Friday 10 July 2020

P9_TA(2020)0204

A comprehensive Union policy on preventing money laundering and terrorist financing — the Commission's Action plan and other recent developments

European Parliament resolution of 10 July 2020 on a comprehensive Union policy on preventing money laundering and terrorist financing — the Commission's Action Plan and other recent developments (2020/2686(RSP))

(2021/C 371/12)

The European Parliament,

— having regard to the Commission communication of 7 May 2020 on an Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing (C(2020)2800),

— having regard to the Commission's Anti-Money Laundering Package as adopted on 24 July 2019, consisting of a political communication entitled 'Towards better implementation of the EU's anti-money laundering and countering the financing of terrorism framework' (COM(2019)0360), the report on the assessment of recent alleged money laundering cases involving EU credit institutions ('post-mortem') (COM(2019)0373), the report on the assessment of the risk of money laundering and terrorist financing affecting the internal market and relating to cross-border activities (the Supranational Risk Assessment Report (SNRA)) (COM(2019)0370) and the accompanying staff working document (SWD(2019)0650), and the report on the interconnection of national centralised automated mechanisms (central registries or central electronic data retrieval systems) of the Member States on bank accounts (COM(2019)0372),

— having regard to Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (4AMLD) ([1]), and as amended by Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU (5AMLD) ([2]),

— having regard to Regulation (EU) 2019/2175 of the European Parliament and of the Council of 18 December 2019 amending Regulation (EU) No 1093/2010 establishing a European Supervisory Authority (European Banking Authority), Regulation (EU) No 1094/2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), Regulation (EU) No 1095/2010 establishing a European Supervisory Authority (European Securities and Markets Authority), Regulation (EU) No 600/2014 on markets in financial instruments, Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and Regulation (EU) 2015/847 on information accompanying transfers of funds ([3]),

— having regard to Directive (EU) 2019/1153 of the European Parliament and of the Council of 20 June 2019 laying down rules facilitating the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences, and repealing Council Decision 2000/642/JHA ([4]), to Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law ([5]) and to Regulation (EU) 2018/1672 of the European Parliament and of the Council of 23 October 2018 on controls on cash entering or leaving the Union and repealing Regulation (EC) No 1889/2005 ([6]),

([1]) OJ L 141, 5.6.2015, p. 73.
([2]) OJ L 156, 19.6.2018, p. 43.
([3]) OJ L 334, 27.12.2019, p. 1.
([4]) OJ L 186, 11.7.2019, p. 122.
([5]) OJ L 284, 12.11.2018, p. 22.
([6]) OJ L 284, 12.11.2018, p. 6.

— having regard to Directive 2014/42/EU of the European Parliament and of the Council of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union ([7]), and to the Commission's report on its implementation of 2 June 2020, entitled 'Asset recovery and confiscation: Ensuring that crime does not pay' (COM(2020)0217),

— having regard to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) ([8]),

— having regard to Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law ([9]),

— having regard to the Council conclusions of 5 December 2019 on strategic priorities on anti-money laundering and countering the financing of terrorism,

— having regard to the Council conclusions of 17 June 2020 on enhancing financial investigations to fight serious and organised crime,

— having regard to the opinion of the European Banking Authority of 24 July 2019 on communications to supervised entities regarding money laundering and terrorist financing risks in prudential supervision,

— having regard to its resolution of 19 April 2018 entitled 'Protection of investigative journalists in Europe: the case of Slovak journalist Ján Kuciak and Martina Kušnírová' ([10]),

— having regard to its resolution of 15 November 2017 on the rule of law in Malta ([11]),

— having regard to its resolution of 28 March 2019 on the situation of the rule of law and the fight against corruption in the EU, specifically in Malta and Slovakia ([12]),

— having regard to its resolution of 18 December 2019 on the rule of law in Malta following the recent revelations surrounding the murder of Daphne Caruana Galizia ([13]),

— having regard to the Commission roadmap entitled 'Towards a new methodology for the EU assessment of High Risk Third Countries under Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing',

— having regard to the Commission staff working document of 22 June 2018 entitled 'Methodology for identifying high risk third countries under Directive (EU) 2015/849' (SWD(2018)0362),

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([7]) OJ L 127, 29.4.2014, p. 39.
([8]) OJ L 119, 4.5.2016, p. 1.
([9]) OJ L 305, 26.11.2019, p. 17.
([10]) OJ C 390, 18.11.2019, p. 111.
([11]) OJ C 356, 4.10.2018, p. 29.
([12]) Texts adopted, P8_TA(2019)0328.
([13]) Texts adopted, P9_TA(2019)0103.

Friday 10 July 2020

— having regard to the four Delegated Regulations adopted by the Commission — (EU) 2016/1675 ([14]), (EU) 2018/105 ([15]), (EU) 2018/212 ([16]) and (EU) 2018/1467 ([17]) — supplementing Directive (EU) 2015/849 of the European Parliament and of the Council by identifying high-risk third countries with strategic deficiencies,

— having regard to its resolution of 14 March 2019 on the urgency for an EU blacklist of third countries in line with the Anti-Money Laundering Directive ([18]),

— having regard to its resolution of 26 March 2019 on financial crimes, tax evasion and tax avoidance ([19]),

— having regard to its resolution of 19 September 2019 on the state of implementation of the Union's anti-money laundering legislation ([20]),

— having regard to Rule 132(2) of its Rules of Procedure,

A. whereas according to the Commission, around 1 % — EUR 160 billion — of the Union's annual gross domestic product is involved in suspect financial activity ([21]) such as money laundering connected to corruption, arms and human trafficking, drug dealing, tax evasion and fraud, terrorist financing and other illicit activities which affect EU citizens in their daily lives;

B. whereas according to Europol, for the period 2010-2014, 2,2 % of the estimated proceeds of crime were provisionally seized or frozen and only 1,1 % of the criminal profits were confiscated at EU level, meaning that 98,9 % of the estimated criminal profits were not confiscated and remain at the disposal of criminals ([22]);

C. whereas the Union's framework for anti-money laundering and countering terrorist financing (AML/CTF) was strengthened by the adoption of 4AMLD in May 2015 and 5AMLD in April 2018 and their transposition into the Member States' national legislation by June 2017 and January 2020 respectively, and by other accompanying legislation and actions; whereas 3AMLD has not always been properly implemented in the Member States, yet no infringement procedures have been opened by the Commission; whereas the Commission initiated infringement procedures against the majority of Member States for having failed to properly transpose 4AMLD into national law and launched procedures against a large majority of Member States for non-communication of 5AMLD transposition measures or communication of partial 5AMLD transposition measures ([23]);

D. whereas in March 2019 Parliament adopted an ambitious resolution on financial crimes, tax evasion and tax avoidance, which concluded that there was a need for a major overhaul of existing EU anti-money laundering rules;

E. whereas on 7 May 2020 the Commission adopted an Action Plan ([24]) for a comprehensive Union policy on preventing money laundering and terrorist financing, built on six pillars;

F. whereas on the same date, the new methodology for identifying high-risk third countries with strategic deficiencies as regards AML/CTF, which does not only rely on external information sources, was published; whereas enhanced customer due diligence measures will be applied to countries identified as high-risk third countries under this methodology, in accordance with the obligations set out under 4AMLD and 5AMLD;

([14]) OJ L 254, 20.9.2016, p. 1.
([15]) OJ L 19, 24.1.2018, p. 1.
([16]) OJ L 41, 14.2.2018, p. 4.
([17]) OJ L 246, 2.10.2018, p. 1.
([18]) Texts adopted, P8_TA(2019)0216.
([19]) Texts adopted, P8_TA(2019)0240.
([20]) Texts adopted, P9_TA(2019)0022.
([21]) Politico, 'Dirty money failures signal policy headaches for new Commission', 24 July 2019.
([22]) Europol, 'Does crime still pay? — Criminal Asset Recovery in the EU — Survey of Statistical Information 2010-2014', 1 February 2016.
([23]) European Commission, Directorate-General for Financial Stability, Financial Services and Capital Markets Union, 'Anti-money laundering directive V (AMLD V) — transposition status', 2 June 2020.
([24]) Commission communication of 7 May 2020 on an Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing (C(2020)2800).

G. whereas a fragmented legislative, institutional and regulatory landscape across the EU in the field of AML/CTF creates additional costs and burdens for those providing cross-border services, incentivises businesses to register where rules are more relaxed, and enables individuals, organisations and their financial intermediaries to carry out illegal activities where supervision and enforcement are deemed weaker and/or more lenient; whereas the current AML/CTF legislative framework results in different AMLD interpretations and practices across Member States;

H. whereas there have been a number of AML/CTF revelations over the past few years, including but not limited to cases mentioned in the Commission's report on the assessment of recent alleged money laundering cases involving EU credit institutions, the Cum Ex scandal on dividend arbitrage and the Luanda Leaks revelations; whereas additional revelations are published regularly and often concern misuse of EU funds and corruption cases in the Member States; whereas this demonstrates the need for the EU to keep fighting against money laundering and terrorist financing as a priority and to update its AML/CTF legislative framework;

I. whereas in 2019, the European Investment Bank (EIB) internal audit office conducted an audit on the implementation of its AML/CTF framework, mostly from 2017 onwards, which pointed to significant gaps in part related to the incomplete adaptation of the framework; whereas the EIB drew up a plan to close all identified gaps by July 2020;

J. whereas the Financial Action Task Force (FATF) warned in May 2020 ([25]) that the increase in COVID-19-related crimes, such as fraud, cybercrime and misdirection and exploitation of government funds and international financial assistance, is creating new sources of proceeds for illicit actors; whereas Europol has also warned about the ways in which criminals have quickly seized opportunities to exploit the crisis by adapting their modes of operation and developing new criminal activities, namely through cybercrime, fraud, counterfeiting and organised property crime ([26]); whereas the European Banking Authority (EBA) has issued specific recommendations for competent national authorities to work with obliged entities in order to identify and mitigate specific AML/CFT risks derived from the COVID-19 outbreak and adapt their supervisory tools ([27]);

K. whereas of the top 10 secrecy jurisdictions in the world, as ranked on the Tax Justice Network's Financial Secrecy Index, two are EU Member States, another is in Europe and two are overseas territories of a former EU Member State; whereas the fight against money laundering and corruption must therefore start within the EU;

L. whereas according to the 2020 Financial Secrecy Index, countries belonging to the Organisation for Economic Co-operation and Development (OECD) are responsible for 49 % of all financial secrecy in the world;

M. whereas trade misinvoicing is used to evade tax and/or customs duties, launder the proceeds of criminal activity, circumvent currency controls and shift profits offshore; whereas the value gaps due to trade misinvoicing identified in trade between 135 developing countries and 36 advanced economies over the 10 year period 2008-2017 equalled USD 8,7 trillion ([28]);

EU Action Plan and AML/CTF framework

1. Welcomes the Commission communication of 7 May 2020 on an Action Plan for a comprehensive Union policy on preventing money laundering and terrorist financing, which sets the scene for further improvements, in particular in the enforcement and implementation of the existing legislation; calls for the Union to advance on all six pillars of this Action Plan as soon as possible;

([25]) Financial Action Task Force, 'COVID-19-related Money Laundering and Terrorist Financing — Risks and Policy Responses', May 2020.
([26]) Europol, 'Pandemic profiteering: how criminals exploit the COVID-19 crisis', 27 March 2020.
([27]) European Banking Authority, 'EBA statement on actions to mitigate financial crime risks in the COVID-19 pandemic', 31 March 2020.
([28]) Global Financial Integrity, 'Trade-Related Illicit Financial Flows in 135 Developing Countries: 2008-2017', 3 March 2020.

Friday 10 July 2020

2. Welcomes the Commission's intention to deliver a single rule book in the field of AML/CTF, including by turning the relevant parts of the AMLD into a regulation to ensure a more harmonised set of rules to fight money laundering and terrorist financing; suggests that the Commission consider the following areas for coverage by this regulation: identification of beneficial owners; a list of obliged entities and their reporting obligations; customer due diligence requirements, including those relating to politically exposed persons; provisions on beneficial ownership registers and centralised mechanisms on payment accounts and bank accounts; the framework for cooperation between competent authorities and financial intelligence units (FIUs); the standards for supervision of both financial and non-financial obliged entities, and the protection of individuals who report suspicions of money laundering or terrorist financing; believes that additional technical standards might need to be adopted, but that essential harmonising measures should be addressed in the regulation in order to ensure the proper role of the Parliament and the Council as co-legislators in this highly sensitive field;

3. Welcomes the Commission's intention to present, within the next 12 months, a new EU institutional architecture for AML/CTF built on an EU-level AML/CTF supervisor and an EU coordination and support mechanism for FIUs; calls on the Commission to consider creating the EU coordination and support mechanism in the form of an EU FIU; calls on the Commission to ensure that the responsibilities of the AML/CTF supervisor cover financial and non-financial obliged entities with direct supervision powers over certain obliged entities depending on their size or the risk they present, as well as supervision of the application of EU rules by national supervisors; calls for a clear division of the respective powers of the EU and national supervisors as well as for clarity on the conditions for direct supervision by the EU-level AML/CTF supervisor following a risk-based assessment, as well as when the conduct or actions of national supervisors are deemed inadequate and/or insufficient; calls for the EU-level AML/CTF supervisor and EU FIU to be given budgetary and functional independence;

4. Calls on the Commission to expand the single rule book in the field of AML/CTF to widen the scope of obliged entities, notably with a view to integrating new and disruptive market sectors as well as technological innovation and developments in international standards, and ensuring that the provision of services is covered in the same manner as the supply of goods; calls on the Commission to tackle the risks of crypto-assets by enforcing the 'know your customer' principle in a broad way while respecting the principles of necessity and proportionality; calls on the Commission to ensure that non-financial obliged entities are subjected to similar supervision to financial entities, by an independent public authority at national level, and to ensure that levels of awareness, training, compliance and sanctioning in cases of misconduct by these independent national authorities are adequate; calls on the Commission to ensure that the implementation of AML/CTF provisions does not lead to national legislation imposing excessive barriers to the activities of civil society organisations;

5. Recalls its position on the need to have interconnected and high-quality registers of beneficial owners in the Union while ensuring high standards of data protection; calls on the Commission to explore the lowering of the threshold for the identification of a beneficial owner, taking into account practices in the United States, and to suggest the creation of publicly accessible registers for beneficial owners of trusts and similar arrangements; calls on the Commission to make proposals to close existing loopholes that allow companies to hide their ultimate beneficial owners behind proxies, as well as to allow companies to request the termination of a business relationship in the event that the ultimate beneficial owner cannot be identified; calls on the Commission to address the necessity and proportionality of harmonising the information in the land and real estate registers and to work towards the interconnection of those registers; calls on the Commission to accompany the report with a legislative proposal, if appropriate;

6. Calls on the Commission to address the lack of sufficient and accurate data in national registers that can be used to identify ultimate beneficial owners, especially in situations in which a network of shell companies is used; demands that transparency standards regarding beneficial ownership be strengthened at both EU and Member State level in order to ensure that they provide verification mechanisms related to data accuracy; calls on the Commission to reinforce its oversight of the transposition of provisions related to setting up beneficial ownership registries in Member States in order to ensure that they function properly and provide public access to high-quality data;

7. Welcomes the plan to ensure interconnection of centralised payment and bank account mechanisms across the EU in order to facilitate faster access to financial information for law enforcement authorities and FIUs during different investigation phases and facilitate cross-border cooperation in full compliance with applicable data protection rules;

8. Calls on the Commission to review the rules on the amount of information to be collected during the incorporation of corporate entities and the creation of other legal entities, trusts and similar legal arrangements, and to propose more detailed provisions regarding customer due diligence when opening financial accounts, including bank accounts;

9. Calls on the Commission to propose a more harmonised set of effective, proportionate and dissuasive sanctions at EU level for failure to comply with AML/CTF regulations;

Implementation of the AMLD

10. Deeply regrets the fact that no infringement procedures were opened for incorrect implementation of 3AMLD and calls on the Commission to open such infringement procedures against Member States when they are warranted; expresses its gravest concern over the lack of implementation of 4AMLD by a large number of Member States; welcomes, therefore, the Commission's zero-tolerance approach and the initiation of infringement procedures against Member States based on the findings of its completeness checks; is deeply concerned that the transposition deadline for 5AMLD of 10 January 2020, as well as the respective deadlines of 10 January 2020 for the beneficial ownership registers for corporate and other legal entities and 10 March 2020 for trusts and similar legal arrangements, were not met by many Member States; welcomes, therefore, the fact that the Commission has already initiated a number of infringement procedures and further calls on the Commission to initiate additional infringement procedures against Member States based on the findings of its completeness checks as soon as possible;

11. Regrets the fact that the correctness checks for 4AMLD could not be carried out by the Commission itself owing to a lack of capacity and are taking several years after the entry into force of the directive to be completed, delaying further the proper implementation of AML/CTF obligations in the Member States; calls on the Commission to complete thorough correctness checks as soon as possible and to open further infringement procedures where necessary; urges those Member States that have not yet done so to immediately and properly transpose and implement 4AMLD and 5AMLD; is concerned by the general lack of enforcement in high-level corruption and money laundering cases in Member States and calls on the Commission to monitor developments very closely and to take stronger, more decisive action in this regard;

12. Welcomes the inclusion of AML/CTF recommendations in the country-specific recommendations for certain Member States adopted by the Council in the context of the European Semester cycle; urges the Commission to assess, in particular, whether national FIUs have sufficient resources at their disposal to deal effectively with AML/CTF risks;

EU list of high-risk third countries

13. Calls on the Commission to further assess the possible establishment of a grey list of potential high-risk third countries, in the same vein as the EU's current approach of listing non-cooperative jurisdictions for tax purposes; expresses its concern that the length of the 12 month-long process leading to the final assessment identifying third countries with strategic deficiencies risks causing unnecessary delays for effective AML/CTF actions; welcomes the fact that the Commission does not rely solely on the FATF listing process and is willing to use the strengthened criteria provided by 5AMLD, particularly with regard to beneficial ownership transparency, to carry out an autonomous assessment of third countries, which should be free of geopolitical meddling;

14. Questions the approach taken by the Commission in its staff working document entitled 'Methodology for identifying high-risk third countries under Directive (EU) 2015/849', which defines countries that present an 'overriding level of threat' by two criteria which must both be fulfilled; recommends that countries that present a 'significant threat of money laundering or terrorist financing' should by default be immediately placed on the list of non-cooperative jurisdictions without any further additional conditions and should only be de-listed once their necessary commitments have been fully implemented;

Friday 10 July 2020

15. Calls on the Commission to ensure a publicly transparent process with clear and concrete benchmarks for countries which commit to undertaking reforms in order to avoid being listed; calls on the Commission, furthermore, to publish its assessments of evaluated and listed countries so as to ensure public scrutiny in such a way that the assessment cannot be abused;

16. Calls on the Commission to take countermeasures against third countries that fail to cooperate with European AML/CTF investigations, including those connected to the assassination of investigative journalist Daphne Caruana Galizia;

Current EU supervision

17. Stresses that the current EU AML/CTF framework suffers from shortcomings in enforcement of the EU rules combined with a lack of efficient supervision; supports the already adopted extension of powers of the EBA, but reiterates its deep concern regarding the EBA's ability to carry out an independent assessment owing to its governance structure;

18. Calls for entities based in tax havens so be denied access to EU funding — including assistance provided in response to the economic and social fallout of the COVID-19 epidemic;

19. Calls on national competent authorities, as well as the ECB, to take into account financial crime risks when conducting the Supervisory Review and Evaluation Process (SREP), as they are already empowered to do in accordance with the existing legislative framework; calls for the ECB to be empowered to withdraw the licences of any banks operating in the euro area which breach AML/CTF obligations, independently of the assessment of national AML authorities;

20. Calls on the EBA to conduct an inquiry into the Luanda Leaks revelations, in particular to assess whether there were breaches of either national or EU law, and to assess the actions taken by financial supervisors; calls on the EBA to issue appropriate recommendations for reform and for action to the competent authorities concerned; calls on other competent authorities at national level to start investigating or continue investigations into the Luanda Leaks revelations and to prosecute stakeholders that are found to be in breach of AML/CTF rules;

21. Highlights the role of international investigative journalism and whistleblowers in exposing possible crimes of corruption, money laundering and general misconduct by politically exposed persons, as well as the role played by financial and non-financial intermediaries in infiltrating possibly ill-gotten funds into the EU's financial system without the proper checks;

22. Notes with concern that the Luanda Leaks, as well as other past scandals, such as Cum Ex, the Panama Papers, Lux Leaks and the Paradise Papers, have repeatedly shaken citizens' trust in our financial and tax systems; stresses how crucial it is to restore public confidence and to ensure fair and transparent tax systems and tax justice; stresses, in this regard, that the EU must seriously address its own internal problems, namely with regard to its low taxation and secrecy jurisdictions;

23. Notes the fact that the EBA and the European Securities and Markets Authority (ESMA) have carried out separate inquiries into dividend arbitrage schemes; takes note of the results of the EBA's staff inquiry and its 10-point action plan for 2020-2021 to enhance the future framework of prudential and anti-money laundering requirements covering such schemes; regrets the fact, however, that it took the EBA inquiry more than 18 months to conclude that it needed to open a formal investigation; calls on ESMA to conduct a thorough inquiry and to present ambitious recommendations as soon as possible; regrets the absence of visible action by competent authorities in Member States to investigate and prosecute entities and persons responsible for these illegal dividend arbitrage practices, as well as the lack of cooperation between authorities;

Cooperation between Member States

24. Points to the need for better cooperation between the administrative, judicial and law-enforcement authorities within the EU; welcomes the fact that the Commission took up Parliament's reiterated call for an impact assessment on establishing a coordination and support mechanism for the Member States' FIUs; calls on the Commission to consider the creation of an EU FIU as an opportunity to support the identification of suspicious transactions with a cross-border nature and carry out joint analysis for cross-border collaboration; suggests that this mechanism should be empowered to propose common implementing measures or standards for cooperation between FIUs and to promote training, capacity building and lesson sharing for FIUs; highlights the importance of giving this mechanism access to the relevant information in the different Member States and empowering it to work on cross-border cases;

25. Calls for the adoption of further initiatives that could enforce actions at EU and national level in AML/CTF, e.g. widening the competences of the European Public Prosecutor's Office (EPPO) and the European Anti-Fraud Office (OLAF) and strengthening existing agencies such as the European Union Agency for Law Enforcement Cooperation (Europol) and Eurojust; takes note of the Commission's intention to come up with a proposal to strengthen the mandate of Europol as indicated in its adjusted work programme and recalls that a strengthened mandate should go hand-in-hand with adequate parliamentary scrutiny; believes that strengthening Europol's capacity to request the initiation of cross-border investigations, particularly in cases of serious attacks against whistleblowers and investigative journalists who play an essential role in exposing corruption, fraud, mismanagement and other wrongdoing in the public and private sectors, should be a priority;

26. Welcomes the establishment of Europol's European Financial and Economic Crime Centre, which will enhance the operational support provided to the Member States and EU bodies in the fields of financial and economic crime and promote the systematic use of financial investigations;

27. Calls on the Commission to consider a proposal on a European framework for cross-border tax investigations and other cross-border financial crimes;

28. Calls on the Member States and the EU institutions, to that end, to facilitate the rapid establishment of the EPPO, and considers that all Member States which have not yet announced their intention to join the EPPO should do so; calls for the allocation of realistic financial and human resources, as well as the appointment of full-time delegated prosecutors by Member States, to match the expected heavy workload of the EPPO;

29. Observes that the proposed budgetary and human resources are not sufficient to provide full support to AML-related investigations and the existing coordination mechanisms, such as the Anti-Money Laundering Operational Network (AMON) and the FIU.net exchange platform;

Other related aspects

30. Underlines the potential of proper cooperation between the public and private sectors, including possible public-private partnerships (PPPs), in the context of gathering financial intelligence to fight against money laundering and terrorism financing, which must be better used in the future, for example platforms for sharing information between law enforcement authorities, FIUs and the private sector; encourages all relevant stakeholders to contribute, in particular by sharing current well-functioning practices during the public consultation; takes the view that such cooperation should strictly respect the limits of applicable data protection rules and fundamental rights; calls on the Commission to propose a clear legal framework for the establishment of tripartite platforms, regulating the duties and profiles of participants and ensuring compliance with the same set of rules for the exchange of information, the protection of privacy and personal data, data security, the rights of suspects and other fundamental rights; takes the view that timely and complete feedback on the effectiveness of and follow-up to reports of suspected money laundering or terrorist financing is crucial to make the fight against money laundering and terrorist financing more effective;

31. Reiterates its call on the Member States to phase out all existing citizenship by investment (CBI) or residency by investment (RBI) schemes as soon as possible, especially when there is insufficient verification and lack of transparency, in order to minimise the often linked threat of money laundering, the undermining of mutual trust and the integrity of the Schengen area, in addition to other political, economic and security risks to the EU and its Member States; calls on the Commission to report as soon as possible on measures it intends to take with regard to investor citizenship and residence schemes as well as any conclusions of its Expert Group created to this effect; calls on the Commission to further assess whether the preconditions for opening infringement procedures against Member States for violation of Article 4(3) of the Treaty on the Functioning of the European Union (TFEU) are met;

32. Calls on the Commission to monitor the enforcement by Member States of Regulation (EU) 2018/1805 of the European Parliament and of the Council of 14 November 2018 on the mutual recognition of freezing and confiscation orders ([29]) to facilitate the cross-border recovery of criminal assets and the proper transposition and implementation of Directive 2014/42/EU on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union; calls on the Commission to update the existing data on seized and confiscated assets; calls on the Commission to include in the forthcoming legislative proposals provisions to facilitate administrative freezing for FIUs and a legal framework to

([29]) OJ L 303, 28.11.2018, p. 1.

oblige financial institutions to follow up and execute recall requests in a seamless manner, as well as provisions to allow swift cross-border cooperation between authorities in this regard; is concerned that overall results in terms of assets confiscated are not satisfactory and that confiscation rates in the EU remain very low; calls on the Commission to pay particular attention to rules on the use of confiscated assets for public interest or social purposes and to work towards ensuring the return of confiscated assets to victims in countries outside the EU;

33. Welcomes the possibility outlined by the Commission of entrusting the EU AML/CTF supervisor with some competences to monitor and support the implementation of asset freezes under EU restrictive measures (sanctions) across Member States;

34. Welcomes the adoption of Directive (EU) 2018/1673, which introduces new criminal law provisions and facilitates more efficient and faster cross-border cooperation between competent authorities in order to more effectively prevent money laundering and the related financing of terrorism and organised crime; calls for further analysis of the need to harmonise existing rules, including the definition of some predicate offences of money laundering, such as tax crimes;

35. Welcomes the adoption of Directive (EU) 2019/1153, and awaits the Commission's assessment of the need for, and proportionality of, extending the definition of financial information to any type of information or data held by public authorities or obliged entities and which is available to FIUs, as well as of the opportunities and challenges regarding an extension of the exchange of financial information or financial analysis between FIUs within the Union to cover exchanges relating to serious criminal offences other than terrorism or organised crime associated with terrorism;

36. Is concerned by the fact that the COVID-19 pandemic may affect the ability of governments and private sector actors to implement AML/CTF standards; calls on the Commission, in coordination with the EBA, to conduct consultations with national authorities responsible for AML/CTF in order to assess specific AML/CTF risks and difficulties derived from the COVID-19 outbreak and design, on that basis, concrete guidelines for better resilience and enforcement;

37. Calls on the Commission and the Member States to ensure that the EU speaks with one voice at the global level of the AML/CTF framework, in particular by enabling the Commission to represent the EU at the FATF, in line with the Treaty provisions and as is the case for other policy areas;

38. Calls for clearer guidelines from EU-level bodies such as the European Data Protection Board on the protection of personal data and privacy and compliance with the AML/CTF framework, namely regarding due diligence obligations and data retention, given that national data protection bodies have issued divergent approaches in the past in different Member States;

39. Calls for more human and financial resources to be allocated to the relevant unit in the Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union, and welcomes the fact that additional resources have been devoted to the EBA;

40. Calls on the Member States to investigate fully and in a transparent manner all reported cases of money laundering and related crime, such as murders and violence against whistleblowers and journalists; reiterates its position on the creation of a Daphne Caruana Galizia prize to be awarded by Parliament; calls on the Maltese authorities to deploy all available resources to identify the instigators of the assassination of Daphne Caruana Galizia, and to further investigate those against whom serious allegations of money laundering are still pending since her reports were confirmed by the Panama Papers revelations; calls on the Maltese authorities, furthermore, to carry out investigations into financial intermediaries linked to Mossack Fonseca that are still operating in Malta, and is concerned by the ineffective self-regulation of the accountancy profession; calls for the extradition of the former owner and chairman of Pilatus Bank to Malta now that charges against him have been dropped by the US Department of Justice as a result of procedural issues, and urges the Maltese authorities to prosecute the banker over allegations of money laundering and other financial crimes;

41. Is deeply concerned by the lack of effective supervision, as revealed during the evaluation of the performance of the Danish and Estonia supervisors in the context of the Danske Bank scandal; is concerned, furthermore, about the recent Wirecard scandal, as well as the role played by and the potential shortcomings of Germany's financial supervisory authority

BaFin; notes the failure of the self-regulation of the accountancy profession again in this case; notes that the classification of this FinTech company as a 'technology' company instead of as a payment service provider played a central role in the regulatory failures; calls on the Commission to address this problem urgently by ensuring that payment companies are classified correctly; calls for the EU and the national competent authorities to start an inquiry into the missing EUR 1,9 billion and calls on the Commission to look into ways of improving the functioning of the accounting sector, including through joint audits;

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42. Instructs its President to forward this resolution to the Council, the Commission, and the governments and parliaments of the Member States.