

5.3.2014

A7-0150/153

Amendment 153

Graham Watson, Nils Torvalds

on behalf of the ALDE Group

Report

A7-0150/2014

Krišjānis Kariņš, Judith Sargentini

Prevention of the use of the financial system for the purpose of money laundering and terrorist financing

COM(2013)0045 – C7-0032/2013 – 2013/0025(COD)

Proposal for a directive

Article 2 – paragraph 1 – paragraph 1 – point 3 – point f

Text proposed by the Commission

Amendment

(f) providers of gambling services.

(f) providers of gambling services. ***With the exception of casinos, Member States may decide to exempt in full or in part certain gambling services from national provisions transposing this Directive on the basis of the low risk posed by the nature of the services on the basis of risk assessments. Before applying any such exemption, the Member State concerned shall seek the approval of the Commission.***

Or. en

Justification

Providers of gambling services can often offer both minimum-risk services, which should be allowed to apply for exemptions, and also high-risk services, which should be included in the scope. Therefore, allowing exemptions for whole operators is not in line with the risk based approach that is the core of the anti-money laundering directive. It could mean that if a whole service provider were exempt, even their high risk services would be exempt as well as their low risk services.

It is not fair to both the small local provider offering gambling services that have either no or minimal risk of their services being used for money laundering as well as members of the public using this service for purely recreational means, that they should be targeted in the same manner as the large gambling provider. Such a burden could be disastrous for a small, local provider. The Focus should be on the services provided, because it is in the service provided that the risks of money laundering lie, not in the provider itself. Risk-based approach is key in ensuring justified and proportionate measures to fight money laundering.

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COM(2013)0045 – C7-0032/2013 – 2013/0025(COD)

Proposal for a directive

Article 32 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. In the context of anti-money laundering requirements for obliged entities established in more than one Member State or providing services from one Member State to persons in other Member States, the home competent authority of the main establishment of the obliged entity shall act as the lead authority responsible for the supervision of compliance by such obliged entities in all Member States in cooperation with the host competent authorities.

Or. en

Justification

The aim of the Lead Authority is to ensure that obliged entities which operate across the borders in the EU are not stifled by unnecessary fragmentation in law and practice between Member States and to ensure that any legal compliance requirements are clear, proportionate and cost-effective. One stop shop would provide clarity for obliged entities as to which Financial Intelligence Unit the required information should be forwarded.

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Amendment 155

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Prevention of the use of the financial system for the purpose of money laundering and terrorist financing

COM(2013)0045 – C7-0032/2013 – 2013/0025(COD)

Proposal for a directive

Article 10 a (new)

Text proposed by the Commission

Amendment

Article 10a

Member States may, on the basis of proven low risk, apply exemptions to obliged entities from customer due diligence with respect to electronic money as defined in Article 2(2) of Directive 2009/110/EC, where:

(a) the payment instrument is not reloadable and the maximum amount stored electronically does not exceed EUR 150;

(b) the payment instrument is reloadable, the maximum amount stored electronically does not exceed EUR 500, the maximum amount transacted in a 12-month period does not exceed EUR 1 500, and measures are in place to ensure that those limits are not exceeded;

(c) the payment instrument is used exclusively to purchase goods or services;

(d) the payment instrument cannot be funded with unverified electronic money;

(e) redemption in cash and cash withdrawal are forbidden unless identification and verification of the identity of the holder, adequate and appropriate policies and procedures on redemption in cash and cash withdrawal,

and record keeping obligations are performed.

A Member State may increase the limit laid down in point (a) of the first subparagraph to EUR 500 for payment instruments that can only be used in that Member State.

2. Member States shall ensure that customer due diligence measures are applied before redemption of the monetary value of electronic money exceeding EUR 250.

3. This Article shall not prevent Member States from allowing obliged entities to apply simplified customer due diligence measures in respect of electronic money in accordance with Article 13 where the conditions provided for in this are not fulfilled.

Or. en

Justification

The amendment seeks to re-instate reloadable e-money products, which are currently allowed under the 3rd anti-money laundering directive. If the option of reloading such e-money products were no longer available, they would become unattractive to consumers (with higher costs of buying every time a new non-reloadable product with very limited threshold and no withdrawal function), and there could be serious consequences on those residing in countries where bank accounts, banking services and products are still not easily accessible (due to administrative requirements or fees) and where these products serve the objectives of financial inclusion. As a consequence, many will have to turn to the usage of cash and away from the formal financial system, which is not the intended consequence of this Directive.

Moreover, when it comes to achieving the objectives of this directive, reloadability and inoperability allow improved detection of usage patterns and transaction monitoring as compared to non-reloadable products or cash. By comparison, the currently proposed directive text does not require any due diligence measures for cash transactions up to EUR 7,500. Therefore exemptions from the due diligence measure should be allowed for e-money products within an established threshold as it is the case with cash.