



## Resolution 1147 (1998)<sup>1</sup>

# Threat to Europe from economic crime

## Parliamentary Assembly

1. Economic crime, including the phenomena of money laundering and corruption, have over recent years grown to such an extent as to pose a serious threat not only to the economic and social stability of many countries and indeed the world, but even to the rule of law and democracy itself. Even the European Union has failed to stamp out corruption in its own affairs, particularly in the operation of the Common Agricultural Policy. This situation calls for much closer co-operation among countries the world over, and notably the member states of the Council of Europe, an organisation which has been in the forefront of this struggle for many years.

2. The Assembly therefore calls on the governments of member states of the Council of Europe to strengthen, as a matter of urgency, the Organisation's resources in its fight against economic crime, money laundering and corruption and to speed up their work in these fields, in line with the commitments made at the Conference of European Ministers of Justice in Prague in June 1997 and at the Council's 2nd Summit of Heads of State and Government held in Strasbourg in October 1997. Such enhanced political and material support is also needed in regard to other international organisations and initiatives in these fields.

3. Parallel to such international action, Council of Europe member states should strengthen, where necessary, their legislation in these domains, for instance by:

- 3.1. making it a criminal offence to belong to, or support, an association implicated in organised economic crime;
- 3.2. criminalising the laundering of proceeds from all serious crime;
- 3.3. intensifying financial investigations into criminal assets;
- 3.4. enabling confiscation, seizure or freezing of illicit assets from drug trafficking and other serious offences;
- 3.5. considering it a criminal offence if financial and non-financial institutions do not report suspicious transactions,
- 3.6. adapting legislation and regulations to the requirements of international co-operation.

4. Furthermore, the Assembly calls for the speedy signature and ratification by all Council of Europe member states of the numerous international conventions and agreements that already exist, and in particular the European conventions and, where applicable, protocols on:

- 4.1. Extradition (ETS Nos. 24, 86 and 98);
- 4.2. Mutual Assistance in Criminal Matters (ETS Nos. 30 and 99);
- 4.3. Information on Foreign Law (ETS Nos. 62 and 97);
- 4.4. Transfer of Sentenced Persons (ETS No. 112);
- 4.5. Insider Trading (ETS No. 130);

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1. Assembly debate on 28 January 1998 (5th Sitting) (see [Doc. 7971](#), report of the Committee on Economic Affairs and Development, rapporteur: Mrs Degn). Text adopted by the Assembly on 28 January 1998 (5th Sitting).



4.6. Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (ETS No. 141).

5. The Assembly calls for new strategies that permit the co-ordination of different financial investigations targeting the assets of organised economic crime. Such initiatives may require quick legal mechanisms to lift banking secrecy and various provisions under which bankers, judiciaries, accountants and lawyers may be compelled by judicial order to suspend their vow of professional confidentiality and produce bank records or other financial statements or, if necessary, give testimony. Consideration should also be given to the possibility for different countries having participated in a law-enforcement operation to share assets recuperated, insofar as they cannot be returned to their rightful owners.

6. Special attention should be given to economic crime, money laundering and corruption being undertaken in the rapidly growing field of electronic commerce, as studied particularly within the OECD. Co-operation between the Council of Europe and the OECD should be stepped up to accelerate the shaping of legislation and conventions in this field.

7. Member states should agree to draw up, within the framework of the Council of Europe, regular reports on the situation in their countries as regards economic crime, money laundering and corruption for joint examination within the Organisation, through a body which could advise countries on ways to improve the situation. Such a body should also be accessible to ordinary citizens in member states who feel affected by these ills. Finally, member states should consider introducing an ombudsman or commissioner at national level (where such a person does not exist already), or within existing regional or international organisations where available.

8. The Assembly invites member states which have not yet done so to join the Financial Action Task Force on Money Laundering (FATF) or at least to make use of its work. The new body mentioned in paragraph 7 above should also be entrusted with the task of monitoring and evaluating the anti-money laundering policies of all member states.

9. The Assembly also invites member states to include in their upper secondary school curricula the subject of organised crime and illicit economic activities in order to encourage prevention and offer citizens possible means, including individual means, of defending themselves.

10. The Assembly welcomes the agreement reached in November 1997 among the member countries of the OECD on a convention on combating bribery in international business transactions, including that of foreign public officials, and calls on all member states of the Council of Europe, including non-OECD members, to sign and ratify this open treaty as soon as possible.

11. Finally, the Assembly calls for as close a co-ordination as possible between the Council of Europe and the European Union in the fields mentioned, especially in view of future European Union enlargement.