



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 2 September 2009

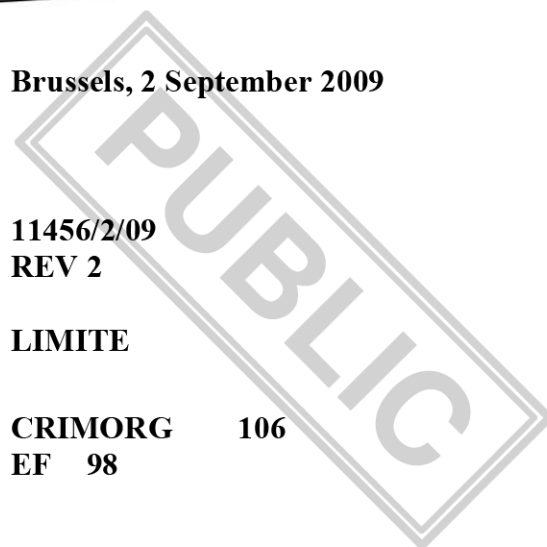
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NOTE

from : Presidency
to : Delegations

Subject : Draft Council Conclusions on the European Financial Coalition and national
 financial coalitions against child pornography on the Internet

Following the discussion at the meeting of the Multidisciplinary group on organised crime (MDG) of 1 September 2009, delegations will find attached revised draft Council Conclusions on the European Financial Coalition and national financial coalitions against child pornography on the Internet.

The Presidency invites the Article 36 Committee to agree on the attached text, so that it can be submitted to Coreper/Council for adoption.

The COUNCIL,

CONSCIOUS OF the fact that every child pornographic image constitutes a criminal offence, where a child's integrity and rights are being violated and which could produce long-term physical, psychological and social harm.

BEARING IN MIND that sexual exploitation of children has increased exceedingly during recent years facilitated by the rapid development of internet as a communication technology.

MINDFUL OF the fact that nowadays sexual exploitation of children on the internet is technologically simple, low risk and extremely profitable.

AWARE that established world-wide payment systems as well as new and emerging payment mechanisms that are beyond the traditional reach of banks and payment service providers (e.g. prepaid SIM cards, prepaid gift cards, specific internet environment means of exchange) are being misused to purchase access to child pornographic images on-line.

CONVINCED that meeting the challenges in relation to internet as a communication technology in the EU is a shared responsibility and requires the full commitment of all stakeholders, built upon trusted partnership and mutual interest.

TAKING INTO ACCOUNT the Council Decision of 29 May 2000 to combat child pornography on the Internet, which requires Member States to engage in constructive dialogue with industry and to examine appropriate measures to eliminate child pornography on the Internet.

BEARING IN MIND the Council Framework Decision 2004/68/JHA of 22 December 2003 on combating the sexual exploitation of children and child pornography, and to the proposal of the Commission of 25 March 2009 for a Framework Decision on combating the sexual abuse, sexual exploitation of children and child pornography, repealing Framework Decision 2004/68/JHA, and that aims to reinforce existing measures, including the prosecution of offenders, the protection of victims, and the prevention of the phenomena of child sexual abuse, sexual exploitation of children and child pornography.

RECALLING the Commission communication of 22 May 2007 to the Council, the European Parliament and the Committee of the Regions "Towards a general policy on the fight against Cyber crime" which puts an emphasis on the need to further strengthen the dialogue with the private sector.

BEARING IN MIND that the European Commission included the development of actions in this field as one of the short term measures in the Communication "Towards an EU Strategy on the Rights of the Child (July 2006): *"To support the banking sector and credit cards companies to combat the use of credit cards when purchasing sexual images of children on the internet."*

TAKING INTO ACCOUNT the Council Conclusions of 27-28 November 2008 on a Concerted Work Strategy and Practical Measures against Cybercrime.

TAKING INTO ACCOUNT the Prague Declaration on "A new European approach for a safer Internet for children", which was adopted at the Inter-Ministerial Conference, held in Prague on 20 April 2009.

NOTING THAT in March 2006, the International Centre for Missing and Exploited Children (ICMEC), launched a “Financial Coalition” in the United States of America, with an aim to “eradicate commercial child pornography by following the money flow and closing down payment accounts used by merchants”. It has gathered twenty-nine of the world’s most prominent financial institutions and internet industry leaders and made tangible progress in the fight against this problem.

WELCOMING the launch of the European Financial Coalition for combating the distribution of child sexual abuse images in March 2009 aimed at developing an effective European response to further enhance the global effort to eradicate this crime. The European Financial Coalition is law-enforcement led and consists of essential partnerships with financial payment service providers, industry, banks, internet service providers, EUROJUST, EUROPOL and NGOs. The initiative is primarily funded by the European Commission under the Prevention of and Fight against Crime (ISEC) Programme for 2009.

BEARING IN MIND that the European Financial Coalition aims to bring together all stakeholders involved in the fight against the sale and distribution of child pornographic images in order to facilitate properly coordinated law enforcement and other complementary disruption activities with cross-sector solutions. It will ultimately help to:

- Identify, locate and safeguard victims;
- Identify, locate and arrest perpetrators;
- Identify, trace and seize assets of offenders;
- Develop and utilise complementary disruptive activities;
- Educate, inform and empower key stakeholders.

NOTING that the cornerstone functions of the European Financial Coalition would be those of intelligence development, enforcement and disruption, which includes the development of a joint operational infrastructure involving key public and private stakeholders to effect and achieve Coalition objectives.

BEARING IN MIND the necessity to ensure the privacy protection of persons using world-wide payment systems for legal purposes and to provide for the protection of the data exchanged.

CALLS UPON THE MEMBER STATES TO

1. Consider becoming members of the European Financial Coalition.

2. Promote the establishment of national financial coalitions against child pornography on the internet or equivalent measures to that effect and to this end develop policies and undertake measures reinforcing a multi-stakeholder approach with a view to bring together collective skills and abilities in a collaborative effort to fight the sexual exploitation of children, such as:
 - ensuring that victim identification processes are prioritised, developed and defined;

 - implementing a monitoring system with the support of parties involved in internet payment systems and hampering the merchant side of this growing business;

 - assisting financial service providers (more specifically credit card companies, banks and other payment providers) and internet or e-mail service providers to combat the abuse of their systems for purchase of child pornographic images by instigating governance procedures and appropriate amendments to terms and conditions that will enable the isolation of offenders and frustrate the consumer side of the problem;

 - involving economic stakeholders (financial service providers, banks and internet service providers) in the development of coordinated strategies, ultimately allowing law enforcement to trace and arrest offenders who profit from the distribution;

 - developing a model memorandum of understanding for signing up of financial service providers with law enforcement;

- using emerging intelligence and operational insights on the nature of offending behaviours to help the financial industry develop robust responses to the problem.
 - conducting studies and analysis of the phenomena while giving consideration to the development of new methods of payment which may increasingly be used to purchase child pornographic images on-line.
3. Support the efforts to co-ordinate the activities of national financial coalitions in connection with the European Financial Coalition in order to expand its potential to combat the crime of sexual exploitation of children on the internet as outlined above.
4. Exchange best practices and share experiences in the field in order to step up the cross-sector and cross-border cooperation, including through European bodies such as EUROJUST and EUROPOL.

CALLS UPON THE EUROPEAN COMMISSION TO

1. Continue its support towards an operative European Financial Coalition against child pornography on the internet.
2. Provide progress reports to the Council on the development of the European Financial Coalition as appropriate.
3. Facilitate the study of new emerging payment systems on the internet, for example the use of prepaid accounts, that are beyond the control of financial institutions such as banks and credit card issuers.
4. Involve in the European Financial Coalitions the newly identified stakeholders that control payment systems on the Internet next to financial institutions such as banks and credit card issuers.