

## Controls on cash entering or leaving the Union

In 2016, the Council, in its conclusions on the fight against the financing of terrorism, stressed the importance of taking measures against illicit cash movements, and urged the European Commission to amend the 2005 cash control regulation. The 2017 Commission proposal aims to fill the gaps in the existing regulation, in particular on the definition of cash and the different cross-border movements. The provisional agreement reached by the Council and the Parliament on the draft regulation in May 2018 is scheduled to be voted by Parliament at first reading during the September plenary session.

### Background

In April 2015, the Commission adopted the [European agenda on security](#). This was followed in February 2016 by the Commission's [action plan to strengthen the fight against terrorism financing](#) and by the Council [conclusions](#) on the fight against the financing of terrorism, which invited the Commission to propose amendments to the 2005 cash control [regulation](#), no later than the fourth quarter of 2016.

### European Commission proposal

On 21 December 2016, the European Commission adopted a [proposal](#) for a regulation to replace the existing one and to reinforce current rules. The 2005 regulation complemented the previous rules on combating money laundering and terrorist financing, and created an obligation to provide a cash declaration for anybody crossing EU borders with more than €10 000 in cash. Although the Commission evaluation showed that overall performance of the regulation was satisfactory, some shortcomings and challenges were identified. The Commission proposes to extend the definition of 'cash' to cover unaccompanied cash, precious commodities such as gold, and prepaid payment cards. It also proposes to introduce several provisions on enhanced information exchange between Member States, but also with non-EU countries in specific cases, and to require the competent authorities to actively transmit the information collected to the national Financial Intelligence Units ([FIU](#)).

### European Parliament position

The [report](#) on the Commission proposal, adopted under joint committee procedure (Rule 55) on 4 December 2017 by the Economic and Monetary Affairs (ECON) and Civil Liberties, Justice and Home Affairs (LIBE) committees, clarifies some key provisions, such as the definition and differentiation of accompanied cash and unaccompanied cash, as well as the designation of the person responsible for the declaration of accompanied cash. The two committees also call for more efficient and swifter information exchange, and ask the Commission to assess the possibility of creating a Union Financial Intelligence Unit by 2019, and to present a legislative proposal, if appropriate, in order to introduce a coordinated set of penalties across the Union. The report introduces a strong review clause, allowing for regular update of the regulation (every three years). Parliament endorsed the negotiating mandate on 13 December 2017. On 23 May 2018, the Parliament and the Council reached a [provisional agreement](#) on the proposal. This agreement was endorsed by a joint meeting of the ECON and LIBE committees on 3 September 2018. The European Parliament is due to vote on the agreed text during its September plenary session.

First-reading report: [2016/0413\(COD\)](#); Committees responsible: ECON/LIBE; Rapporteurs: Mady Delvaux (S&D, Luxembourg) / Juan Fernando López Aguilar (S&D, Spain).

