Nature and scope of application of the EU Law on Financial Crimes

Synopsis

An investment in any financial or commercial sector with dirty money generated by the commission of any form of financial crimes such as bribery, corruption, tax evasion or fraud, organized crimes may potentially distort the investment climate in any country, region, etc. There are several legal measures adopted at the global, regional and national level to combat money laundering associated with such crimes.

The aim of this paper is to examine how the European Union (EU) is fighting financial crimes within its single market. It has a sophisticated and modern legal armory at its disposal to eliminate or at least minimize the risks to the investment climate resulting from the movement of dirty money. The overall objective of this EU initiative is not only to protect the sanctity and stability of its dynamic single market but also to generate and enhance confidence among investors and market operators that their investments are safe and secure from any form of corrupt or illegal practices. Having this overall objective in the background, this paper will critically examine the effectiveness of the relevant EU legal instruments and to further identify the provisions, which may have a universal application.