted the following areas:

- **prevention of the use of the financial system for the purposes of money laundering or terrorist financing**
- **establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism**
- **transfers of funds and certain crypto-assets**
- **the mechanisms to be put in place by the Member States for the prevention of the use of the financial system**
- Estimates of the volume of money laundering put it at between 1% of EU27 GDP (Europol and the European Commission) and 1.3% (Court of Auditors), i.e. between EUR 140 and 208 billion per year

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HOW the EESC works

- Commission or EU parliament or President of the EU Council (presently France) ask for a view on certain topics to the EESC
- EESC is made up of three groups – employers, unions and civil society NGO's
- For each topic a study group is set up made up of between 6 and 12 persons to prepare the opinion, this is then passed to the Section with circa 100 persons from the 3 groups, and then voted at plenary with all members of the EESC present totalling 330 members.
- Each member country (27) is represented in the EESC. Numbers depend on population - minimum 5 persons

AML - EESC points 1

Points raised by EESC in the opinion of anti money laundering

- The EESC **strongly supports the Anti Money Laundering legislative package** and welcomes the setting up of AMLA with direct supervisory powers.
- **AMLA will be set up by 2026** although certain parts will be working during 2024 and should be given sufficient resources to become the core of an integrated European oversight and intelligence system. EESC would like that this is set up earlier. EESC also suggests that a civil society advisory board be set up in this authority.
- **Welcomes coordination of national supervisors and FIUs** - and the provisions of both to harmonise national legislation and automate the recording and transmission of information.
- Predict **offences requires a cultural change**, and the effective involvement of organised civil society

AML - EESC points 2

- Regulation on crypto-assets, of the AML legislative package, be implemented as a matter of urgency. In this regard on the 25.04.22 the Committee on Economic and Monetary Affairs points out that adapting the IT capacities of tax authorities through new emerging technologies, such as potential distributed ledger technologies like blockchain or artificial intelligence, promises to foster intelligent, effective and efficient tax and administrative procedures, facilitate tax compliance by citizens and businesses, and increase the traceability and identification of taxable transactions in a globalised environment where cross-border transactions have increased
- The **EESC calls on the Commission to consider how to apply the legislative package to money laundering channels outside the financial system** – examples - art and high-value assets; free ports, customs warehouses and special economic zones; certain commercial or trade transactions, real estate investments, gambling.
- **Europol be given greater powers** and sufficient resources to combat money laundering.

AML - EESC points 3

- The EESC calls on the Commission to push for the urgent transposition in all Member States of Directive 2018/1673, which establishes a **common definition** of the offence of money laundering; This was also highlighted by the Committee on Economic and Monetary Affairs on crypto assets
- The EESC considers it necessary to **draw up** a new, realistic and truthful **list of high-risk third countries**, including all those that facilitate money laundering.
- The EESC calls on the EU and national governments **to protect the lives and integrity of journalists, employees and civil servants** who denounce economic and political corruption, and considers the delay in transposing Directive (EU) 2019/1937 to be unacceptable
- Very concerned about the existence in the EU of a huge number of '**shell companies**', which play a key role in money laundering and tax avoidance

AML - EESC points 4

Other opinions have touched on other anti money laundering points and tax avoidance like:

Very concerned about the existence in the EU of a huge number of '**shell companies**', which play a key role in money laundering and tax avoidance.

EESC has suggested that action should be taken against the persons that set up these illegal companies and the info was based on the work undertaken by OECD.

EESC considers that the 15 % minimum tax on large companies with turnover over 750 million should be introduced. However, not all the countries that have signed the OECD manifesto are moving in this direction – heading this group is the USA.