

ACTION PLAN TO COUNTER TERRORIST FINANCING



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

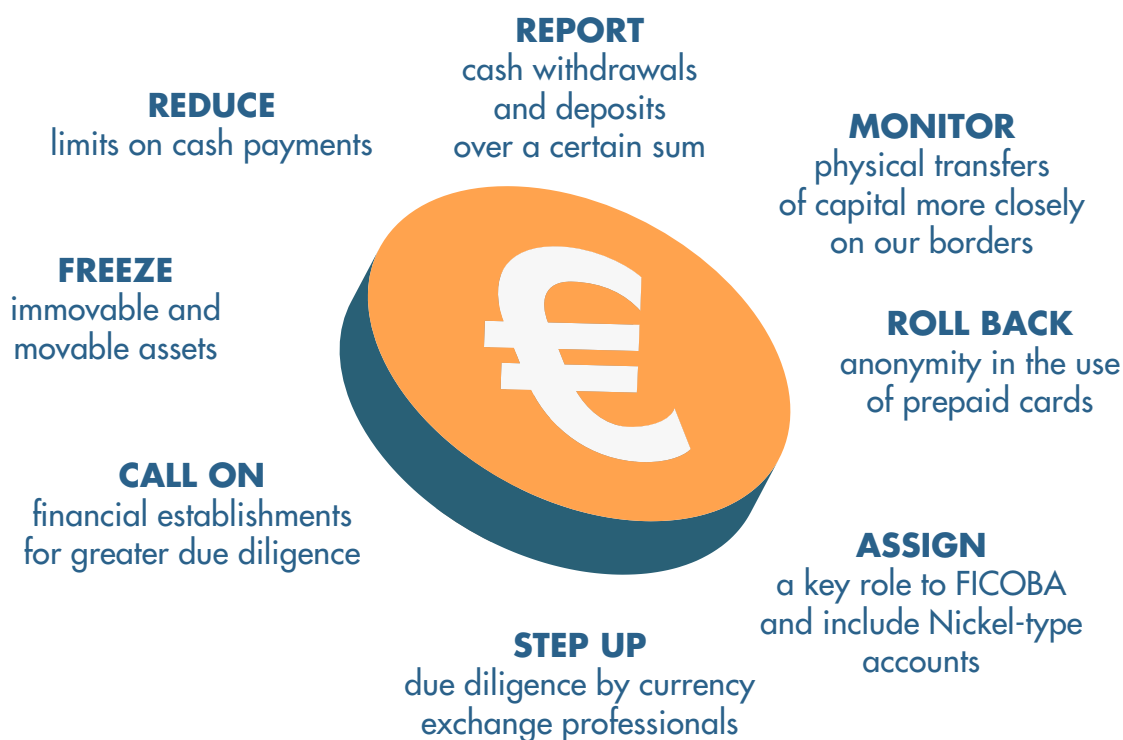


Bolster capacities to freeze assets held
by terrorism funders
and players

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



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**

HOW AND WHEN?

Entry into force on 1 September 2015 by means of an amendment to the French Monetary and Financial Code

**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?

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

ROLL BACK ANONYMITY

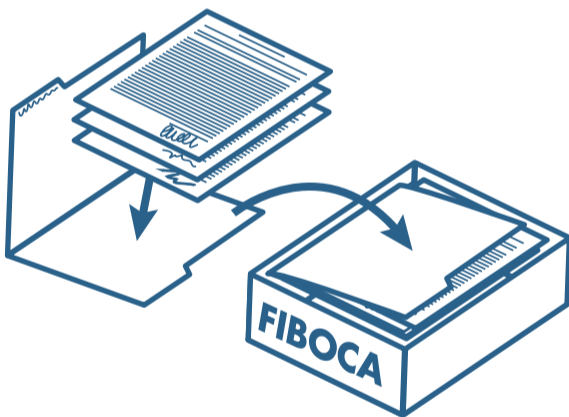


The anonymous purchase, reloading and use of prepaid cards will be restricted further with ID required as of **€250** on sales of all types of prepaid cards (compared with **€2,500** for reloadable cards today) and as of **€100** for cash withdrawals using these cards (as opposed to **€1,000** today)



HOW AND WHEN?

With the incorporation of the 4th European "Anti-Money Laundering" Directive into French law on 1 January 2016



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



HOW AND WHEN?

This type of account will be included in the FIBOCA starting on 1 January 2016



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**



HOW AND WHEN?

A decree issued after consultation with the Conseil d'Etat 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 FICOBA
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