



**COUNCIL OF
THE EUROPEAN UNION**



Brussels, 7 November 2006
14872/06 (Presse 304)

Council approves rules on the tracing of fund transfers in order to better combat terrorist financing

The Council today adopted¹ a regulation laying down rules on information regarding the payer that accompanies transfers of funds for the purposes of prevention, investigation and detection of money laundering and terrorist financing.²

The regulation transposes into Community legislation a special recommendation issued by a G7 financial action task force (FATF) in 2001, following the 11 September terrorist attacks in the United States. It is aimed at ensuring traceability in payments and settlements so as to prevent the financing of terrorists, by imposing identification requirements on payers and verification requirements on payment service providers. The regulation is intended to complement directive 2005/60/EC on money laundering and terrorist financing.³

The regulation will be applicable in the member states on 1 January 2007, which is the target date set by the FATF.

¹ The decision was taken by qualified majority, with the German and French delegations abstaining. It was taken at a meeting of the Economic and Financial Affairs Council, without discussion.

² PE-CONS 3630/06, 14023/06 ADD

³ OJ L 309, 25.11.2005, p.15

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