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NOTE

from : Presidency

dated: 4 May 1994

Subject: Preliminary draft report on money laundering for the Council meeting (Justice and Home Affairs) on 20 and 21 June in Luxembourg

1. At its meeting on 10 and 11 December 1993 in Brussels the European Council adopted the priority work programme for 1994 and the structures to be set up in the field of Justice and Home Affairs (see 10684/93 JAI 12).

One of the priority actions listed on page 9 of that document is the forwarding of a report to the Council in June 1994 on the implementation of the recommendations concerning money laundering adopted by the Ministers at their meeting in Copenhagen on 1 and 2 June 1993.

The recommendations adopted in Copenhagen relate essentially to matters not covered by Directive 91/308 of 10 June 1991 on prevention of the use of the financial system for the purpose of money laundering. They refer in particular to judicial and police co-operation to which the Treaty of Rome did not apply.

2. Already under the Belgian Presidency it became apparent that the extent of the problems and the late transposition of Directive 91/308 of 10 June 1991 called for large-scale collection of information.

3. In an attempt to remedy this lack of information the Netherlands delegation drew up a questionnaire in January 1994 on the international exchange of information and applications concerning suspect transactions. This questionnaire related to:
 - the implementation of the aforementioned Directive;
 - organization;
 - legislation;
 - communication;
 - the processing of applications.
4. The Italian delegation, Italy being the leader in this field, collected the replies from ten delegations and forwarded a document summarizing them to the General Secretariat of the Council at the end of April (see 6788/94 ENFOPOL 65).
5. The summary document was presented at the meeting of the Group and Drug Trafficking and Organized Crime.

The Group concluded that it was a document of high quality which merited thorough examination. This document, together with the report to be drawn up by the Commission under Directive 91/308 and announced for the end of 1994, will supply top quality information for the fight against money laundering.

6. The Group thought it inexpedient to submit a final report to the Council on 20 and 21 June 1994. In the first place, the replies of the Belgian and Irish delegations have yet to be added to the summary. Furthermore, the replies are to be examined in detail by delegations in the Group on Drugs and Organized Crime and by higher authorities.

The Group consequently suggested that the final report be submitted to the Council during the second half of 1994.

7. The final report should not only analyse the situation but also contain recommendations.

The Presidency and the Netherlands and Italian delegations have already submitted written suggestions on this subject.

The Group will concentrate its discussions on matters not covered by the first pillar of the Treaty, namely police and judicial co-operation.

8. The Group points out that there have in the meantime been seminars on money laundering. A training module has been prepared (see 6595/94 ENFOPOL 58). The Italian delegation is planning to hold the first course in Rome in the second half of 1994.
