The terrorist attacks in Paris demonstrated the ability of certain terrorist networks to secure underground funding, often in the form of small sums. Michel Sapin, Minister for Finance and Public Accounts, presents eight measures to counter terrorist financing this Wednesday, 18 March 2015.

**3 Pillars**

- Roll back anonymity in the economy to improve the tracking of suspicious transactions
- Step up financial stakeholders’ due diligence in countering terrorism
- Bolster capacities to freeze assets held by terrorism funders and players

**8 Measures**

“Money is always and everywhere the sinews of war: terrorists need vital funds to buy weapons, vehicles and arsenals. International action to counter terrorist financing is a bastion of peace and security in the world”

**MICHEL SAPIN, FEBRUARY 2015**

- **Reduce**
  - limits on cash payments
- **Freeze**
  - immovable and movable assets
- **Call on**
  - financial establishments for greater due diligence
- **Step up**
  - due diligence by currency exchange professionals
- **Report**
  - cash withdrawals and deposits over a certain sum
- **Monitor**
  - physical transfers of capital more closely on our borders
- **Roll back**
  - anonymity in the use of prepaid cards
- **Assign**
  - a key role to FICOBA and include Nickel-type accounts

Countering terrorist financing is also an international issue. Rallying our European and international partners to counter terrorist financing is high on the agenda and is the main purpose of the steps being taken by the Minister for Finance and Public Accounts in conjunction with our partners in the G20, the FATF and the European Union.
LIMITING THE USE OF CASH IN THE ECONOMY

Too much cash in circulation and anonymous means of payment in general restrict transaction traceability and encourage trafficking.

**3,000 € → 1,000 €**
For residents
Reduce the limit on cash payments authorised for natural persons and legal entities resident in France from €3,000 to €1,000.

**15,000 € → 10,000 €**
For non-residents
Reduce the limit on cash payments authorised for non-residents from €15,000 to €10,000.

**Withdrawals and Deposits ≥ 10,000 € = TRACFIN**
Cash deposits and withdrawals of over €10,000 in a single month will be automatically reported to TRACFIN.

**HOW AND WHEN?**
Entry into force on 1 September 2015 by means of an amendment to the French Monetary and Financial Code.

**A decree issued after consultation with the Conseil d’État will be published in the next few days and will come into force on 1 January 2016.**

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Certaines opérations financières réalisées à l’aide de carte prépayées ou de comptes de paiement ouverts auprès des buralistes (type « Nickel ») échappent trop largement aux vérifications d’identité.

The anonymous purchase, reloading and use of prepaid cards will be restricted further with ID required as of €250 on sales of all types of prepaid cards (compared with €2,500 for reloadable cards today) and as of €100 for cash withdrawals using these cards (as opposed to €1,000 today).

Nickel-type payment accounts will be included in the National Centralised Bank Accounts Register (FICOBA).

It is currently possible to change up to €8,000 in currency without having to produce ID.

ID will be required for all currency exchange transactions over €1,000.

ROLL BACK ANONYMITY

HOW AND WHEN?
With the incorporation of the 4th European “Anti-Money Laundering” Directive into French law on 1 January 2016.

HOW AND WHEN?
This type of account will be included in the FICOBA starting on 1 January 2016.

HOW AND WHEN?
A decree issued after consultation with the Conseil d’État will enter into force on 1 January 2016.
IMPLEMENTATION OF THE PLAN TO COUNTER TERRORIST FINANCING

1st HALF OF 2015
CONSULT sector stakeholders
FREEZE immovable and movable assets
CALL ON financial establishments for greater due diligence

1 SEPTEMBER 2015
REDUCE limits on cash payments

1 JANUARY 2016
REPORT cash withdrawals and deposits over a certain sum
ASSIGN a key role to FICOBRA and include Nickel-type accounts
MONITOR physical transfers of capital more closely on our borders
STEP UP due diligence by currency exchange professionals

END 2016
ROLL BACK anonymity in the use of prepaid cards