



Security Union: Commission adopts stronger rules to fight terrorism financing

Brussels, 21 December 2016

Today, the European Commission has adopted a package of measures to strengthen the EU's capacity to fight the financing of terrorism and organised crime, delivering on the commitments made in the [Action Plan against terrorist financing](#) from February 2016. The proposals being presented by the Commission will complete and reinforce the EU's legal framework in the areas of money laundering, illicit cash flows and the freezing and confiscation of assets. Presented alongside the third Progress Report on the Security Union, today's proposals will ensure a strong and coordinated European response in the fight against terrorism financing, bringing the EU one step closer towards an effective and genuine [Security Union](#).

The proposals were prepared by a project team led by First Vice-President Frans **Timmermans** and Vice-President Valdis **Dombrovskis**, working with Commissioners Dimitris **Avramopoulos**, Pierre **Moscovici**, Věra **Jourová** and Julian **King**.

First Vice-President Frans **Timmermans** stated: *"With today's proposals, we strengthen our legal means to disrupt and cut off the financial sources of criminals and terrorists. We must ensure we have the right tools in place to detect and stop suspicious financial flows and to support better cooperation between law enforcement authorities so that we can better protect the security of European citizens."*

Vice-President Valdis **Dombrovskis** said: *"Terrorism remains a major threat to our safety. We must stay a step ahead to stop terrorists in their tracks and the fight against terrorism financing is part of it. That's why today we are proposing that money laundering be subject to effective criminal sanctions right across the EU. We are proposing cross-border freezing and confiscation of criminal assets within the EU, and putting an end to criminals circumventing cash controls at the EU's external borders."*

With today's proposals, as highlighted in the third Progress Report towards an effective and genuine Security Union, the European Commission is strengthening the capacity of the EU to fight terrorism and organised crime, making it harder for terrorists and criminals to finance their activities whilst making it easier for the authorities to detect and stop their financial movements. Detecting suspicious financial flows and cutting off the sources of financing is one of the most effective ways to stop potential terrorist attacks and criminal activities. The tracking of financial flows can also provide police and law enforcement authorities with crucial information and effective tools for their investigations.

Ensuring the criminalisation of money laundering

The Commission is today proposing a new **Directive to criminalise money laundering** and to provide competent authorities with adequate criminal law provisions to prosecute criminals and terrorists and put them behind bars. The proposed measures will:

- Establish **minimum rules** concerning the definition of criminal offences and sanctions related to money laundering, closing gaps to prevent criminals from exploiting differences between different national rules.
- **Remove obstacles** to cross-border judicial and police cooperation by setting common provisions to improve the investigation of offences related to money laundering;
- Bring the EU norms in line with the **international obligations** in this area, as set out in the Council of Europe Warsaw Convention and Financial Action Task Force recommendations.

Putting tighter controls on large cash flows

In order to provide competent authorities with the adequate tools to detect terrorists and those who support them financially, the new **Regulation on cash controls** presented today will:

- **Tighten cash controls** on people entering or leaving the EU with €10,000 or more in cash;
- Enable authorities to **act on amounts lower than the customs declaration threshold** of €10,000, where there are suspicions of criminal activity, and

- **Improve the exchange of information** between authorities and Member States;
- **Extend customs checks to cash sent in postal parcels or freight shipments and to precious commodities** such as gold, and to prepaid payment cards which are currently not covered by the standard customs declaration.

Freezing terrorists' financial resources and confiscating their assets

Freezing or confiscating financial assets quickly across borders will prevent terrorists from using their funds to commit further attacks. The proposed **Regulation on mutual recognition of criminal asset freezing and confiscation orders** will:

- **Offer one single legal instrument** for the recognition of both freezing and confiscation orders in other EU countries, simplifying the current legal framework. The Regulation would apply immediately in all Member States;
- **Widen the scope of the current rules on cross-border recognition**, to include confiscation from other people connected to the criminal, and would cover confiscation in the case the criminal is not being convicted for example due to escape or death;
- **Improve the speed and efficiency of freezing or confiscation orders** thanks to a standard document and an obligation on the part of competent authorities to communicate with each other. The rules set clear deadlines, including shorter deadlines for freezing orders;
- **Ensure victims' rights to compensation and restitution are respected**. In cases of cross-border execution of confiscation orders, the victim's right has priority over the executing and issuing States' interest.

Background

Security has been a constant theme since the beginning of the Juncker Commission's mandate – from President Juncker's [Political Guidelines](#) of July 2014 to the latest [State of the Union](#) address in September 2016.

Building on the [European Agenda on Security](#) adopted in April 2015, which underlined the need for measures to address terrorist financing in a more effective and comprehensive manner, in February 2016 the European Commission set out an [Action Plan against terrorist financing](#) to ensure that Member States have the necessary tools at their disposal to address new threats.

In April 2016, the Commission identified the cutting of terrorists' access to funds as one of the priority actions to be taken to complete an efficient and sustainable EU [Security Union](#). The creation by President Juncker of a specific Commissioner portfolio for the Security Union in August 2016 shows the importance the Commission has attached to stepping up its response to the terrorist threat.

As set out in the Action Plan against terrorist financing, and as reported in today's third Progress Report on the Security Union, the Commission will introduce a proposal to reinforce the powers of customs authorities to address terrorism financing through trade in goods in 2017. The Commission will also extend the scope of the current legislation addressing illicit trade in cultural goods to a wider number of countries. In the Progress report, the Commission also encourages the co-legislators to find an agreement on the revised 4th Anti-Money Laundering Directive in the weeks to come.

For more information

[Factsheet on the state of play of the Action Plan against terrorist financing](#)

[Factsheet](#) on the state of play of the European Agenda on Security

[MEMO - Proposal for a Directive on countering money laundering by criminal law](#)

[MEMO - Update of EU rules on cash controls](#)

[MEMO - Regulation on the mutual recognition of freezing and confiscation orders](#)

Proposal - [Directive on countering money laundering by criminal law](#)

[Proposal - Regulation on cash controls](#)

[Proposal - Regulation to strengthen the mutual recognition of criminal asset freezing and confiscation orders](#)

[Third Progress Report](#) towards an effective and genuine Security Union

[Communication](#): Delivering on the European Agenda on Security to fight against terrorism and pave the way towards an effective and genuine Security Union

[European Agenda on Security](#)

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