

**Question for written answer E-003382/2020**  
**to the Commission**  
Rule 138  
**Engin Eroglu (Renew)**

Subject: Hawala

Hawala is a parallel banking system widely used in the Middle East but also in Europe, particularly for money transfers in to the Arab region <sup>1</sup>. It works on the basis of trust, where both the remitter and the recipient make use of an intermediary.

1. Does the Commission have any information on whether and to what extent this system is used in Europe?
2. Are funds transferred via Hawala of relevance in terms of money laundering and to what extent are legal requirements concerning money laundering being met in practice?
3. What concrete steps does the Commission plan to take with regard to the Hawala system which is at least partially illegal in Europe?

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<sup>1</sup> <https://www.handelsblatt.com/finanzen/banken-versicherungen/undurchsichtige-transfers-wie-geldwaescher-mit-hawala-banking-geld-in-andere-staaten-transferieren/25245524.html>