

Paris, 20 November 2015

## Press release

### Banks committed to the fight against the financing of terrorism

The French Minister for Finance and Public Accounts and the Governor of the Banque de France have just issued a statement to remind financial institutions of their due diligence and expression of suspicion obligations as part of the fight against the financing of terrorism.

French banks wish to confirm their total commitment to the fight against the financing of terrorism. They currently account for 80% of declarations made to Tracfin, which stated in its 2014 report that *"2014 saw an increase of close to 33% in the flow of declarations"*.

French banks strictly conform to the relevant regulation governing the fight against terrorism. This applies to three measures: the freezing of assets on one hand, and the regular communication of information to Tracfin on the other.

- **Asset freezing** (L. 562-1 et seq. of the French Monetary and Financial Code) is a measure based on the detection of natural and legal persons identified by the authorities. The list of natural and legal persons subject to the measure covering asset freezing can be consulted on the Treasury department's website.
- **The regular communication of information to Tracfin (COSI)** is a measure introduced by law n° 2013-100 dated 28 January 2013, which ensures the regular transmission to Tracfin of all transactions meeting certain criteria, regardless of any notion of suspicion.
- **Declaration of suspicious transactions to Tracfin:** Banks must declare to Tracfin any transaction in which a customer attempts to conceal the fraudulent origin of funds and/or likely to constitute money laundering or financing of terrorism.

Since 1 October 2013, the transfer of funds in cash or electronic money that exceeds a threshold of €1,000 per transaction or of €2,000 in total per customer and per calendar month is reported to Tracfin. From 1 January 2016, cash deposits or withdrawals on or from a deposit or payment account which exceed €10,000 (or the equivalent in a foreign currency) will also be declared.

The fight against terrorism requires that all players, without exception, who are part of the payment chain, are subject to the same obligations. These obligations must be applied with the same precision and their application controlled in the same manner for banks, payment institutions and electronic money institutions alike. The banking profession would like to express, yet again, its concerns relating to new players in the payment market and certain anonymous methods of payment such as pre-paid cards.

Tracfin, in its 2014 report, highlighted that *"the anonymity of certain electronic money instruments present a particular risk, reinforced by the fact that there is no guarantee that the person who purchases a pre-paid card is the final user, as the method of payment is attached to the carrier. In practise, these methods of payment may be used in money laundering transactions or to finance terrorism"*.

Banks have a long-standing unreserved commitment to the fight against terrorist financing, to uphold the integrity of the financial system and maintain confidence, without which there is no sustainable economy.

The President of the European Banking Federation (EBF), Frédéric Oudéa, stated in a press release following today's EBF Board meeting in Brussels that *"the banking industry is fully-committed to the fight against terrorism financing"*.

Marie-Anne Barbat-Layani, Chief Executive of the French Banking Federation, also stressed that *"French banks are active players, in compliance with current regulations, in the fight against money laundering and the financing of terrorism. They are dedicated to helping public authorities improve its efficiency in this field"*.

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