



**Recommendation 1988 (2011)<sup>1</sup>**

Final version

## **The underground economy: a threat to democracy, development and the rule of law**

Parliamentary Assembly

1. The Parliamentary Assembly, referring to its [Resolution 1847 \(2011\)](#) on the underground economy: a threat to democracy, development and the rule of law, and to the outline priorities for Council of Europe activities in 2012-2013, invites the Committee of Ministers to draw the attention of the governments of member states to the proposals put forward by the Assembly in this respect and recommends that it:

1.1. instruct the competent intergovernmental committees to prepare studies on the situation of organised crime, on undeclared work and on the use by the member states of financial intermediation services through offshore centres;

1.2. put in place a European observatory for gathering data on counterfeit and substandard consumer goods that represent substantial risks to public health, with a view to facilitating the implementation of the Council of Europe Convention on Counterfeiting of Medical Products and Similar Crimes Involving Threats to Public Health (Medicrime Convention, CETS No. 211) and assessing the need for an additional protocol to this convention;

1.3. urge member states which are not members of the Organisation for Economic Co-operation and Development (OECD) to join the Working Group on Bribery in International Business Transactions and to subsequently adopt the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;

1.4. ensure that adequate budgetary and human resources are allocated to priority activities targeting the various forms of economic crime and any new action relating to the underground economy;

1.5. develop and strengthen co-operation between the Council of Europe and other international organisations, including the OECD, the World Bank, the European Union, the European Bank for Reconstruction and Development (EBRD), Europol, Eurojust, the United Nations, the International Labour Organization (ILO) and the International Organization for Migration (IOM) in order to facilitate interstate efforts to tackle underground economic activities and economic crime;

1.6. facilitate accession by the member states, the European Union and non-member states to the relevant Council of Europe conventions essential for intensifying co-operation to combat the underground economy and economic crime;

1.7. consider widening the scope of GRECO's 4th Evaluation Round in order to also cover the executive branch of governance vis-à-vis lobbyists and lobbying;

1.8. in the framework of the convention critical review process and in the light of new developments, examine the need to update the following conventions: the European Convention on Products Liability in regard to Personal Injury and Death (ETS No. 91), the Convention on Insider Trading (ETS No. 130)

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1. Text adopted by the Standing Committee, acting on behalf of the Assembly, on 25 November 2011 (see [Doc. 12700](#), report of the Committee on Economic Affairs and Development, rapporteur: Mr Pleskachevskiy).



and its protocol (ETS No. 133), the European Convention on Certain International Aspects of Bankruptcy (ETS No. 136) and the Convention on the Protection of the Environment through Criminal Law (ETS No. 172);

1.9. invite the member states that have not yet done so to sign and ratify the following conventions: the European Convention on the Legal Status of Migrant Workers (ETS No. 93), the European Convention on the Transfer of Proceedings in Criminal Matters (ETS No. 73), the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data (ETS No. 108) and its additional protocol (ETS No. 181), the Convention on Mutual Administrative Assistance in Tax Matters (ETS No. 127) and its amending protocol (CETS No. 208), the Convention on Cybercrime (ETS No. 185), the Criminal Law Convention on Corruption (ETS No. 173) and its additional protocol (ETS No. 191), the Civil Law Convention on Corruption (ETS No. 174), the Council of Europe Convention on Action against Trafficking in Human Beings (CETS No. 197) and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198).