

## PANA Newsletter

Issue 3 - November 2016

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### Public hearing of 13 October with international and European organisations

#### EU and International bodies on enforcing international standards

On 13 October, the Committee Members met with representatives of the United Nations (UN), the Organisation for Economic Co-operation and Development (OECD), the Committee on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL), the European Banking Authority (EBA) and the European Commission.



The purpose of the meeting was to understand how international standards in the area of information exchange for tax purposes and Anti-Money Laundering (AML) are set, and which bodies and mechanisms assess their effective implementation and enforcement.



Dear Reader,

The work of the Committee is at full speed now. In October we held our second hearing with international and European organisations that are involved in law making in the areas we were tasked to investigate. The meeting resulted in a good picture of the international legal framework and international standards that are now in place in the fields of anti-tax evasion and anti-money laundering. Participants underlined the necessity to improve enforcement of the laws and to strengthen the supervisory bodies.

With Commissioner Věra Jourová, we discussed the Commission's role in implementing and enforcing EU legislation against money-laundering. We also invited representatives of EU institutions and national enforcement bodies, which gave good insights in the obstacles they encounter in their daily work. Then we had an exchange of views with the Nobel-Prize winning economist Joseph Stiglitz, who has recently resigned from the Committee of Inquiry which was set up by the Panamanian government in reaction to the Panama Papers scandal.

For 7 December, we have invited Commissioner Moscovici to further look into the role of the Commission in combatting tax-evasion, as well as the outgoing and incoming Council Presidencies. In January, we will have a first hearing with intermediaries such as law firms, tax advisors and banks, which will be crucial for discovering aspects of legislation and law enforcement which need to be improved. The interparliamentary week in the end of January will be an occasion to exchange views and coordinate with national parliaments, especially those which have also established a parliamentary committee of inquiry on the Panama Papers.

It has been a busy month for our Committee in which we gained valuable insights in the way the shadow economy functions. Our experiences so far are of great value and will definitely help us prepare our recommendations to clamp down on the 'secrecy business'.

**Werner Langen**  
Chair of the PANA Committee

Speakers pointed out that significant progress had been made over the last years in setting international standards and highlighted the role of the Financial Action Task Force (FATF). Yet, the Panama Papers revealed significant gaps to be overcome when it comes to implementing existing rules, notably with regard to automatic exchange of information between authorities and identifying beneficial ownership. Supervisory bodies would have to be strengthened and developing countries would need more support, they told MEPs.

Speakers also pointed at the need for a blacklist of countries which failed to comply with global standards and the need to agree on a common understanding of 'politically exposed person'.

**Further information:**

- [Programme of the hearing](#)
- [CVs and contributions of speakers](#)
- [Webstreaming / Recording](#)

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## Exchange of views of 8 November with Commissioner Věra Jourová

### Věra Jourová on the state of play of the implementation of Anti-Money Laundering legislation in the EU

On 8 November, the Committee of Inquiry into Money Laundering, Tax Avoidance and Tax Evasion held an exchange of views with Věra Jourová, Member of the European Commission responsible for Justice, Consumers and Gender Equality.



The purpose of the meeting was to discuss the implementation of the third Anti-Money Laundering Directive (3AMLD) and the need for updating of the fourth Anti-Money Laundering Directive (4AMLD). The revision would contain a robust regime for sanctioning intermediaries involved in tax crime as well as Public registers in each Member State which would then be interconnected in order to improve transparency on who actually owns a company. Finally, the Commission is currently using a list of countries with strategic deficiencies regarding anti-money laundering elaborated by FATF, which is controversial because it contains only few countries. A new list of tax evasion high-risk countries would however be elaborated by the Commission.

During the discussion, the Commissioner agreed that Member States' failure to transpose directives according to their spirit was a general concern. Moreover, she indicated that the Commission was carrying out a thorough impact assessment on what measures could be taken on the issue of whistle-blower protection. However, a concrete proposal was not to be expected before 2017.

**Further information:**

- [Press release: Interlinked system of beneficial ownership registers coming soon, Jourová tells MEPs](#)
  - [EBS - Exchange of views with Věra Jourová, Member of the European Commission responsible for Justice, Consumers and Gender Equality \(video\)](#)
  - [Replies from Commissioner to written questions](#)
  - [Webstreaming / Recording](#)
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## Public hearing of 14 November

### “Anti-money laundering and tax evasion: Who assures compliance with the rules and enforces them?”

On 14 November 2016, from 15.00 to 18.30, the Members of the PANA Committee had a hearing on “Anti-money laundering and tax evasion: Who assures compliance with the rules and enforces them?”.

Invited Speakers were representatives of the European Anti-Fraud Office (OLAF), EUROPOL, EUROJUST, CTIF-CFI and Belgian FIU, a Belgian investigative judge, the North Rhine-Westphalia tax authorities and the French prudential supervisor (via videoconference).



The aim was to learn from law enforcement bodies how the rules against money-laundering and tax evasion are enforced and which obstacles are encountered by the respective authorities when dealing with money laundering and tax fraud cases.

Speakers presented their work related to the Panama Papers and highlighted the need to improve trans-national cooperation due to the international nature of tax crime. They highlighted the important role of intermediaries in setting-up offshore constructions.

The creation of an EU-FIU to facilitate cooperation between FIUs was suggested. The speakers pointed out that a harmonised definition of tax crime was needed and more progress could be done on exchange of information despite progress which was already achieved with the review of the Anti-Money Laundering Directive. Tax havens should be clearly defined in order to create a EU blacklist, they said.

### Programme of the hearing

- **15.00 - 15.10** Welcome by the Chair PANA
- **15.10 - 15.10** First panel: experience from an EU perspective - Presentations by speakers



**Giovanni Kessler**

Director-General of the European Anti-Fraud Office (OLAF)



**Simon Riondet**

Senior representative of EUROPOL and representative of the FIU.net (EUROPOL)



**Klaus Meyer-Cabri**

German Member of EUROJUST's College

- **15.40 - 16.45** Discussion with PANA Members



- **16.45 - 17.25** Second panel: experience from a national perspective - Presentations by speakers



**Philippe de Koster**  
President of the CTIF-CFI,  
Belgian Financial Intelligence  
Unit (FIU)



**Michel Claise**  
Belgian investigative judge



**Norbert Naulin**  
Head of the special investigation  
unit "EOKS" (Investigation  
Group Organised Crime – Tax  
Fraud) of the North Rhine-  
Westphalia tax authorities who  
analyse leaked data



**Patrick Montagner**  
Deputy Secretary General of the  
College of the French prudential  
supervisor ("Autorité de contrôle  
prudentiel et de résolution")  
(via videoconference)

- **17.25 - 18.25** Discussion with PANA Members
- **18.25 - 18.30** Conclusions by the PANA Chair

#### Further information:

- [Programme of the hearing](#)
- [Background note](#)
- [Press release: Beneficial company owners register vital to combat money laundering, experts say](#)
- [CVs, Contributions and replies to written questions](#)
- [Webstreaming / Recording](#)

## Exchange of views with Professor Joseph Stiglitz, Nobel Memorial Prize in Economics

On 16 November 2016, our members had an exchange with the Nobel-Prize winning economist Joseph Stiglitz. Professor Stiglitz was a member of an advisory committee which the Panamanian government had put in place in reaction to the Panama Papers scandal. He resigned from the post shortly after, because the government did not agree on making his recommendations public .



Professor Stiglitz underlined that the Panama papers revelations were only a tip of the iceberg and made the case for a "zero tolerance policy for secrecy havens". He advocated inter alia publically accessible beneficial ownership registers, a blacklist of secrecy havens, better protection for whistle blowers and the inclusion of transparency provisions in future trade agreements. He also said that the signing of international agreements to exchange information between tax authorities as such will not make an end to the shadow economy, because he doubts whether secrecy havens such as Panama will enforce these agreements. What is needed is global enforcement, he said.

Given the importance of the issue, Stiglitz recommended organising a global summit on secrecy, as it would help set out a set of principles to guide further action. He stressed that the US and EU countries are key in tipping the balance toward transparency, which can be achieved by forcing financial centres to comply with global standards. He also acknowledged the widespread view that tax havens only exist because the United States and Europe have looked the other way.

#### Further information:

- [Biography of Professor Stiglitz](#)
- [Replies to written questions by Professor Stiglitz](#)
- [Press release: Zero tolerance needed against tax secrecy, says former Panamanian advisor Joseph Stiglitz](#)
- [EBS - Exchange of views with Professor Joseph STIGLITZ, Nobel Memorial Prize in Economics: extracts from the meeting](#)
- [Press point by Professor Joseph STIGLITZ, Nobel Memorial Prize in Economics and by Werner LANGEN \(EPP,DE\), Chair of the PANA Committee](#)
- [Webstreaming / Recording](#)

## Exchange of views with Commissioner Pierre Moscovici and Ministers of Finances of outgoing and incoming Presidencies

### Fight against tax evasion and anti-money laundering: state of play of progress made at EU level



On Wednesday 7 December 2016, from 15.00 - 18:30, the Members of the PANA Committee will have an exchange of views with Pierre Moscovici, Member of the European Commission responsible for Economic and Financial Affairs, Taxation and Customs, as well as Ministers of Finance of the incoming and outgoing Presidencies, respectively from Malta and Slovakia.

The purpose of the meeting is to continue the discussion on the Commission's role and actions to implement and enforce EU legislation against money-laundering and tax evasion, which was already started in the exchange of views with Commissioner Jourová. The Slovakian Presidency will be questioned about the progress made regarding the fight against tax evasion and anti-money laundering, whereas the Maltese Presidency will be asked about its upcoming priorities.

**Location:** Altiero Spinelli, room ASP 5G3 (5th floor), European Parliament, Rue Wiertz 60, Brussels, Belgium

### Useful links

- [Committee mandate \(powers, numerical strength and term of office\) as adopted by the European Parliament on 08.06.16](#)
- [List of members of the PANA Committee](#)
- [Committee of inquiry, Rule 198 - EP Rules of Procedure](#)
- [Detailed provisions governing the exercise of the European Parliament's right of inquiry, Annex VIII - EP Rules of Procedure](#)

For further links, please visit the [PANA website](#).

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## Contacts and suggestions

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