

The purpose of my thesis is to record the development of the legal regulations focused on the fight against the legalisation of the proceeds of crime with particular emphasis on the regulation within the European Union. I have chosen this topic because of the recency of money laundering phenomenon and the missing comprehensive outline of the development of the legal regulations in this area.

Money laundering may be loosely defined as all actions and procedures intended to conceal or disguise the source, nature, ownership or real beneficiary of the illicitly gained funds in order to create the impression that the proceeds have a legitimate source. If this process is successful, illicitly generated funds will seem to be absolutely legal and become easily available for the criminal.

The thesis is composed of six chapters. Chapter One is introductory and contains the basic information related to money laundering and illustrates the aims of my paper.

Chapter Two consists of two parts which characterises the very concept of money laundering. Part One contains various definitions of money laundering which can be found in law. Part Two describes the three stages of money laundering – placement, layering and integration and shortly demonstrates the methods usually used for money laundering (e. g. smurfing, money transfer between jurisdictions, mixture of sales arising out of common lawful business with proceeds of crime etc.).

Chapter Three deals with the activities of the most important international organisations involved in the fight against money laundering. This chapter is structured into four parts – each of them is dedicated to one organisation, i. e. United Nations Organization, Financial Action Task Force on Money Laundering, Council of Europe and Egmont Group.

Chapter Four represents the crucial part of my thesis because it contains the legal regulations within the European Union and is subdivided into six parts. This chapter pays attention especially to regulation in three Money Laundering Directives and provides the definitions of money laundering, criminal activity and description of duties imposed on obliged subjects. Following parts outline the third pillar legislation and other related legislation and the last part of this chapter presents the implementation of the Money Laundering Directives in Czech law.

Chapter Five deals with the realization of anti money laundering measures in practice in the Czech republic. Part One introduces the work of the Financial Analytical Unit which is responsible for receiving the suspicious transaction reports. Part Two explains the application of anti money laundering measures in banks and points out to most problematic practical situations.

Conclusions are drawn in chapter Six. I assume that European law consequentially reflects the obligations arising out of international law, in particular the FATF's recommendations. Although it is very difficult to evaluate the efficiency of anti-money laundering measures, I think that exercised measures makes the legalisation of the proceeds of crime difficult for organized crime.