

Europe and Central Asia Regional Conference on  
AML/CFT Standards (Moscow 3 - 5 December 2002)

# Countering money laundering in Europe - opportunities and challenges

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1

Council of Europe

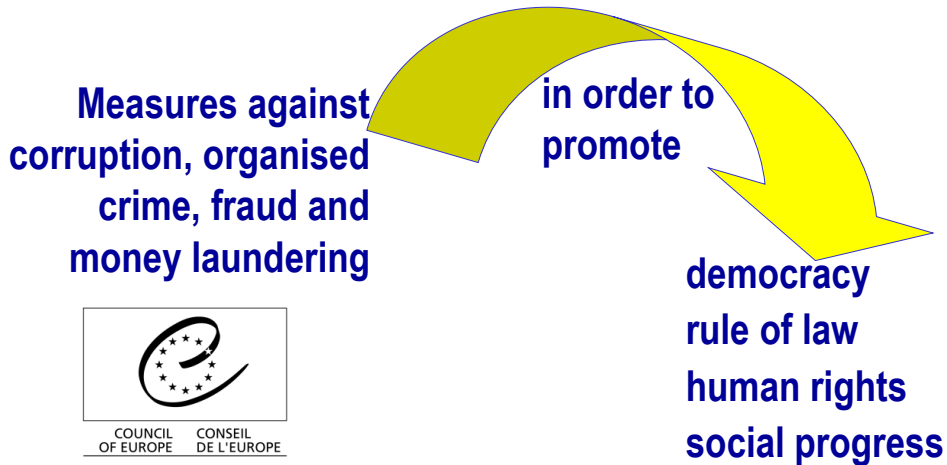


Achieve greater  
unity among  
European Nations

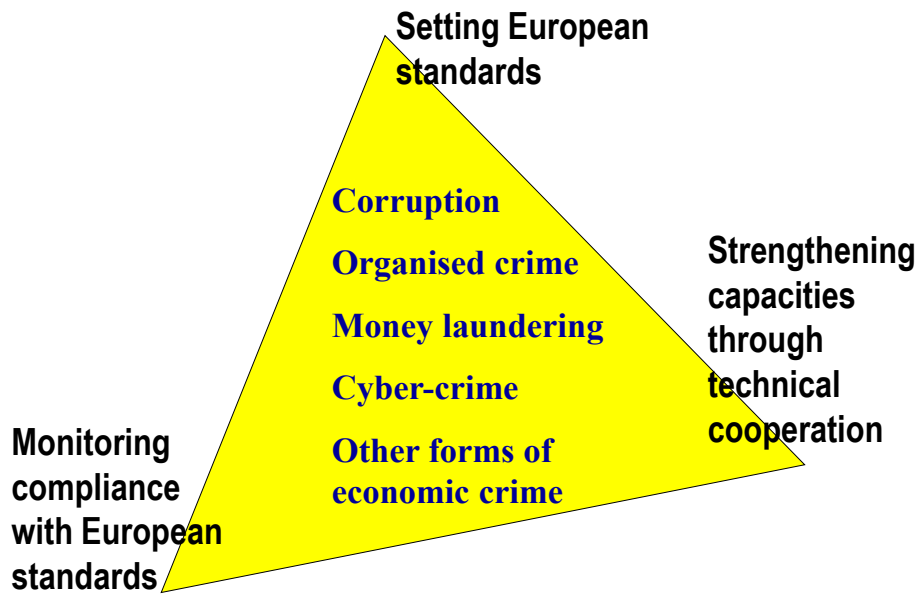
Democracy, Rule of  
Law, Human Rights,  
Social progress

2

## Strategy against corruption , organised crime, money laundering - the rationale:



3



4

4

## Setting European standards

- Convention on Laundering, Search, Seizure and Confiscation of Proceeds from Crime (adopted in 1990, ETS no. 141)
- Conventions and protocols on judicial cooperation
- Criminal and civil law conventions on corruption
- Convention on cybercrime
- Convention on terrorism
- Recommendations on organised crime, witness protection, trafficking in human beings, etc.
- and many others .....

5

5

## Convention on Laundering, Search, Seizure and Confiscation of Proceeds from Crime (ETS no. 141)

- Criminalisation of money laundering
- Increasing possibilities to search, seize and confiscate illegal proceeds
- International cooperation

**Ratified by 40 European countries and Australia**

6

6

## **Monitoring compliance: MONEYVAL**

**Created in 1997**

### **24 countries now participating**

**Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Georgia, Latvia, Liechtenstein, Lithuania, Malta, Poland, Romania, Russian Federation, Slovakia, The Former Yugoslav Republic of Macedonia, Ukraine**

**Transparent peer evaluation - peer pressure**

7

7

## **MONEYVAL**

### **Monitoring against standards of:**

- **Council of Europe Convention ETS 141**
- **EC Directive of 10 June 1991 on the prevention of the use of the financial system for the purpose of money laundering**
- **40 recommendations of the FATF**
- **The Vienna Convention of 1988**

**First round of evaluations 1997 – 2001: Legal and institutional systems in place**

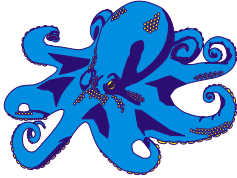
**Second round 2001 – 2003: Functioning of the systems and practical results**

8

8

## Technical cooperation

### Octopus



Programme against corruption  
and organised crime in  
States in transition

**NEW:**  
MOLI PROJECTS



9

9

## Opportunities & challenges

- **Anti-money laundering laws**
- **Regulatory systems**
- **Enforcement and prosecution**
- **Understanding the challenge**
- **Common standards**

10

10

## Anti-money laundering laws

**Criminal provisions  
on money  
laundering**

**Preventive laws**

**Seizure and  
confiscation of  
proceeds**

**Mandatory  
reporting on  
suspicious  
transaction**

11

11

## Regulatory systems

**Reporting  
obligations**

**STR Reporting**

**Cash**

**Quality and  
quantity of  
information**

**Role and capacities  
of FIUs**

**Cooperation with  
private sector**

**Supervisory/regulatory  
authorities**

12

12

## Enforcement and prosecution

**Analysis and flow of  
information**

**Financial  
investigations**

**Cooperation between law  
enforcement agencies**

**Gathering  
evidence**

**Provisional measures  
and confiscation**

**Know-how among  
the judiciary**

13

13

## Understanding the challenge

**Is the money laundering problem one of:**

- **imported criminal proceeds?**
- **proceeds leaving the country?**
- **domestic proceeds being laundered at home?**

14

14

## Common standards

**Most European countries have signed and ratified ETS 141**

**Not all countries fully meet international standards**

**Progress towards international standards**

**Progress towards international cooperation**

**International legal framework needs improvement**

15

15