
VISITING EXPERTS' PAPERS

INTERNATIONAL COOPERATION IN CRIMINAL MATTERS WITH EMPHASIS ON ECONOMIC CRIME AND MONEY LAUNDERING

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I. INTRODUCTION

The notion of economic crime is very large and there is, to my knowledge, not any precise and internationally established definition of what constitutes economic crime, although there may be such definitions in national law (for instance when defining the competence of an “economic crime prosecution office” and the like).

The Council of Europe adopted in 1981 a Recommendation No R (81) 12 on economic crime, which contains a list of economic offences. But this list is conditioned by the further complication that “owing to the generally recognised difficulty of giving an exact definition of economic crime, it was found necessary to delimit the concept by means of a list of offences (reference to the object) and a footnote (reference to the loss caused and description of the author)”. The Recommendation then goes on further to define 16 types/categories of offences which are then qualified by the footnote in question. The list is as follows:

1. Cartel offences
2. Fraudulent practices and abuse of economic situation by multinational companies
3. Fraudulent procurement or abuse of state or international organisations' grants
4. Computer crime (e.g. theft of data, violation of secrets, manipulation of computerised data)
5. Bogus firms
6. Faking of company balance sheets and book-keeping offences
7. Fraud concerning economic situation and corporate capital of companies
8. Violation by a company of standards of security and health concerning employees
9. Fraud to the detriment of creditors (e.g. bankruptcy, violation of intellectual and industrial property rights)
10. consumer fraud (in particular falsification of and misleading statements on goods, offences against public health, abuse of consumers' weakness or inexperience)
11. Unfair competition (including bribery of an employee of a competing company) and misleading advertising
12. Fiscal offences and evasion of social costs by enterprises
13. Customs offences (e.g. evasion of customs duties, breach of quota restrictions)
14. Offences concerning money and currency regulations
15. Stock exchange and bank offences (e.g. fraudulent stock exchange manipulation and abuse of the public's inexperience)
16. Offences against the environment.

The footnote to the Recommendation mentions that the non-specific offences (3, 4, 9, 12-16) are to be taken into consideration when they *caused or risked causing* substantial loss, presuppose *special business knowledge* on the part of the offenders, and were committed by businessmen in the *exercise* of their profession or functions.

It is of importance to note that money laundering at the time of writing of the Recommendation apparently was not considered to be an economic crime; in most countries at that time it was probably not even considered to be a crime.¹ It was simply legal to do money laundering at the time since the act of

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¹ It was in fact only within the context of the discussions on the 1988 Vienna Drugs Convention that the definition of money laundering was thrashed out in an international setting. The Council of Europe had however, much before its time, already tackled the prevention of money laundering in a Recommendation No R (80) 10.

money laundering intervenes after the predicate offence has been committed and subsequent acts are in general not punishable. In some countries, however, the act of money laundering could probably be prosecuted as an offence of “receiving of stolen goods” (in French: *recel*), since that act presupposes a predicate offence (usually a theft) and knowledge or substantive suspicions that the goods or money was stolen or defrauded. The author “ought to have known or suspected” that the goods had been stolen or defrauded.

Inspiration for what can be seen as economic crime can also be sought for example in the definition of predicate offences in the second money laundering Directive² of the European Parliament and the Council of the European Union, which in some respects goes further than the Council of Europe list (drugs, criminal organisations, fraud against the European Community, corruption, serious offences which may generate substantial proceeds and which may engender severe punishment - the Directive is not more specific than this, which *de facto* means that it is left for the member states to define what is a serious crime).

Moreover, offences like smuggling or trafficking in human beings, black labour or sexual exploitation of human beings are increasingly considered to be relevant in the context of economic crimes.

For the sake of clarity one can consider economic crime to be serious crime which normally is committed with a view to obtaining financial gain.

However, when it comes to putting money laundering into the concept of economic crime, it becomes more difficult; the money launderer may commit money laundering with a view to concealing the commission of a predicate offence that he himself committed³. In such a case, the primary purpose is not to obtain economic gain but to conceal the money and to avoid the consequences of the act (or at least to be able to keep the proceeds of the crime). One may therefore ask the question whether money laundering can be seen as an economic crime at all since it does not fit in well even with such a broad definition. Since money laundering after all is a question of money, it seems however appropriate to deal with it in the context of economic crime although it may not fit in well with the definition above.

When one examines the offences of the Council of Europe list, one realizes that most of the offences on the list have not been the subject of harmonisation through the adoption of international treaties, nor to specific judicial cooperation conventions. There are however some exceptions, sometimes at the UN level but, as far as I am aware, mostly in Europe within the context of the European Union or the Council of Europe.

Computer crime has been defined both in the European Union⁴ and the Council of Europe⁵. Unfair competition is the subject of an extensive regulation inside the European Community, but not through criminal law but through the European Commission as a watchdog (with possibilities to have extensive financial sanctions meted out by the European Court of Justice). Customs offences are subject to the Convention on the Protection of the European Communities’ financial interests⁶. Offences concerning forgery of money are the subject of the 1929 UN Convention⁷ and of a special Framework Decision of the EU on counterfeiting of the Euro⁸. Offences against the environment, finally have a very weak legal basis in the CITES Convention, but a stronger one in the Council of Europe Convention on the Protection of the Environment through Criminal Law⁹ and the Framework Decision¹⁰ of the EU on the same subject.

² See below.

³ In some States, this act is not criminal *per se*; it is considered to be an act “after the act” and thus not criminal.

⁴ Framework Decision on attacks on information systems (doc 8818/03 DROIPEN 28, 8687/03 DROIPEN 26); political agreement on 28.2.03; awaiting parliamentary reservation but adoption expected soon.

⁵ Convention on Cybercrime, adopted on 23.11.2001, has entered into force after 5 ratifications; currently has 6 ratifications and 32 signatures.

⁶ 26 July 1995; it has entered into force among the EU Member States and has in addition several Protocols.

⁷ International Convention for the suppression of counterfeiting currency, Geneva, 20 April 1929.

⁸ Framework Decision 2000/383/JHA of 29 May 2000.

⁹ 4.11.98; not yet entered into force.

¹⁰ 2003/80/JHA of 27.1.2003.

The EU Framework Decisions, which are binding on the Member States and which may become the subject of interpretation by the European Court of Justice¹¹, are used to harmonise (or “approximate” as the Treaty says) the law of the Member States of the European Union. They usually do not contain measures relating to judicial cooperation since other instruments within the European Union expressly deal with those¹², but will in any case be relevant as far as jurisdiction is concerned.

Other offences which have not been the subject of multilateral treaties or Framework Decisions inside Europe are nevertheless dealt with under civil law or company law within the European Union. For instance, a Directive deals with market abuse, but it does not include criminal law sanctions since under the Treaty, it is considered that Directives in the so-called first pillar (the European Community part) are not capable of containing criminal law sanctions¹³.

In order to explain a bit more for the reader, who perhaps may not be so familiar with the institutional set up of the Union, I should like to give some more explanations on some of the terms that I use to explain European Union law, since this is a new, but fast moving area of international cooperation in criminal matters. In addition, the EU does not only concern its 25 current Member States but influences also widely in the States that are aspiring to become members - potentially some 15-20 more States. Moreover, since the EU through the implementation of the Common Foreign and Security Policy has become an important player on the international scene, in particular in UN negotiations, what the EU is deciding internally has also become very important in this area.

II. EUROPEAN UNION

The European Union was established by the Maastricht Treaty, which entered into force 1 November 1993. Before that date, criminal law cooperation of the European Community was outside of the Treaty - it was mainly carried out in the other European organisation, namely the Council of Europe which now has 45 Member States and which is clearly intergovernmental in nature whereas the EU is to a great extent a supranational body, which can take decisions that are binding on its Member States and liable to be scrutinized by the European Court of Justice.

In the new so-called *third pillar* of the EU, a legal basis was established for the adoption of measures, inter alia, in the fields of judicial cooperation in criminal matters and police cooperation. This reflected an acceptance by the Member States that the need for action at the European level in these areas had increased, in particular in the light of the free movement of persons, goods, services and money realised by the development of the internal market. Not only ordinary people, but also the criminals, benefited from the internal market, and countermeasures were needed.

Further momentum was given to the process by the entry into force of the Amsterdam Treaty on 1 May 1999. The Amsterdam Treaty provided for the integration of the Schengen acquis¹⁴ in the EU. It also made it possible to adopt more efficient legal instruments than those which had been available so far. In particular, the old Joint Action was replaced by the binding Framework Decision, and the jurisdiction of the Court of Justice was increased.

The fight against organised crime and economic crime was very much in focus from the outset, and it has been possible to adopt a number of EU instruments on approximation of substantive criminal law and cooperation in criminal matters. Of course, when adopting these instruments in the third pillar, account had to be taken of activities in the so-called first pillar¹⁵ of the EU - the European Community. And activities of various international organisations, such as the UN, the OECD and the Council of Europe also needed to be

¹¹ See Articles 34 and 35 of the Treaty on European Union.

¹² For instance the European Arrest Warrant, which replaces extradition among the Member States of the EU since 1 January 2004, the Council of Europe Convention of 1959 on Mutual legal assistance in criminal matters and the Convention of 29 May 2000 on mutual legal assistance between the Member States of the EU.

¹³ A case is currently pending before the European Court of Justice in relation to the environment to verify if that doctrine is correct.

¹⁴ A Convention that was established in 1985, with an implementation agreement in 1990, that provides for increased measures in the field of judicial cooperation and free movement of persons.

¹⁵ The second pillar deals with Common Foreign and Security Policy.

kept in mind.

One example of non-criminal law EC measures (first pillar legislation) is the 1991 money laundering Directive¹⁶ which does not deal with the criminal law per se but only with the prevention aspects. The issue of money laundering is dealt with more closely below.

Other examples of these so-called first pillar measures are provisions on the protection of the EC's financial interests as previously stated and different provisions in the field of company law, insurance law and intellectual property law.

A number of *criminal law measures have been taken at the international level*, both within the EU and within the wider¹⁷ European organisation called the Council of Europe. There has during the years been a lot of interaction between the EU and other international fora, in particular the Council of Europe. Therefore, a number of instruments have either been drafted first within the Council of Europe (environment, computer crime) and then taken over wholly or partially by the EU or vice versa (mutual assistance convention, terrorism). This may seem confusing to a non-European reader (and to many Europeans as well), but it is linked with the different legal status of the instruments and with the different institutional set up.

Important measures affecting the European scene have also been taken in the UN on transnational organised crime, and in particular the Convention and its 3 Protocols are relevant in this context. The UN Convention against corruption, adopted by the UN General assembly in October 2003, and signed in Mexico in December 2003, is also an important tool in the general fight against the form of economic crime consisting of corruption.

The Council of Europe and the OECD have also adopted measures on corruption, including a number of important Conventions.

Finally, the Council of Europe Conventions on environmental crime and on cybercrime are important as they, to a very large extent, have formed the basis for negotiating the EU Framework Decisions on the same subjects, as noted above.

But it is not only specific measures that are important in fighting economic crime and money laundering. We should also remember that *general style criminal law measures* are relevant, as they contain provisions directly or indirectly applicable in the fight against economic crime and money laundering. It is obvious that provisions improving the cooperation between the Member States in the fight against crime in general have a positive effect also regarding economic crime and money laundering. The EU 2000 Convention on mutual assistance¹⁸ in criminal matters provides for example: 1) assistance shall also be afforded regarding legal persons; 2) a framework for establishing joint investigation teams (repeated in the 2002 Framework Decision on joint investigation teams)¹⁹; and 3) provisions on interception of telecommunications. As regards investigations on money laundering, provisions in the Convention on undercover operations and on controlled delivery may be of particular interest.

The 2001 Protocol to the 2000 Convention²⁰ contains a number of provisions of particular relevance to economic crime and money laundering: 1) A Member State must on request a) give details on bank accounts held by any natural or legal persons subject to a criminal investigation; b) inform on transactions made concerning specified bank accounts; and c) monitor bank transactions "real time" and 2) mutual legal assistance may not be refused on the sole ground of bank secrecy, or on the sole ground that it is about a fiscal offence.

¹⁶ Council Directive 91/308/EEC of 10 June 1991 on prevention of the use of the financial system for the purpose of money laundering.

¹⁷ The EU has 25 Member States and the Council of Europe an additional 20, i.e. 45 member States.

¹⁸ Convention of 29 May 2000 on mutual assistance in criminal matters between the Member States.

¹⁹ Framework Decision 2002/465/JHA of 13 June 2002.

²⁰ Protocol of 16 October 2001 to the Convention of 29 May 2000.

Examples of other general type instruments are the 2002 Decision setting up Eurojust²¹ and the 2002 Framework Decision on the European arrest warrant²². One could also mention in this context the recently adopted agreements with the USA on extradition and mutual assistance.

As regards *criminal law EU measures particularly relevant to economic crime* the following can be noted. As noted above, under the Maastricht regime, the EU adopted the 1995 Convention on the protection of the EC's financial interests and its 1995 and 1996 Protocols. These instruments have to a large extent served as models for later instruments in the field of substantive criminal law. They define fraud and corruption against the European Community and oblige Member States to make the defined offences punishable. It is important to recognise that EU measures in the field of substantive criminal law are minimum measures. They provide for minimum definitions of offences, which must be punishable in all Member States. But each Member State of the EU may have a larger definition.

Instruments adopted after the above Convention, and in particular the Framework Decisions under the Amsterdam regime have also gone some way towards approximation of criminal sanctions. They provide for a minimum for the maximum penalty, which must be available for the defined offences. But each Member State of the EU may punish more severely if it wants to.

A separate Convention on corruption²³ with a broader scope was adopted in 1997, and a Framework Decision on corruption in the private sector²⁴ was adopted in July 2003. The adoption, also in July 2003, of the Framework Decision on the execution in the EU of orders freezing property and evidence is important, and linked with certain other draft instruments which will be discussed later.

As regards *instruments currently negotiated* in Brussels, in particular, two proposals on confiscation should be highlighted²⁵.

The draft Framework Decision on confiscation orders is designed to follow the same principle as the below mentioned Framework Decision on freezing²⁶ in relation to the final measure of confiscation. Confiscation orders may be issued as a follow-up to a freezing order or directly. The State in which the property concerned is located can only refuse to confiscate in limited and specified circumstances. The draft Framework Decision on confiscation of crime-related proceeds does in particular two things: It obliges all Member States to be able to confiscate proceeds of crime, or value corresponding to such proceeds, regarding all crimes punishable with 1 year or more of imprisonment. And it obliges all Member States to provide for "extended powers of confiscation" making it possible, under certain conditions, to confiscate property of the person sentenced other than property constituting proceeds of crime.

The Framework Decision on freezing makes it possible for a judicial authority in one Member State to issue a freezing order concerning property present in another Member State for the purpose of the subsequent confiscation of the property concerned. It is based on the new concept of mutual recognition that is being introduced gradually in different areas within the EU. The freezing order is not a request for freezing, but an order. The competent authorities of the Member State where the property is located must execute the order, unless it may refuse on the basis of a very limited list of grounds for refusal in the instrument.

The EU is also working on a few other instruments relevant to the fight against money laundering and economic crime in general. These are for instance the draft Framework Decisions on attacks against

²¹ Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime.

²² Framework Decision 2002/584/JHA of 13 June 2002 on the European Arrest Warrant and the surrender procedures between the Member States.

²³ Council act of 26 May 1997 drawing up the Convention on the fight against corruption involving officials of the European Communities or officials of the member States of the EU.

²⁴ Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector.

²⁵ Latest texts are doc 10027/04 COPEN 69 (draft Framework Decision on the application of the principle of mutual recognition of confiscation orders) and doc 5299/03 DROIPEN 3 (draft Framework Decision on confiscation of crime-related proceeds, instrumentalities and property).

²⁶ Framework Decision 2003/577/JHA of 22 July 2003 on the execution in the EU of orders freezing property or evidence.

information systems, on ship source pollution and on financial penalties.

III. MONEY LAUNDERING²⁷

The offence of money laundering was first, in an international context, mentioned in the old Council of Europe Recommendation from 1980 referred to above. The reason for this was that in Italy, terrorists had begun kidnapping politicians and had at the same time asked for ransom money which they later sought to conceal via money laundering operations in the banks. The first predicate offence to money laundering in Italy was in fact kidnapping.

With the explosion of the drugs trade in the 1970s and 1980s the situation became different. The issue was brought up in the context of the negotiations on the 1988 Vienna Drugs Convention and the international community was prepared to deal with the issue - there was a generally spread feeling among legislators and policy makers that there was a need to tackle the phenomenon resolutely.

The definition of money laundering was taken up not only in the 1988 Convention but also in the 40 Recommendations of the FATF and in the 1990 Convention. This contributed to a general consensus that something had to be done, although there was (and still is) doubt in some countries about making money laundering a criminal offence across the line (the so-called general approach), and not only for proceeds from drugs trafficking.

The activities of the FATF, MONEYVAL²⁸ or other international groupings have however, had a great impact and there is a growing international consensus on the topic.

In the European Union, a number of initiatives have been taken in the form of binding legislation. Many of these initiatives follow the FATF Recommendations and, in fact, it is an official policy of the EU to support the FATF. This policy has been laid down in two meetings of the Justice and Home Affairs Ministers meeting with their counterparts in the Finance in 2000 and 2001.²⁹

The most important instrument is the Council Directive of 10 June 1991 on prevention of the use of the financial system for the purpose of money laundering³⁰. The Directive, which is binding on the Member States, was drafted following the first set of the 40 Recommendations of the FATF. The Directive provides in principle that credit institutions and financial institutions shall 1) identify and keep a record of customers and certain transactions, 2) on their own initiative or by request by the competent authorities inform these authorities on suspect activity relating to money laundering and 3) refrain from carrying out transactions they know or suspect are related to money laundering.

The scope of the 1991 Directive has been considerably enlarged by the 2001 amendment³¹ to it, both in terms of the criminal activity covered and in terms of the definition of the credit and financial institutions obliged to cooperate under the Directive. Thus, the obligations of the Directive were extended to certain non-financial activities and professions, including lawyers and accountants. This is a very important example of efficient, but very delicate, preventive non-criminal EU measures in the fight against economic crime.

The Directive is now under renegotiation³² for the third time with a view to including the recent amendments to the 40 Recommendations and also terrorist financing.

²⁷ For a comprehensive picture of this topic, see Valsamis Mitsilegas: *Money Laundering Counter-Measures in the European Union, a New Paradigm of Security Governance vs. Fundamental Legal Principles*, Kluwer 2003. See also Guy Stessens, *Money Laundering, A New International Law Enforcement Model*, Cambridge studies in international and comparative law, Cambridge University Press, 2000.

²⁸ This is a Council of Europe FATF style regional body operating within the framework of the Council of Europe.

²⁹ Joint ECOFIN/JHA meetings on 17 October 2000 and on 16 October 2001.

³⁰ OJ L 166/77, 28.6.91.

³¹ Directive 2001/97/EC of the European Parliament and of the Council of 4 December 2001 amending Council Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering.

³² Commission Proposal for a Directive of the European Parliament and of the Council on the prevention of the use of the financial system for the purpose of money laundering, including terrorist financing.

The Joint Action on money laundering, the identification, tracing, freezing, seizing and confiscation of instrumentalities and the proceeds from crime³³ should be mentioned next. This Joint Action deals with a number of issues such as reservations to the previously mentioned Council of Europe Convention, training and other issues.

The Framework Decision on the same topic³⁴, which partially replaces the above mentioned Joint Action, approximates criminal law and addresses the issue of predicate offences and sanctions (at least 4 years imprisonment). Value confiscation is introduced throughout the EU, not only for purposes of international cooperation but also in purely internal procedures. The decision to do so was, in my opinion correct, as value confiscation is a modern measure that can be very effective against money launderers.

The Decision on cooperation between Financial Intelligence Units³⁵ was adopted in 2000 and codifies the Egmont definition of FIUs. The Decision, which is binding on the Member States, enjoin the FIUs to cooperate to assemble, analyse and investigate relevant information within the EU. It lays down rules on exchange of information and on analysis thereof.

Several Member States have also set up a network between them, the so-called FIU.NET. In the long term, this will become an EU wide, compatible computer based service providing an automated and secure electronic environment for the controlled and structured receipt, processing and dissemination of disclosures of suspicious transaction reports made under the 1991 Directive and of financial intelligence between and among the financial institutions of the Member States, the FIUs and all other actors in the money laundering chain which are directly concerned. Currently about 10 member States are connected to the FIU.NET but as the other Member States see that tangible results are achieved, they will not be late in joining this interesting initiative. One problem has however been that the nature of the FIUs are different in the Member States; some are administrative, some police, some judicial in their nature, and some are a mixture. It has therefore been difficult for some FIUs to cooperate with one another; for instance to exchange information between a police and an administrative body. This problem has however been overcome with the entry into force of the above mentioned Framework Decision on the FIUs and the problems are less acute now.

The 1990 Council of Europe Convention on money laundering is of course extremely relevant regarding economic crime and also money laundering. The Convention which has been ratified by nearly 40 States, including all EU States, lays down rules on provisional measures and confiscation and defines money laundering in accordance with the 1988 Vienna Drugs Convention but promotes the general approach to predicate offences³⁶.

The Council of Europe is now taking steps towards a revision of the 1990 Convention within the context of a Committee called PC-RM. The first meeting on the subject took place in Strasbourg on 15 - 17 December 2003 and a recent meeting was held in the week of 6 September 2004. The aim of the work in Strasbourg is to include prevention, FIUs and some parts of terrorist financing. As negotiations are still ongoing, it is hard to predict the final outcome³⁷. Detailed discussions are however ongoing on a number of issues, such as reversal of the burden of proof as regards the lawful origin of alleged proceeds or other property liable to confiscation, expeditious freezing, freezing and confiscation of transformed or converted property, property acquired from legitimate sources if proceeds have been intermingled, the incorporation of some of the provisions of the 2001 Protocol to the EU mutual assistance convention mentioned above, etc.

All these measures have been developed in Europe in the space of some 15 years, mostly through the impulses given by the FATF, the Council of Europe and the EU. Since the EU has been able to develop legal instruments which are binding on the Member States - and which are even liable to be adjudicated before the Court of Justice if they have not been implemented properly - the EU instruments have had an enormous importance.

³³ OJ L 333/1, 9.12.98.

³⁴ OJ L 182/1, 5.7.01.

³⁵ OJ L 271/4, 24.10.00.

³⁶ For a closer description of the Convention, see Nilsson, *The Council of Europe Laundering Convention: a recent example of a developing International Criminal Law*, in *Criminal Law Forum*, Spring 1991, Volume 2 Number 3.

³⁷ The latest available text is found in PC-RM (2004) 2 Rev 4 of 15 July 2004. It is a restricted document.

But it is of no use to develop instruments at an international level if implementation at the national level does not follow through. It could therefore be of some interest to take a closer look at how implementation has been in practice, and for that purpose I have chosen Belgium as an example.

Belgium set up in 1993 its FIU, the so-called CTIF³⁸ in the context of the implementation of the 1991 Directive. Some organ had to receive the suspicious transaction reports which were rendered mandatory to make by the Directive and that task fell to CTIF which also had to collaborate with financial institutions, police, prosecuting authorities, banking regulators and foreign authorities.

CTIF is placed under the joint control of the Ministry of Justice and Finance in Belgium. It reports once a year to the responsible Ministers.

The task of CTIF is to receive the suspicious transaction reports, to analyse them and, after verification if serious reasons are present that money laundering may be at hand, to transmit the information to the police and the prosecutors. CTIF has thus a filtering role but does not have its own police or judicial powers, although it is headed by a prosecutor. Inside CTIF, financial experts with long experience are working, and they have to take an oath before the Minister of Justice. They are subject to professional secrecy. Until 2002³⁹ 3 prosecutors and 3 financial experts were working for CTIF and were members of the Governing Body the "Cellule", but its members are now 8 because of the increase in STRs. The Cellule meets twice a week and examines cases of suspicious money laundering. The Cellule has a Secretariat at its disposal of some 30 collaborators to the financial experts. There is an investigation department, a documentation department and a legal department. 3 police and one customs officer assists the Cellule.

When the Cellule receives an STR, it is immediately looked at, so as to enable a decision to block a money laundering operation. Such a decision must be taken within 24 hours. A verification is also immediately made with the database to enable CTIF to see if there are files connected with the STR. The Cellule may make contact with the bank, the police or other authorities and receive information from them.

When the file is complete, the Cellule itself examines it. At that stage 3 decisions may be taken: to request complementary information, to file the case or to transmit the case to the prosecutor. It is enough that only 2 persons (including the President) are present for a decision to be taken.

Between 1/12 1993 and 31/12 2002, the CTIF received 73,202 suspicious transaction reports. It transmitted 4972 to the prosecutor with sums involved of 9.82 Billion Euro. It made opposition in 140 cases. During the first year of its operation, CTIF received only 113 STRs but the figure had augmented to 5771 in 1996 and to 13,120 in 2002. Most declarations (46,109) have come from the Bureaux de change and from banks (15,632) and 5568 from stock exchange companies. According to the CTIF statistics, 60 % of the laundering cases transmitted to the prosecutor were in the placement stage, whereas 35 % were in the layering phase. Most cases concerned drugs (41.2 %) whereas 22.5 % concerned illicit trafficking in property, 8.5 % each concerned organised crime in general and fiscal fraud. Fifty-five cases, i.e. 1.1 %, were considered to concern terrorism. As a result of the transmission to the prosecutor, and according to CTIF's minimal estimations, 416 cases were adjudicated in which 659 persons were convicted, 1332 years of imprisonment were handed out and fines of 14.2 Million Euro were meted out. 358.9 Million Euro were confiscated.

CTIF considers that its activities are very efficient and that its contribution to the fight against serious crime has been very important. After seeing these statistics, it is difficult not to agree.

IV. CONCLUSION

It is difficult in a short paper like this to deal with the vast subject of economic crime and money laundering in other than a cursory way and to be able to speak about experiences and international cooperation as well. The lessons learned of more than 18 years of discussion of economic crime and in particular money laundering can, however, be summarized as follows.

³⁸ Cellule de traitement des informations financières - the body responsible for treating financial information.

³⁹ According to available information.

It is impossible to fight money laundering without a clear legal basis. The first thing that has to be done is to adopt this clear legal basis in the criminal code so that not only money launderers but in particular law enforcement and regulators have something to hold on to. It should be remembered that money laundering until some 20 years ago was not criminalised in many countries, and it is only after a long discussion at the international level that the international community has come to realise the serious dangers represented by money laundering. Nowadays it seems that no one, at least no one serious, denies the fact that money laundering is one of the more serious offences we have in the statute books and that it is entirely justified to go after money launderers effectively.

When drafting a law on money laundering, seek to make the predicate offences as broad as possible. The United Kingdom started with drugs offences, then widened to include terrorism and ended up with all indictable offences. Italy started with kidnapping, then included drugs and ended up to include all crimes and *delicts*. Denmark had a list approach and has gone to a general approach. The United States, if it were to begin again, would probably take a similar approach but has now, I believe, more than 200 offences defined as predicate offences, etc. Learn from the mistakes of others.

Set up a dedicated FIU immediately and give it resources so that it can fulfil its task. It will pay off 100 fold. One of the tasks of the FIU should be to communicate with banks and other financial institutions and to give them feedback so that they understand that they are important in the chain of events. There is some money that banks don't want and some money that does smell. It is a good business proposition to keep the banks clean - for the banks themselves in particular.

Plug into the international network of money laundering organisations wherever possible. Today's money laundering operations are truly international so it is important to cooperate internationally - Egmont Group, FATF Regional Style bodies, join conventions, etc. This is the only way to be efficient.