

New EU rules to thwart money laundering and terrorist financing

- EU-wide definitions and minimum penalties for money laundering
- Information about cash movements below current €10,000 threshold
- Cash temporarily seized if criminal activity suspected

MEPs approved new measures to combat terrorist financing, by preventing money laundering and tightening cash flow checks, on Wednesday.

The two laws will make it harder for terrorists and criminals to finance their activities, by closing the loopholes in the current money laundering rules and by making it easier for the authorities to detect and stop suspicious financial flows.

The new rules to prevent money laundering introduce:

- EU-wide definitions of money laundering-related crimes,
- EU-wide minimum penalties, such as a minimum of four years of imprisonment for money laundering maximum sentences, and
- new additional sanctions, such as barring those convicted of money laundering from running for public office, holding a position of public servant and excluding them from access to public funding.

The new rules on the criminalisation of money laundering were approved by 634 votes to 46, and 24 abstentions.

The new rules on cash flows:

- extend the definition of cash to include gold and anonymous prepaid electronic cash cards,
- enable authorities to register information about cash movements below the current €10,000 threshold and to temporarily seize cash if they suspect criminal activity, and
- require disclosure of unaccompanied cash sent by cargo or post.

The new rules on cash flows were approved by 625 votes to 39, and 34 abstentions.

Quotes

Rapporteur [Ignazio Corrao](#) (EFDD, IT) said: "The new rules on criminalisation of money laundering hit criminals where it hurts them most: money. The rules prevent criminals from financing their activities - legal or illegal - with the proceeds of illicit actions. Money laundering is a dangerous crime and its harmful consequences are often underestimated. This directive adds a new important tool to fight against this crime. "

Rapporteur [Juan Fernando López Aguilar](#) (S&D, ES) said: "To properly fight economic fraud, money laundering and terrorism financing, the EU must reinforce its controls over cash entering or leaving its territory. We have incorporated the best practices at international level to new rules and solved some deficiencies and shortcomings of the current legal framework."

Rapporteur [Mady Delvaux](#) (S&D, LU) said: "Cash is difficult to trace and easy to transfer, therefore criminals frequently use it. With this regulation, we are strengthening the tools to combat money laundering and terrorist financing through better and faster exchange of information between authorities, as well as by adopting a more complete definition of cash."

Next steps

The new measures have already been agreed upon by the Parliament and Council negotiators, but still require the formal approval of the Council.

Member states will have 24 months from the date of entry into force of the criminalisation of money laundering directive to bring the new rules into force. The rules on cash controls will apply 30 months from the date into force of the regulation.

Further information

[Adopted text \(12.09.2017\)](#)

[Video recording of the debate \(11.09.2017\)](#)

[Procedure file: criminalisation of money laundering](#)

[Procedure file: controls on cash movements](#)

[EP article: New rules to tackle terrorism and criminal financing](#)

[EP Think Tank: Countering money laundering with criminal law \(September 2018\)](#)

[EP Think Tank: Controls of cash entering or leaving the European Union](#)

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