

Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Prevention of the use of the financial system for the purpose of money laundering and terrorist financing: implementing powers conferred on the Commission Amending Directive 2005/60/EC 2004/0137(COD)	
Subject 7.30.20 Action to combat terrorism 7.30.30.08 Capital outflow, money laundering	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	LIBE Civil Liberties, Justice and Home Affairs	PPE-DE BRADBURN Philip	20/03/2007
Council of the European Union	Council configuration	Meeting	Date
	Environment	2856	03/03/2008
European Commission	Commission DG Justice and Consumers	Commissioner FRATTINI Franco	

Key events			
22/12/2006	Legislative proposal published	COM(2006)0906	Summary
17/01/2007	Committee referral announced in Parliament, 1st reading		
05/06/2007	Vote in committee, 1st reading		Summary
11/06/2007	Committee report tabled for plenary, 1st reading	A6-0225/2007	
14/11/2007	Results of vote in Parliament		
14/11/2007	Decision by Parliament, 1st reading	T6-0524/2007	Summary
03/03/2008	Act adopted by Council after Parliament's 1st reading		
11/03/2008	Final act signed		
11/03/2008	End of procedure in Parliament		
19/03/2008	Final act published in Official Journal		

Technical information	
Procedure reference	2006/0281(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
	Amending Directive 2005/60/EC 2004/0137(COD)
Legal basis	EC Treaty (after Amsterdam) EC 047-p2; EC Treaty (after Amsterdam) EC 095
Stage reached in procedure	Procedure completed
Committee dossier	LIBE/6/44482

Documentation gateway					
Legislative proposal		COM(2006)0906	22/12/2006	EC	Summary
European Central Bank: opinion, guideline, report		CON/2007/0004 OJ C 039 23.02.2007, p. 0001	15/02/2007	ECB	Summary
Economic and Social Committee: opinion, report		CES0418/2007	14/03/2007	ESC	
Committee draft report		PE388.417	09/05/2007	EP	
Committee report tabled for plenary, 1st reading/single reading		A6-0225/2007	11/06/2007	EP	
Text adopted by Parliament, 1st reading/single reading		T6-0524/2007	14/11/2007	EP	Summary
Commission response to text adopted in plenary		SP(2007)6527	18/12/2007	EC	
Draft final act		03678/2007/LEX	11/03/2008	CSL	

Additional information	
National parliaments	IPEX
European Commission	EUR-Lex

Final act
Directive 2008/20 OJ L 076 19.03.2008, p. 0046 Summary

Prevention of the use of the financial system for the purpose of money laundering and terrorist financing: implementing powers conferred on the Commission

PURPOSE: to amend Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing by introducing a reference to the new regulatory procedure with scrutiny (comitology).

PROPOSED ACT: Directive of the European Parliament and of the Council.

CONTENT: Council Decision 1999/468/EC laying down the procedures for the exercise of implementing powers conferred on the Commission has been amended by Council Decision 2006/512/EC ([CNS/2002/0298](#)).

The amended Decision introduces a new *regulatory procedure with scrutiny* to be used for measures of general scope which seek to amend non-essential elements of a basic instrument, adopted under co-decision, including by deleting some of those elements or by supplementing the instrument by the addition of new non-essential elements.

This procedure allows the legislator to oppose the adoption of "quasi-legislative" measures implementing a codecision-based instrument when

it considers that the draft exceeds the implementing powers provided for in the basic instrument, or that the draft is incompatible with the aim or the content of that instrument or fails to respect the principles of subsidiarity or proportionality.

In a joint statement, the three institutions agreed on a list of 26 basic instruments already in force to be adjusted without delay in accordance with the new regulatory procedure with scrutiny (see [ACI/2006/2152](#)). Each case has been assessed on its own merits, notably in view of the nature of the implementing powers conferred on the Commission and the specificity of each sector.

Lastly, in accordance with the abovementioned statement, the Commission is proposing to repeal any provisions of these instruments that provide for a time-limit on the delegation of implementing powers to the Commission.

Prevention of the use of the financial system for the purpose of money laundering and terrorist financing: implementing powers conferred on the Commission

The Committee on Civil Liberties, Justice and Home Affairs unanimously adopted the report by Philip BRADBURN (EPP-ED, UK) amending, at first reading of the codecision procedure, the Commission proposal aiming to align Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing to the new comitology procedure, regulatory procedure with scrutiny.

This new comitology procedure shall apply to certain aspects of the directive, however, MEPs considered it necessary to table the following amendments:

- a new recital it states that Directive 2005/60/EC provides for a regular report on its implementation to be drawn up by the Commission. That report may be accompanied by a legislative proposal introducing the necessary modifications to that Directive;
- Article 42 shall now state that by 15 December 2009, and at least at three-yearly intervals thereafter, the Commission shall draw up a report on the implementation of this Directive with, if appropriate, a legislative proposal introducing the necessary modifications to Directive 2005/60/EC in accordance with the procedure laid down in Article 251 of the Treaty and submit it to the European Parliament and the Council. In the first such report, the Commission shall include a specific examination of the treatment of lawyers and other independent legal professionals.

Prevention of the use of the financial system for the purpose of money laundering and terrorist financing: implementing powers conferred on the Commission

The European Parliament adopted a resolution drafted by Philip BRADBURN (EPP-ED, UK) amending the Commission proposal aiming to align Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing to the new regulatory procedure with scrutiny. The resolution was adopted by 621 votes in favour to 5 against with 20 abstentions.

Parliament made the following amendments:

- a new recital states that the Commission should, at regular intervals, evaluate the functioning of the provisions concerning the implementing powers conferred on it in order to allow the European Parliament and the Council to determine whether the extent of those powers and the procedural requirements imposed on the Commission are appropriate and ensure both efficiency and democratic accountability;
- by 31 December 2010, and thereafter at least every 3 years, the Commission shall review the provisions concerning its implementing powers and present a report to the European Parliament and to the Council on the functioning of those powers. The report shall examine, in particular, the need for the Commission to propose amendments to the Directive in order to ensure the appropriate scope of the implementing powers conferred on the Commission. The conclusion as to whether an amendment is necessary or not shall be accompanied by a detailed statement of reasons. If necessary, the report shall be accompanied by a legislative proposal to modify the provisions conferring implementing powers on the Commission.

Prevention of the use of the financial system for the purpose of money laundering and terrorist financing: implementing powers conferred on the Commission

PURPOSE: to amend Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing by introducing a reference to the new regulatory procedure with scrutiny (comitology).

LEGISLATIVE ACT: Directive 2008/20/EC of the European Parliament and of the Council amending Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, as regards the implementing powers conferred on the Commission.

CONTENT: [Council Decision 1999/468/EC laying down the procedures for the exercise of implementing powers conferred on the Commission \(comitology\) has been amended by Council Decision 2006/512/EC \(CNS/2002/0298\)](#).

The amended Decision introduces a new regulatory procedure with scrutiny to be used for measures of general scope which seek to amend non-essential elements of a basic instrument, adopted under co-decision. This may include deleting some of those elements or supplementing the instrument, by the addition of new non-essential elements.

This procedure allows the legislator to oppose the adoption of "quasi-legislative" measures implementing a codecision-based instrument in cases where:

- the draft may exceed the implementing powers provided for in the basic instrument;
- the draft is incompatible with the aim or the content of that instrument; or

- the draft fails to respect the principles of subsidiarity or proportionality.

In a joint statement, the three institutions agreed on a list of 26 basic instruments already in force to be adjusted without delay in accordance with the new regulatory procedure with scrutiny (see [ACI/2006/2152](#)). Each case has been assessed on the nature of the implementing powers conferred on the Commission and the specificity of each sector.

The purpose of this Directive, therefore, is to amend Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing by introducing a reference to the new regulatory procedure with scrutiny.

By 31 December 2010, and thereafter at least every three years, the Commission shall review the provisions concerning its implementing powers and present a report to the European Parliament and to the Council on the functioning of those powers and on the need for the Commission to propose possible amendments.

ENTRY INTO FORCE: 20 March 2008.