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Technical Support Instrument (TSI)

23FR11 – DEVELOPMENT OF FINANCIAL INTELLIGENCE UNIT'S EXPERTISE FOCUSED ON DIGITAL FINANCE AND VIRTUAL ASSETS

Project Summary

Project title	Development of Financial Intelligence Unit's expertise focused on digital finance and virtual assets (23FR11)
Project area	France
Budget	416,667 EUR
Funding	European Commission DG REFORM (90%) and Council of Europe (10%)
Implementation	Economic Crime and Cooperation Division
Duration	24 months (1 September 2023 – 31 August 2025)

1. BACKGROUND

The Technical Support Instrument (TSI) is the European Union (EU) programme that provides tailor-made technical expertise to EU Member States to design and implement reforms. The support is demand-driven and does not require co-financing from Member States. The TSI is the successor programme of the Structural Reform Support Programme (2017-2020) and builds on its experience in building capacity in Member States.

In 2023, the European Commission's Directorate-General for Structural Reform Support (DG REFORM) continued its cooperation with the Council of Europe to support Member States in effectuating structural reforms in governance and public administration and the financial sector. The technical support will be provided under the conditions set in the Framework Contribution Agreement REFORM/IM2023/009. As part of this envelope and in order to contribute to reforms in EU Member States, the Economic Crime and Cooperation Division of the Council of Europe will be supporting as of September 2023 twelve EU Member States (Austria, Bulgaria, Czech Republic, Cyprus, Denmark, France, Hungary, Lithuania, Malta, Romania, Slovenia and Spain) in implementing anti-money laundering/countering terrorist financing (AML/CFT) reforms, as well as in supporting effective and uniform implementation of the EU sanctions' regime.

2. PROJECT IMPACT, OBJECTIVE AND OUTCOMES

The general objective of the Project is to support France in its efforts to implement reforms, which could encourage investment, increase competitiveness and assist in achieving sustainable economic and social convergence, resilience and recovery. The expected long-term effect of this Project (impact) is an enhanced AML/CFT regime in France in line with Financial Action Task Force (FATF) recommendations and the EU AML/CFT Directives.

More specifically, the Project shall contribute to enhancing the French Financial Intelligence Unit's – *Traitement du renseignement et action contre les circuits financiers clandestins (Tracfin)* – capacities and knowledge in the area of virtual assets and decentralised digital finance, therefore also allowing to enhance the quality of Tracfin's strategic and operational analysis functions. For this purpose, the Project will undertake a detailed analysis of Tracfin's and other European Member States FIUs' challenges and training needs in the area of virtual assets and digital finance. In addition, a set of induction level training courses will be organised for all Tracfin agents, followed by more advanced modules for certain agents, adapted not only to their level of expertise and duties, but also to the operational needs of the service. The training courses will be supplemented by additional workshops on targeted topics identified by Tracfin, as well as by training materials.

The Outcomes of the Project are:

Outcome 1	Enhanced general knowledge of digital finance and virtual assets in Tracfin.
Outcome 2	Enhanced capacities of Tracfin to apply new European regulations on digital finance and virtual assets.
Outcome 3	Enhanced digital investigation and analysis capacities of Tracfin and adaptation of operating procedures to digitalisation in finance.

3. IMPLEMENTATION ARRANGEMENTS AND CONTACTS

The Project is being implemented by the Economic Crime and Cooperation Division (ECCD) within the Action against Economic Crime Department, Directorate General I Human Rights and Rule of Law of the Council of Europe. The national coordination for the beneficiary country is conducted by *Traitement du renseignement et action contre les circuits financiers clandestins (Tracfin)*.

Economic Crime and Cooperation Division EU Member States and Neighbourhood Unit Council of Europe F-67075 Strasbourg, Cedex FRANCE	Edmond DUNGA Head of Unit Council of Europe Tel: +33 3 90 21 66 52, e-mail: edmond.dunga@coe.int
	Sabina SINJEREAN Junior Professional Council of Europe Tel: +33 3 88 41 24 93, e-mail: sabina.sinjerean@coe.int