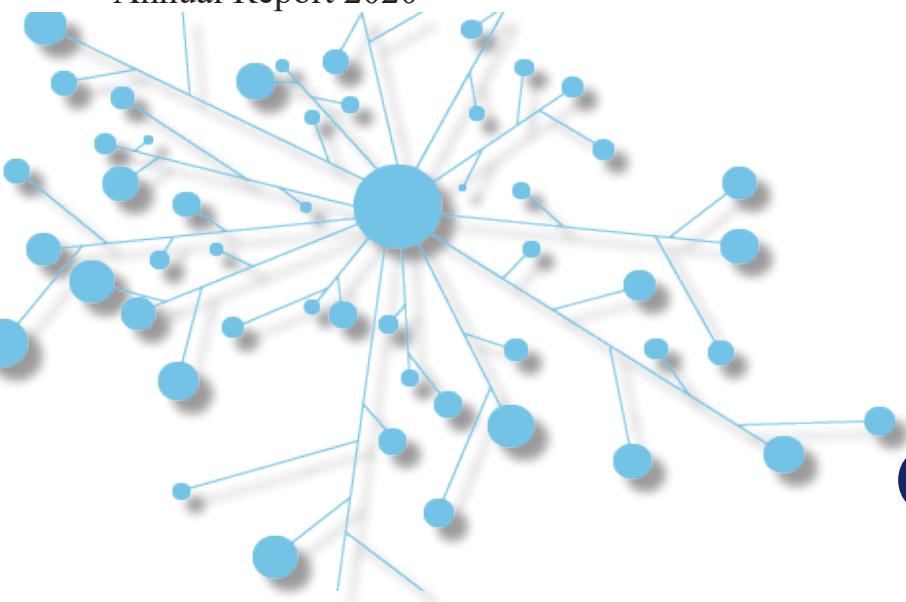


# ANNUAL REPORT 2020



## OFFICE FOR PREVENTION AND FIGHT AGAINST MONEY LAUNDERING

CHISINAU, REPUBLIC OF MOLDOVA



# CONTENT

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## 01

P 1 - 5

### Progresses

1.1 The evolution of national policies

1.2 Legal Framework

1.3 Deoffshorization of economic sectors

## 02

P 6

### Risk Assessment

## 03

P 7 - 12

### Operational

### Analysis

3.1 The financial-banking sector

3.2 The financial non-banking sector

3.3 Designated Non-financial Businesses and Professions

3.4 Financial investigations and disseminations



**04**

P 13 - 14

---

## **Supervision and Compliance**

**4.1 Supervision measures**

**4.2 Compliance measures**

**05**

P 15 - 20

---

## **National Cooperation**

**5.1 Exchange of information**

**5.2 Ensuring transparency**

**06**

P 21 - 24

---

## **International Cooperation**

**6.1 The exchange of information**

**6.2 The V<sup>th</sup> round of evaluation by the  
MONEYVAL Committee**

**6.3 TWINNING Project**

# 01 Progress

## 1.1 The evolution of national policies

**The National Strategy on preventing and combating money laundering and terrorist financing of the years 2020-2025 and the Action Plan for its implementation.**



The unitary national policy in the area of preventing and combating money laundering and terrorist financing has been promoted in the Republic of Moldova since 2007, being expressed by streamlining the efforts of all authorities with direct and indirect competences in this area - actions found in 3 consecutive strategies, adopted by:

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Government Decision no. 632/2007;

§

Government Decision no. 790/2010;

§

Law no. 130/2013.

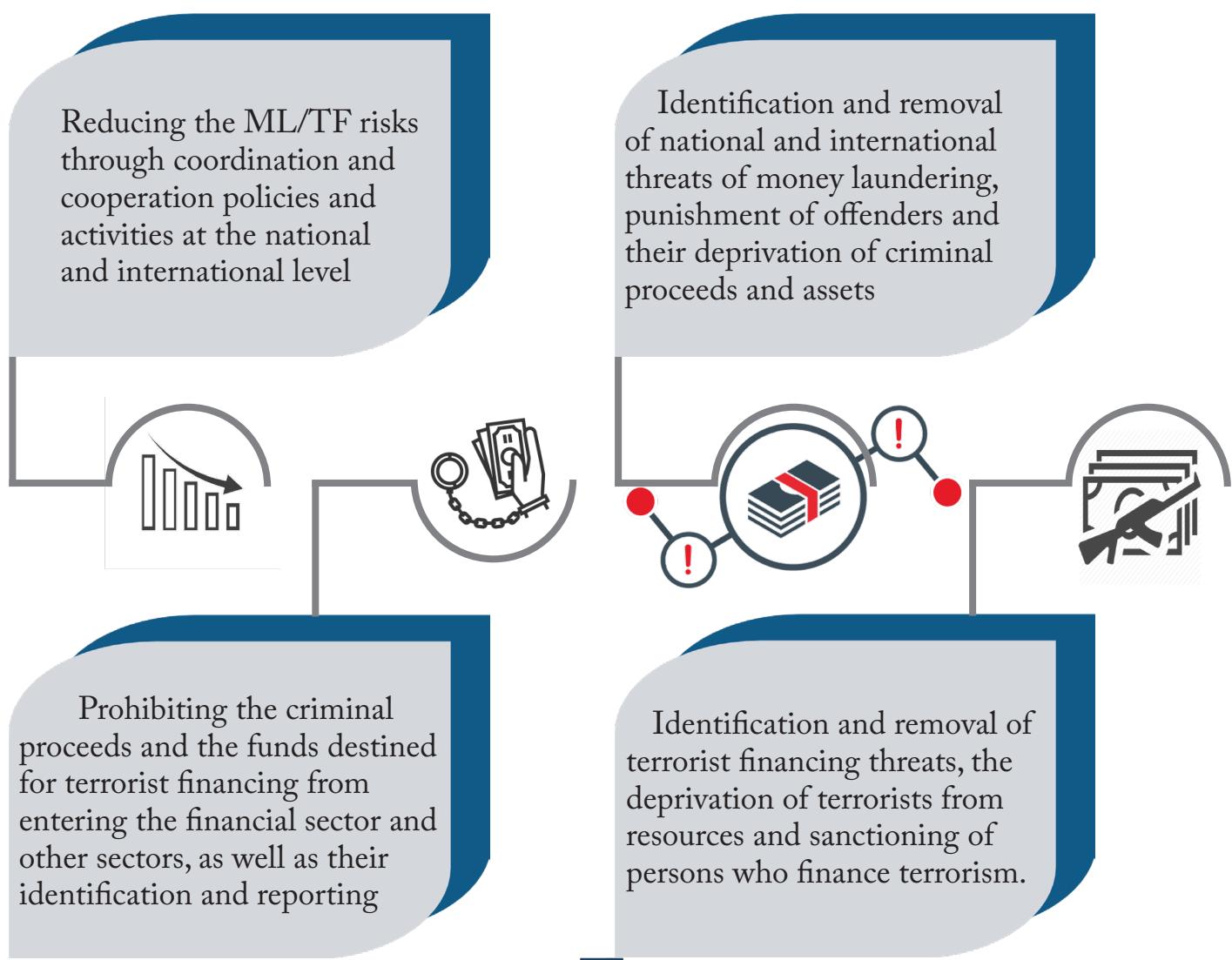
In the beginning of 2020, was initiated the project of a new National AML/CFT Strategy for 2020-2025 and the Action Plan for its implementation with the support of the CLEP project. In the process of development and finalization of the mentioned Strategy, an important factor was the assessment process of the national AML/CFT system of the Republic of Moldova by the MONEYVAL Committee. Based on the opinion of the evaluation team, were formulated conclusions on the situation in each mentioned sector and prepared recommendations on the actions to be taken in order to recover certain issues that need optimization. The recommendations of the MONEYVAL Committee experts and other optimization proposals motivated on drafting the mentioned Strategy, which is a 6-year medium-term public policy document.

Thus, based on result of the made efforts, was adopted:

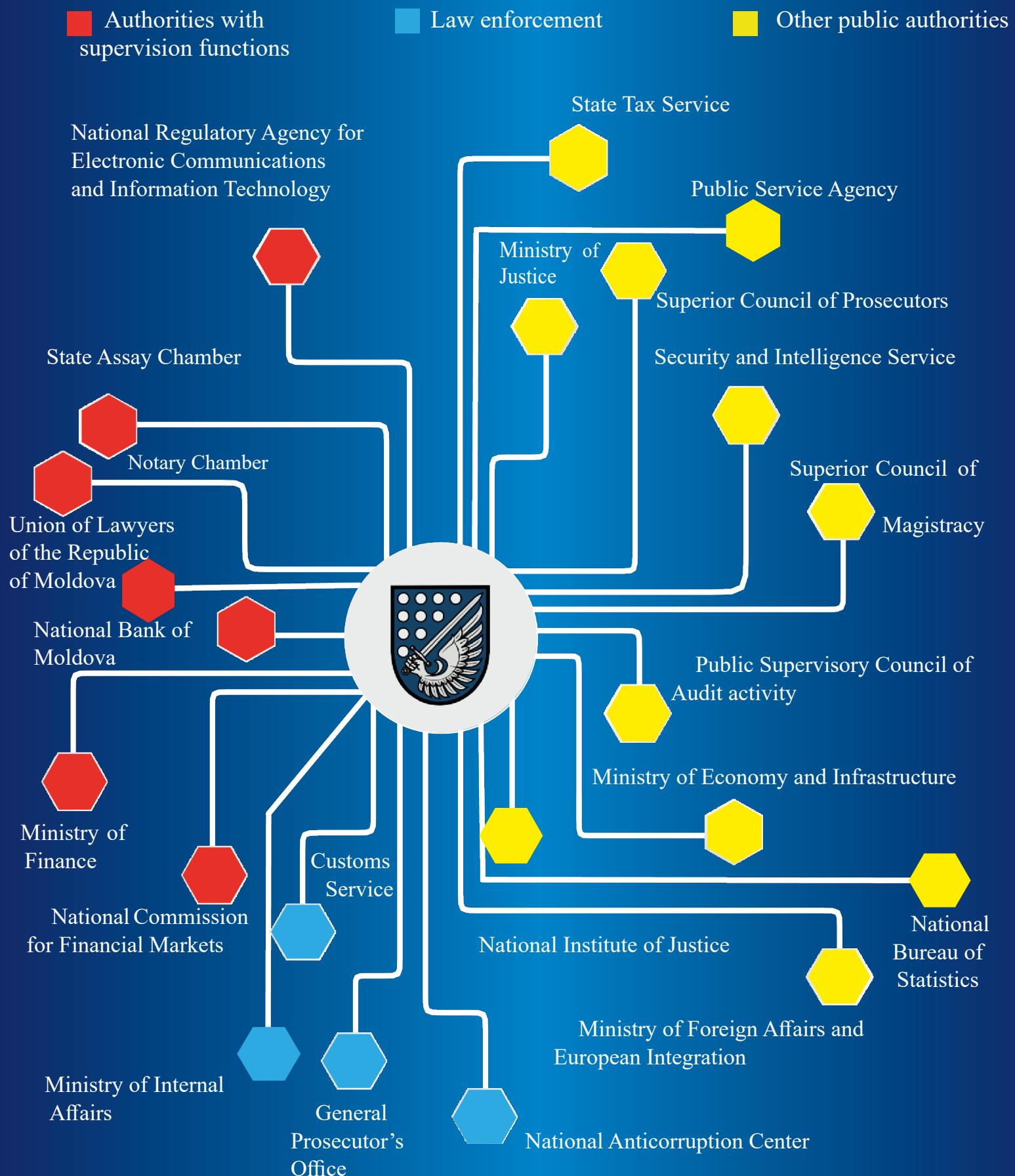


The National Strategy on preventing and combating money laundering and terrorist financing of the 2020-2025 years and the Action Plan for its implementation by the Parliament Decision no. 239/2020.

The Strategy is focused on the achievement of the 4 main objectives by 23 national authorities, as follows:



OPFML is the authority responsible for monitoring the implementation of the Action Plan, and annually until February 1-st presents to the Parliament and Government the Report on the implementation of the Strategy for the last year.



## 1.2 Legal Framework

During 2020, in order to ensure compliance with the requirements of international standards in the area, were developed and adopted several draft normative acts in the AML/CFT area. The most relevant are related to building the sanctioning regime in accordance with the provisions of art. 58-62 of the Directive 2015/849 and FATF Recommendation 35. Thus, the sanctioning regime is regulated by two normative acts adopted in 2020 year:

Law no. 75/2020 on AML/TF infringements detection procedure and means of sanctions' application.

That law establishes the procedure of finding at the reporting entities the infringements of the AML/CFT legislation, as well as the manner determining the control procedure, the facts that are infringements of the law, the mitigating and aggravating circumstances in the determination of sanctions, types of sanctions applied and the appeal proceedings.

Thus, the Law no. 75/2020 is an innovative normative act for the Republic of Moldova which establishes specific procedures for finding infringements committed by reporting entities and includes the manner by individualization and application of fines.

It should be noted that, by adopting the mentioned law, were repealed the articles of the Contravention Code, to prevent sanction duplication for the same infringements.

Regulation of carrying out the control procedures for reporting entities, the individualization and application of the sanctions for acts constituting violations of the provisions of the legislation on AML/CFT approved by OPFML Order no. 50/2020.

The aim of the Regulation is to establish rules for carrying out the control procedures by OPFML to reporting entities and the method of individualisation, the type and amount of sanctions that can be applied to reporting entities for acts which constitute infringements of the provisions of the legislation according to the competence established in art. 4 of the Law no. 75/2020.



## 1.3 Deoffshorization of economic sectors

The year 2020 was marked by the intention of the Moldovan Parliament to deoffshore the sectors of the economy that interact with or use public funds and resources.

On November 27, 2020, was adopted the Law no. 215/2020 modifying and supplementing several legislative acts directly related to the administration and privatization of public property, public-private partnership, public procurement, subsidization of agricultural development, concession of services and works in order to eliminate economic operators that do not meet international standards of transparency.

Thus, starting with March 25, 2021, all public institutions competent to manage the processes mentioned above will ensure the non-admission of non-transparent economic operators registered in off-shore jurisdictions, with nominal directors to participate in state-funded economic processes.

The role of OPFML is to create the Methodology of listing of jurisdictions and the list of jurisdictions that do not implement international standards of transparency, which further is approved by the Government of the Republic of Moldova.

In this regard, OPFML initiated the accumulation of the EU experience through the Twinning project and the European Union High Level Adviser on prevention and combating of ML/TF in order to build a correct, fair and efficient model of identification and listing processes.



## 02 Risk Assessment

The National Risk Assessment process in the ML/ FT area, which restarted in 2020 and covers the 2017-2019 years period, aims to establish national threats and vulnerabilities. In this process, the Republic of Moldova uses the World Bank methodology, in order to maintain the consistency and approval of previously collected data in the 2017 risk assessment.

Thus, according to this methodology, the process will be repeated every 3 years, in three stages: accumulation of data and statistics, analysis and evaluation of the obtained data, preparation of the final report and the action plan necessary to mitigate the identified risks.

Having the experience from the first National Risk Assessment of 2017, the data accumulation forms and questionnaires have been optimized and the coordination process has been improved in order to update the risks and multidimensional assess the threats and vulnerabilities in the area. In order to streamline



the process, with the support of the CLEP project were organized trainings for the all national stakeholders.

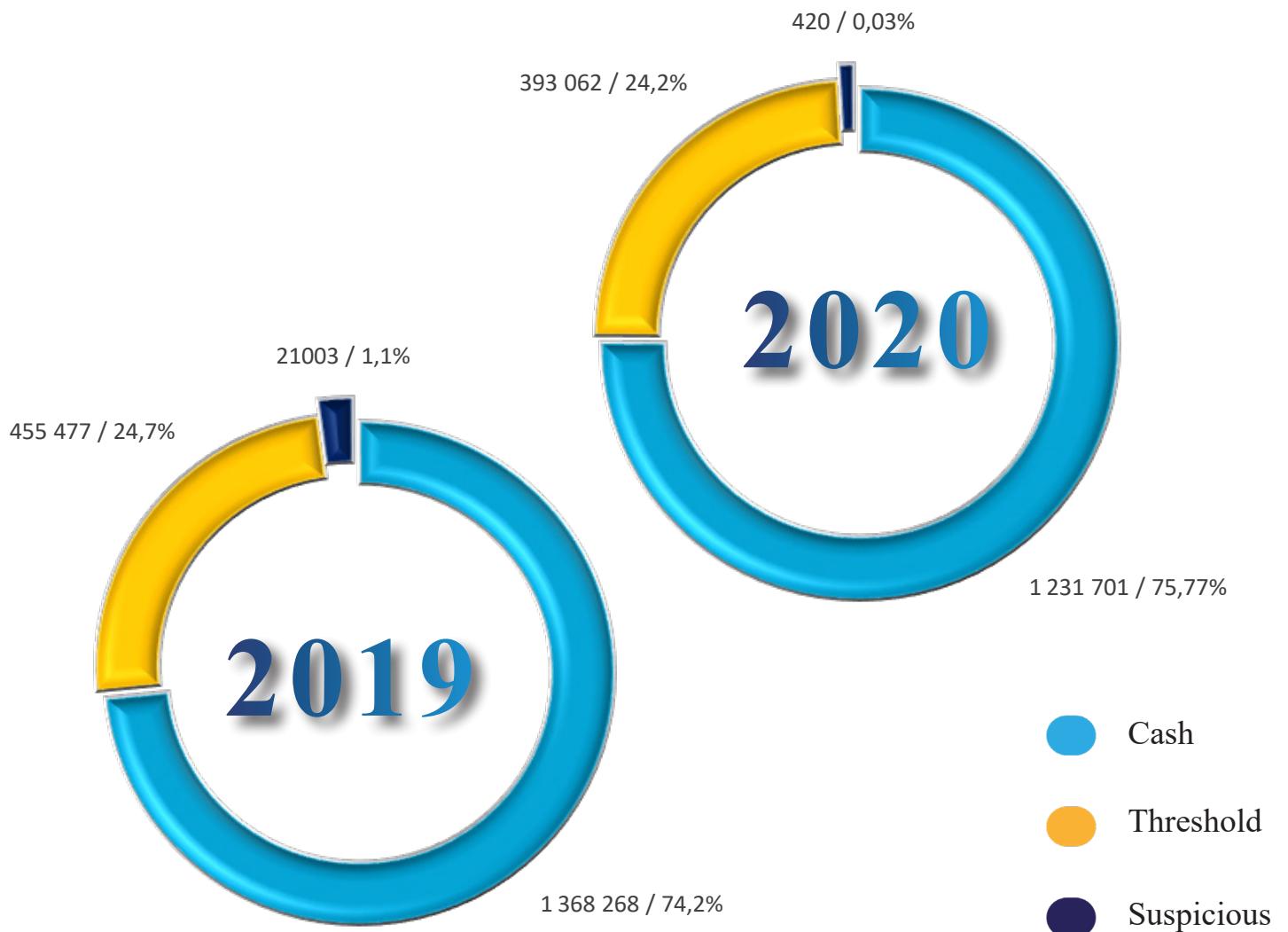


## 03 Operational Analysis

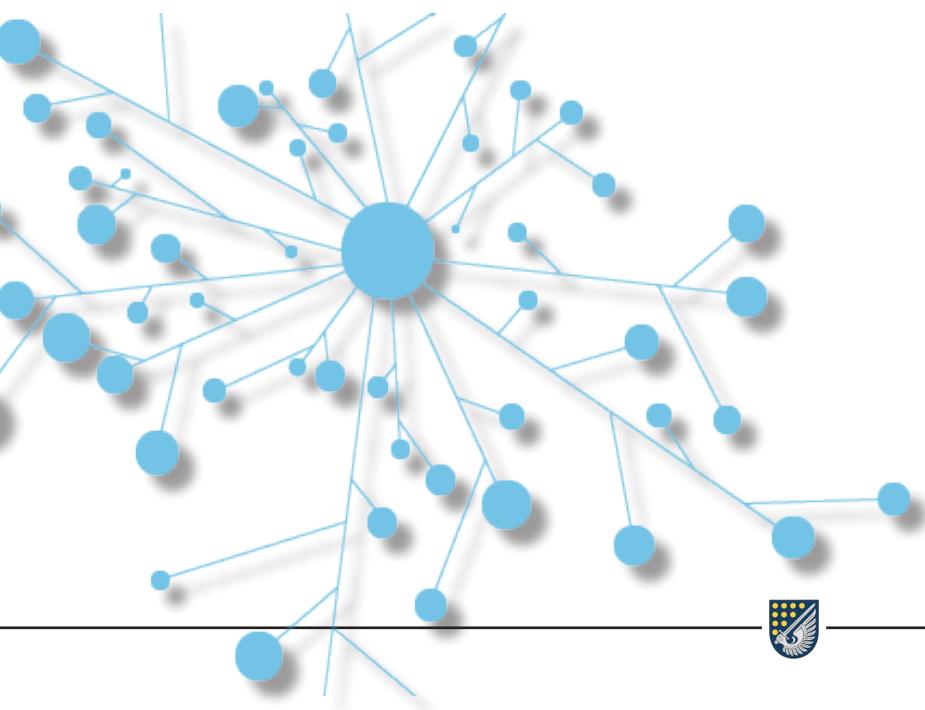
OPFML receives, records, analyses, processes and submits to competent authorities the information regarding the suspicious activities and transactions of money laundering, associated offences and terrorism financing and proliferation of weapons of mass destruction.

### 3.1 The financial-banking sector

During 2020, OPFML received from the financial-banking sector 420 suspicious transactions, 393 062 threshold transactions and 1 231 701 cash transactions.

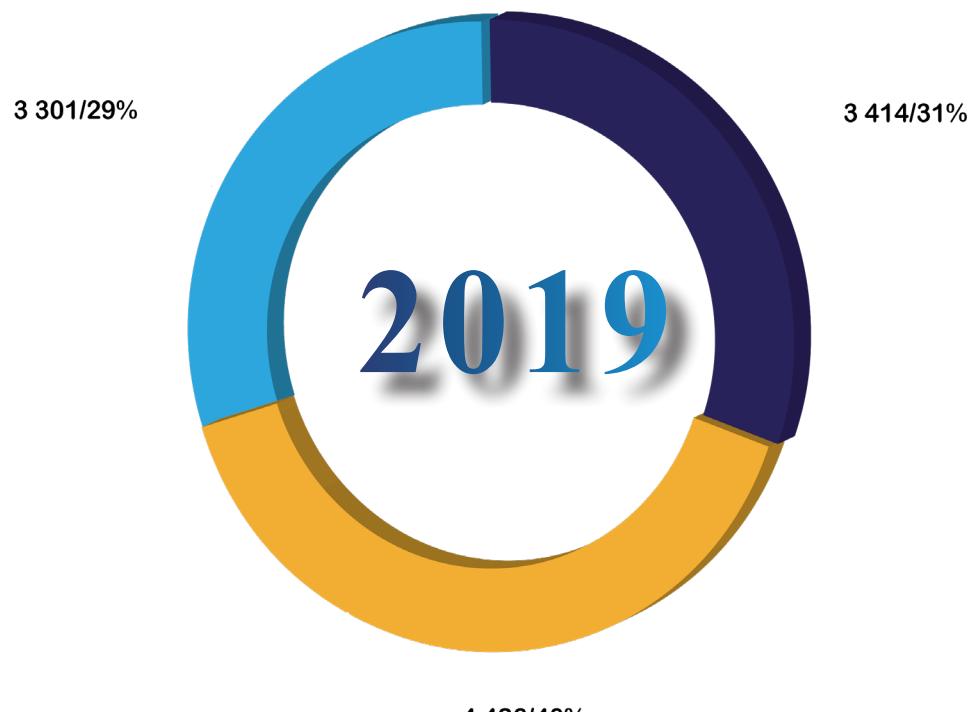
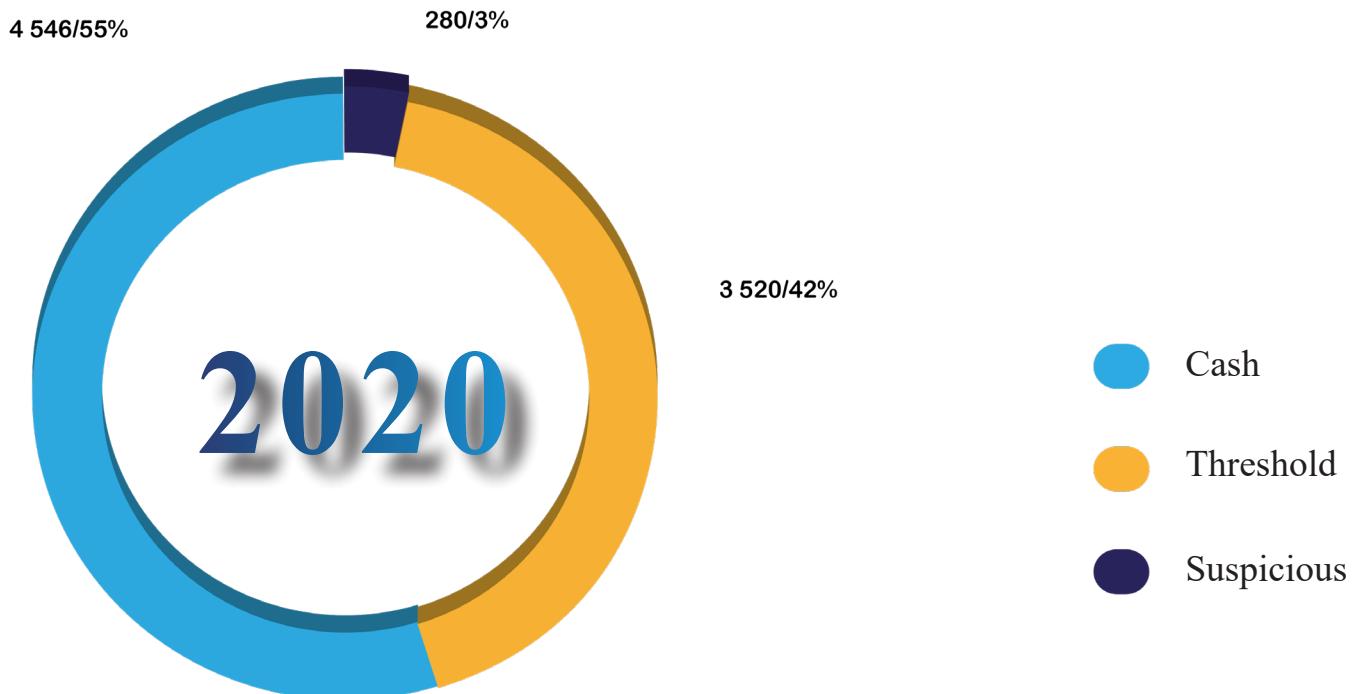


There is no substantial difference between number of cash and threshold transactions in 2020 compared to 2019, but the suspicious ones decreased 50 times, which demonstrates that the reporting entities have focused to the risk-based approach according to recommendations to orient the reporting system from quantity to quality.



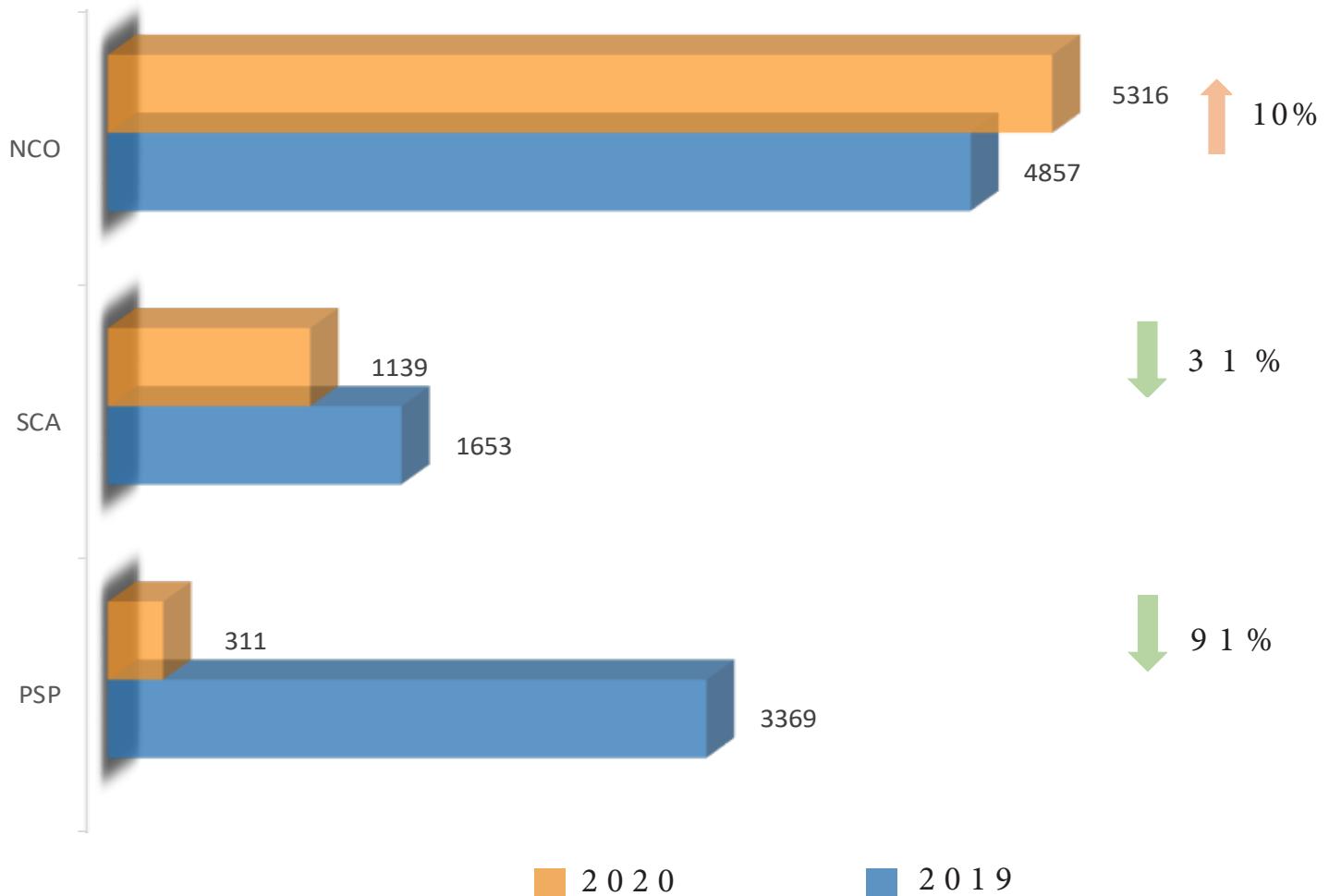
### 3.2 The financial non-banking sector

During 2020, a total of 7786 transactions from the financial non-banking sector were reported, of which 280 suspicious transactions, 3 520 - threshold and 4 546 - in cash.



A similar situation is attested in the financial non-banking sector, where the number of suspicious transactions reported in 2020 decreased 12 times compared to 2019.

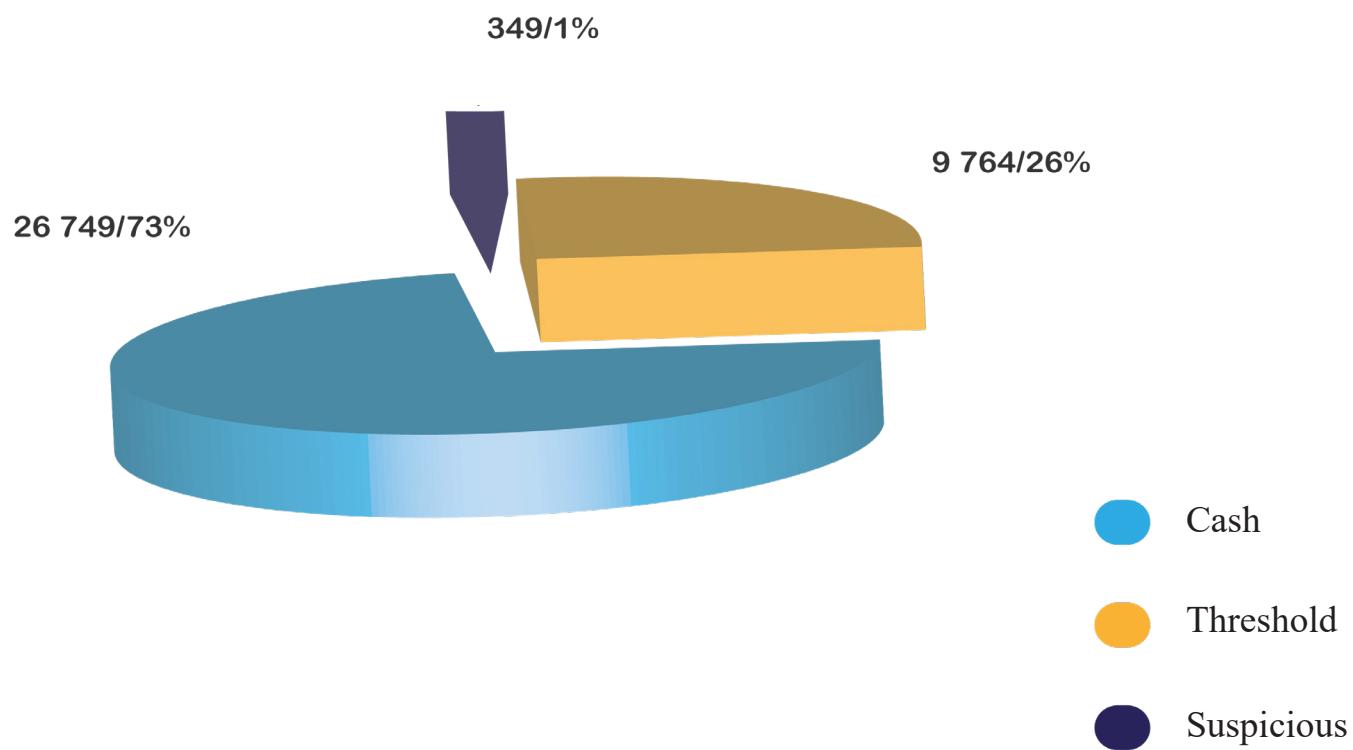
In this context, the largest share in the transactions reported during the years 2019-2020 were those received from non-bank credit organizations, savings and credit associations, and payment service providers.



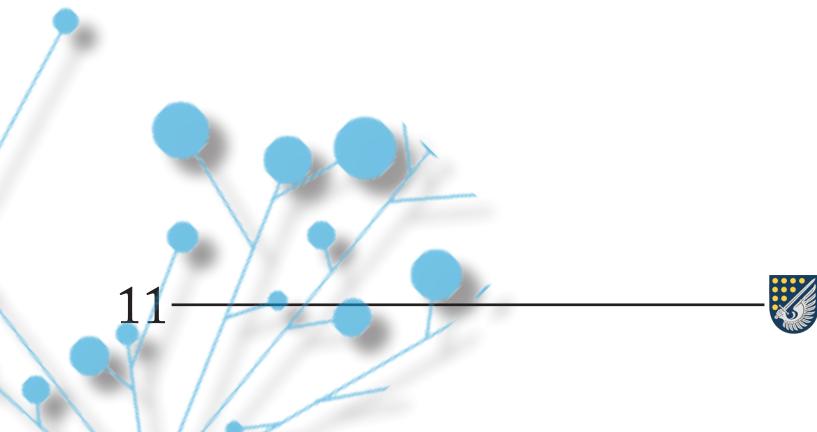
Thus, in 2020 was registered a decrease in reported transactions by 21%, the main difference was for payment service providers with over 90% off.

### 3.3 Designated Non-financial Businesses and Professions

During 2020, a total of 36 859 transactions were reported from the DNFBP's, of which 349 suspicious transactions, 9 764 - threshold and 26 746 - cash.

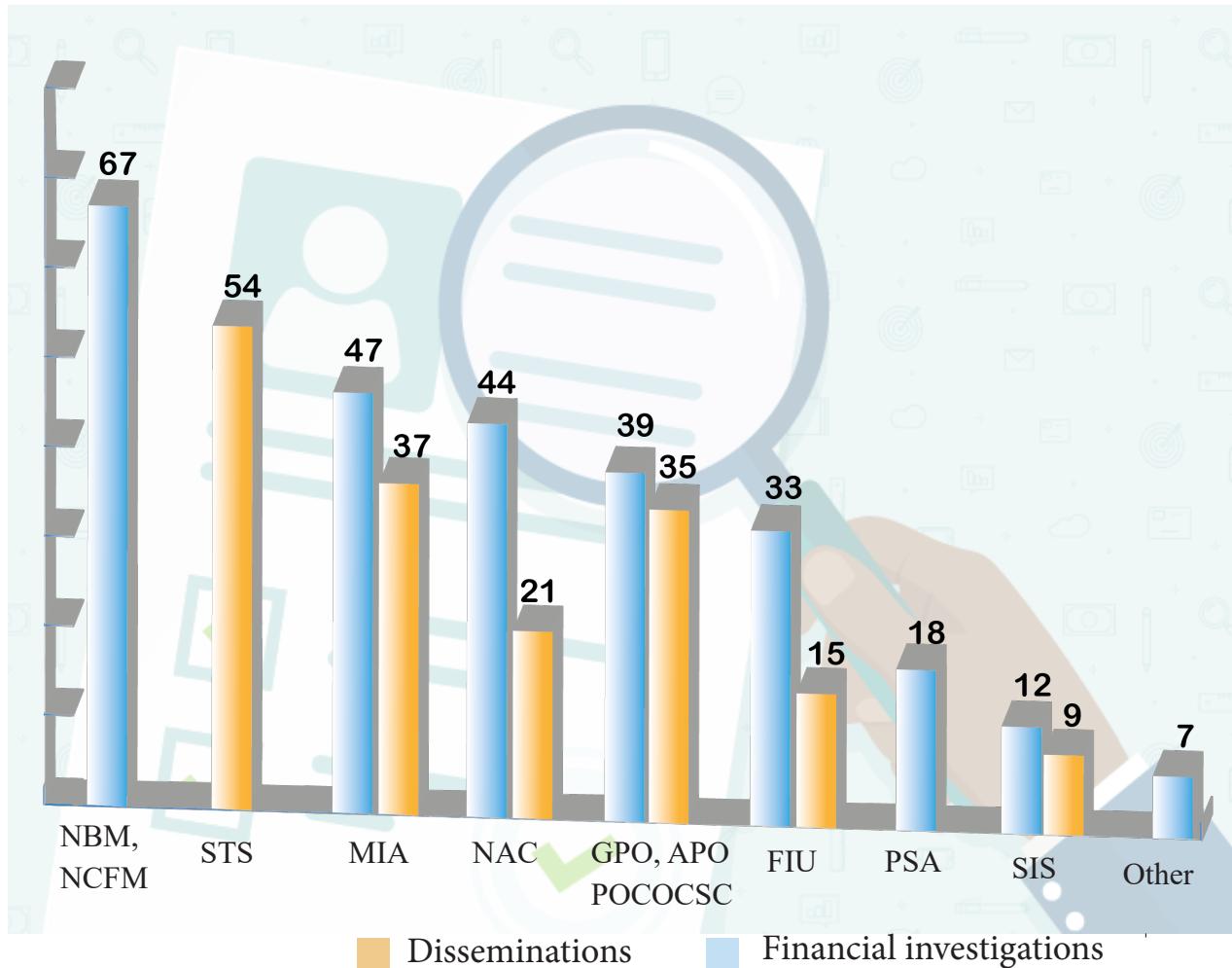


It should be mentioned that 31 764 transactions or 86% were reported by lawyers and notaries, and 4023 transactions or 11% by natural and legal persons who sells goods in the amount of at least 200 000 MDL or its equivalent in cash.



### 3.4 Financial investigations and disseminations

During 2020, OPFML issued 285 analytical notes, subsequently 267 financial investigations were performed on suspicious money laundering transactions and associated crimes, which resulted in 171 disseminations to different competent institutions, law enforcement agencies.



Following the financial investigations and analytical notes, were initiated 99 monitoring processes regarding the identified suspicious transactions and activities, out of which 38 are monitored during an established period of time and 61 are monitored continuously, the total number represents an increase of over 4% compared to 2019.

### Provisional measures

During 2020, OPFML in order to implement effective measures for the identification, tracing, freezing, seizing and confiscation of goods obtained from money laundering, terrorist financing, proliferation of weapons of mass destruction and related crimes, applied provisional measures on financial means in bank accounts amounting to 22.3 million MDL, 1 million EUR and 4 million USD.

# 04 Supervision and Compliance

## 4.1 Supervision measures

During 2020, OPFML organized 8 seminars in order to provide trainings to reporting entities for representatives of real estate agencies, related to the implementation of the provisions of the AML/CFT legislation and new regulations on the application of sanctions for infringements.

Also, with the support of the CLEP project, was organized the training course "Training of Trainers" for lawyers, representatives of the real estate and notary sector on the application of the provisions of the training manual in the area.

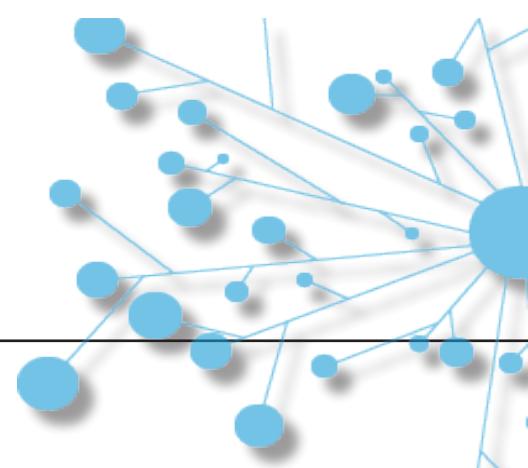
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Funded  
by the European Union  
and the Council of Europe



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Implemented  
by the Council of Europe



## 4.2 Compliance measures

OPFML, in the context of exercising the supervision the compliance duties, at the request of the authorities with supervisory functions or ex officio, identified cases of infringement of the AML/CFT legislation by the reporting entities, as follows:

Failure to apply due diligence measures to identify and verify the identity of the customer, of the beneficial owner, to obtain and assess the information, ensure the monitoring process, as well as failure to use the information belonging to third parties.

Failure to identify the politically exposed person, his/her family members and the associated persons

Failure to inform the OPFML within the set deadlines about suspicious activities or transactions, cash transactions and wire transfers.

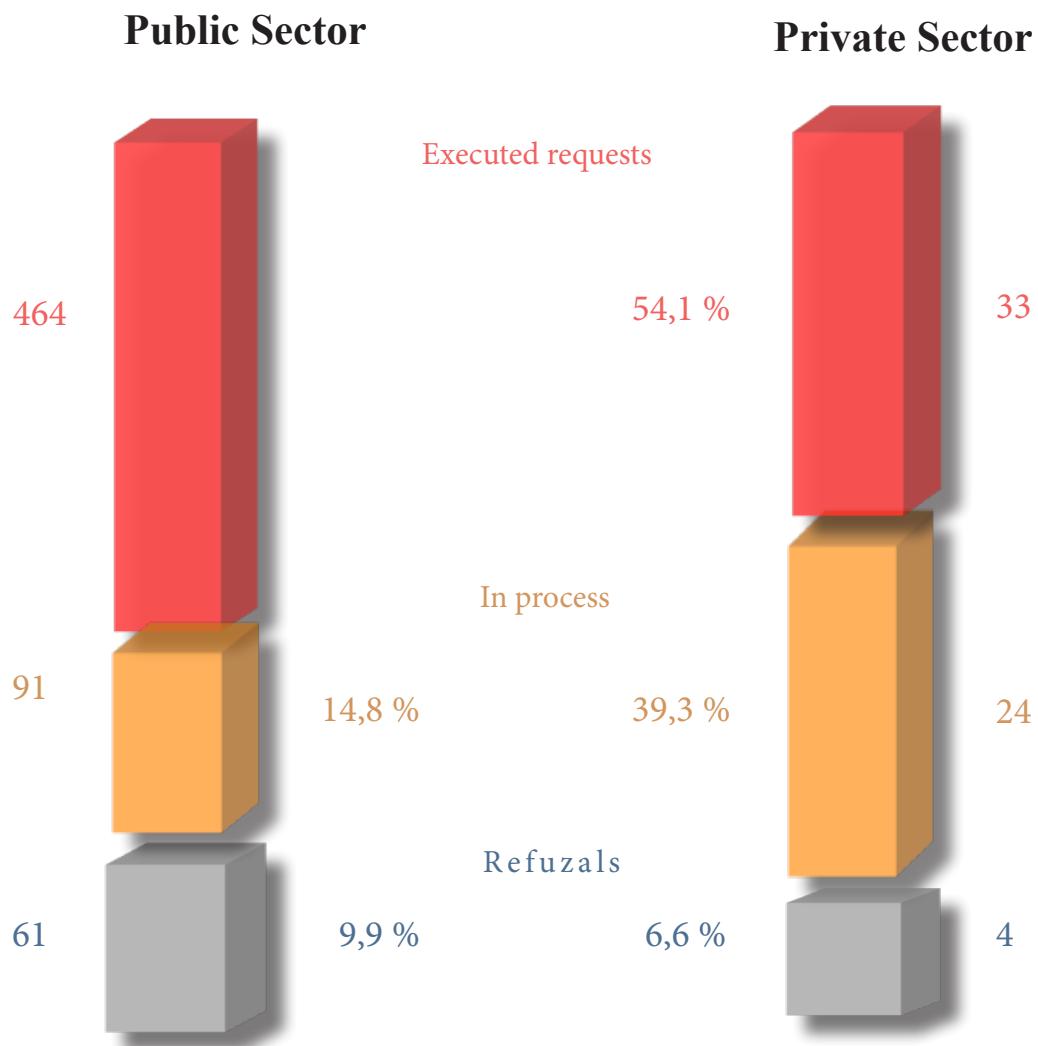
In this context, for the detected infringements, OPFML, in accordance with the provisions of the Contravention Code, issued 17 protocols, being applied sanctions in the total amount of 766 thousand MDL.



# 05 National Cooperation

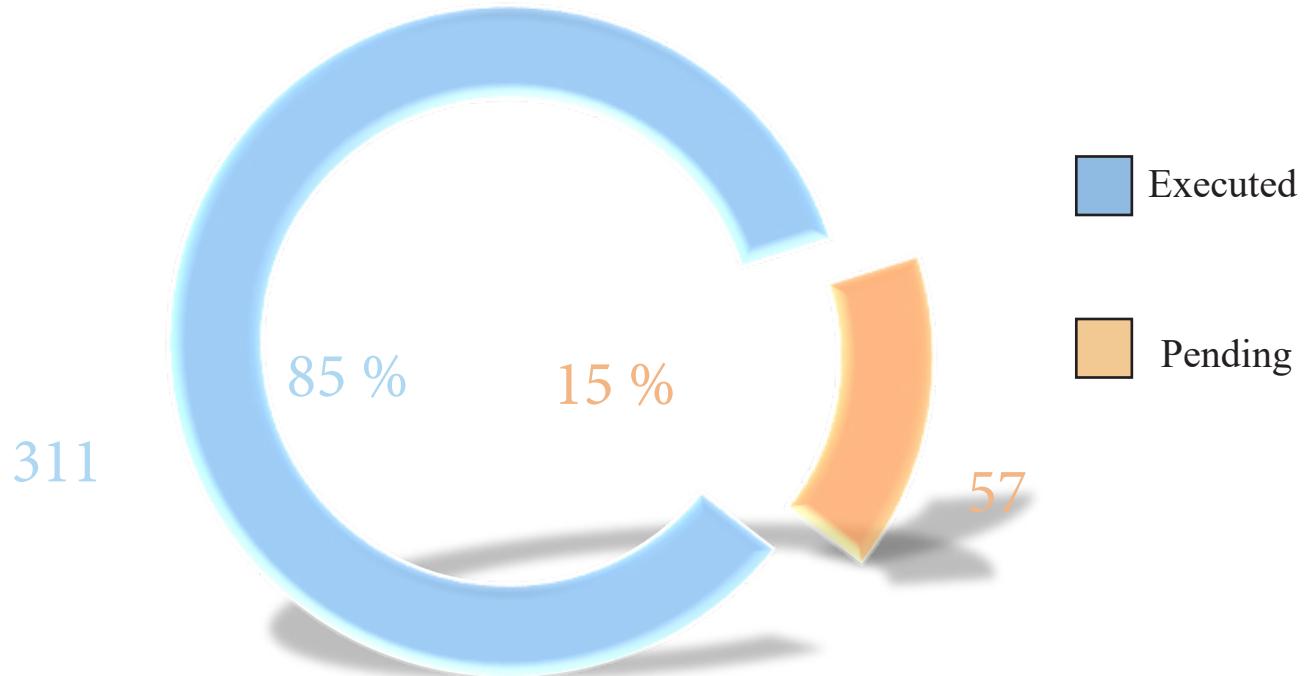
## 5.1 Exchange of information

Based on the principles of bilateral cooperation, during 2020, OPFML received for examination 729 requests, of which 651 or 89% from public authorities and 78 or 11% from the private sector, which targeted 1435 individuals and 1617 legal entities.

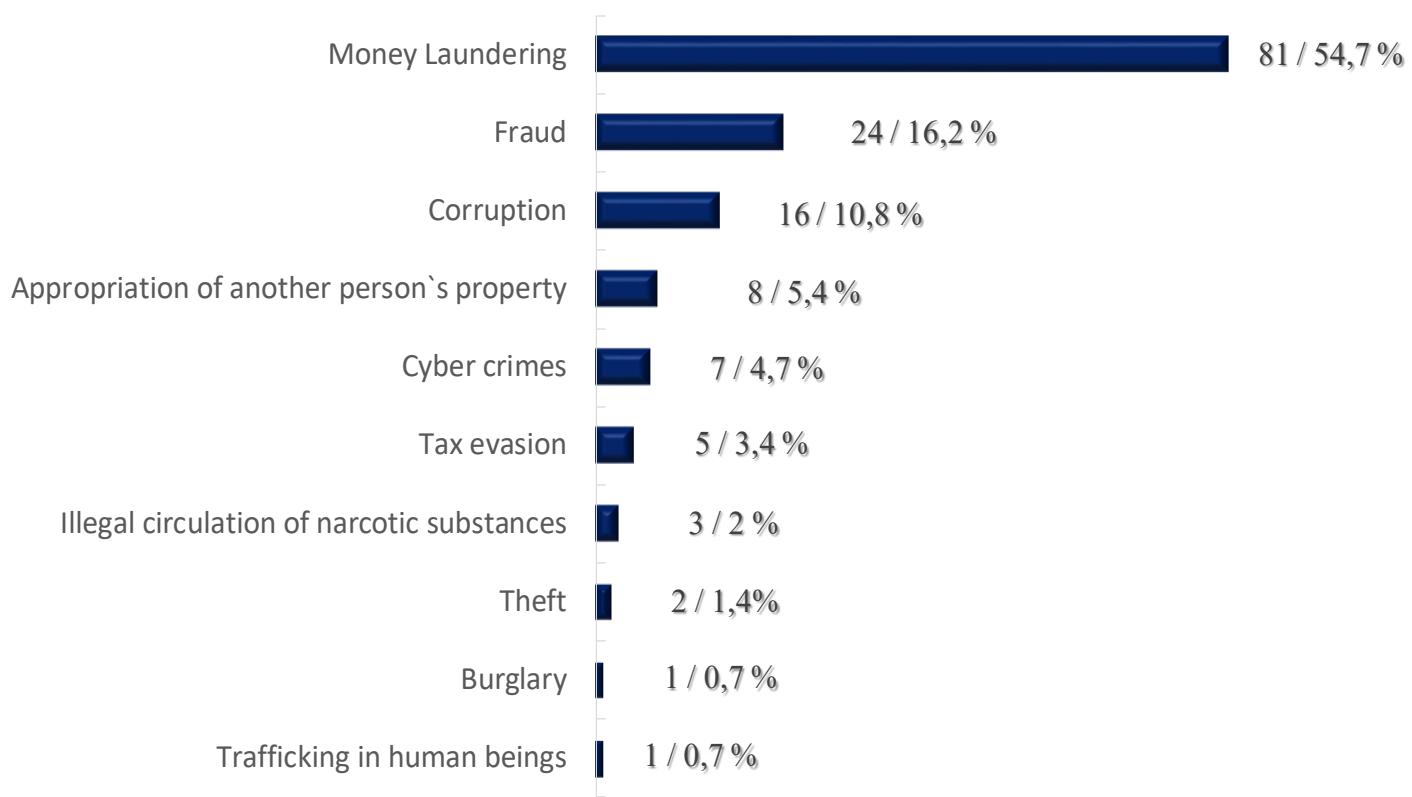


Based on the analysis of the received requests, OPFML did not respond to requests for information that were not sufficiently motivated by suspicions of money laundering, related crimes and terrorist financing, as well as non-compliance with the form and content of the requirements of bilateral cooperation agreements.

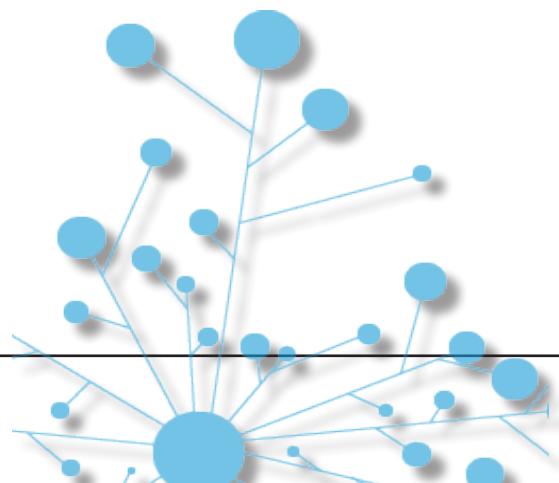
From the total number of requests received from the public sector, 368 or 56.5% were those from law enforcement agencies, being sent 311 responses.



The law enforcement's requests were based on the following types of money laundering offenses:

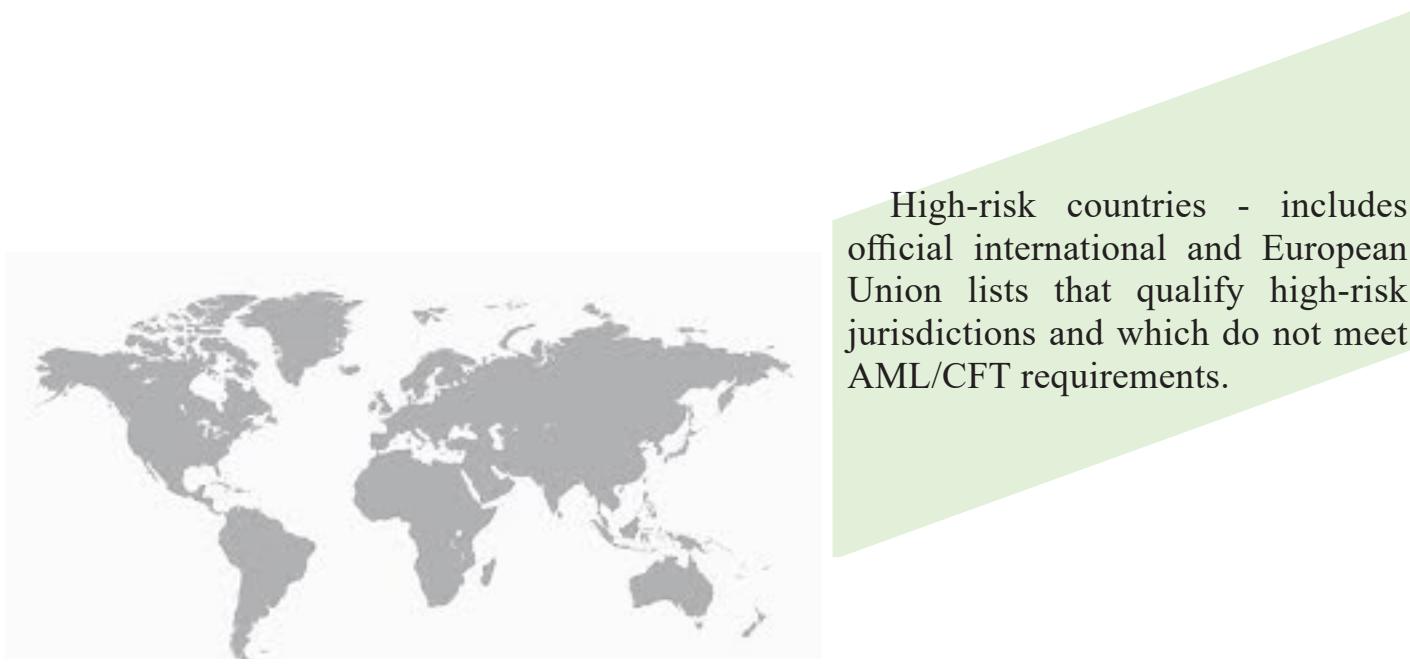


In order to ensure the exchange of information in the areas of interest and facilitate correspondence, as well as decreasing the risks in these areas, 4 bilateral cooperation agreements were signed with the following authorities.



## 5.2 Ensuring transparency

In order to optimize the structure of the web page "http://spcsb.gov.md" the menu bar was completed with new sections, in Romanian and English, as follows.



High-risk countries - includes official international and European Union lists that qualify high-risk jurisdictions and which do not meet AML/CFT requirements.

| spcsb.gov.md/en/page/watchlist



OFFICE FOR PREVENTION AND  
FIGHT AGAINST MONEY LAUNDERING

[ABOUT](#)
[ACTIVITY ▾](#)
[LEGAL FRAMEWORK](#)
[COOPERATION](#)
[HIGH-RISK COUNTRIES](#)

Home > **High-Risk Countries**

## HIGH-RISK COUNTRIES

The European Union (EU)  
<https://www.consilium.europa.eu/en/policies/eu-list-of-non-cooperative-jurisdictions/timeline-eu-list-of-non-cooperative-jurisdictions/>

Financial Action Task Force (FATF)  
<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/call-for-action-june-2020/>  
<http://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-jun-2020/>





Check entities - includes search engines for data on legal entities from different jurisdictions.

The screenshot shows the official website of the Office for Prevention and Fight Against Money Laundering (SPCSB) in Moldova. The URL in the address bar is [spcsb.gov.md/en/page/verificare](http://spcsb.gov.md/en/page/verificare). The page features the Moldovan coat of arms and the text "OFFICE FOR PREVENTION AND FIGHT AGAINST MONEY LAUNDERING". The navigation menu includes links for "ABOUT", "ACTIVITY", "LEGAL FRAMEWORK", "COOPERATION", "HIGH-RISK COUNTRIES", and a prominent red button labeled "CHECK ENTITIES". Below the menu, a breadcrumb trail shows "Home > Check Entities". The main content area is titled "CHECK ENTITIES" and includes a section for "Republic of Moldova" with links to datasets and websites. The page has a dark blue header and footer.

spcsb.gov.md/en/page/verificare

OFFICE FOR PREVENTION AND FIGHT AGAINST MONEY LAUNDERING

Search...

EN

ABOUT ACTIVITY ▾ LEGAL FRAMEWORK COOPERATION HIGH-RISK COUNTRIES CHECK ENTITIES

Home > Check Entities

## CHECK ENTITIES

**Republic of Moldova**

<https://date.gov.md/ckan/ro/dataset/11736-date-din-registrul-de-stat-al-unitatilor-de-drept-privind-intreprinderile-inregis>

<http://www.asp.gov.md/ro/node/4414>

TWINNING - European Union project launched in December 2018 for “Enhancing the system of prevention and combating money laundering and terrorism financing in the Republic of Moldova” with a 3-year implementation period aims to improve the national legislation in this area and strengthen the operational potential of OPFML and other institutions at national and international level.



Also, OPFML, with the support of TWINNING project organized 78 meetings, trainings and seminars in the area, both for the reporting entities and for the competent national authorities.

spcsb.gov.md/en/home

spcsb.gov.md/en/page/twinning

OFFICE FOR PREVENTION AND FIGHT AGAINST MONEY LAUNDERING

ACTIVITY ▾ LEGAL FRAMEWORK COOPERATION HIGH-RISK COUNTRIES CHECK ENTITIES CONTACTS

English

National legislation

International legislation

ABOUT ACTIVITY ▾ LEGAL

Home > TWINNING

## TWINNING

Twinning Mission - Februarie 2020

Twinning Mission - Ianuarie 2020

Twinning Mission - Decembrie 2019

Twinning Mission - Noiembrie 2019



# 06 International Cooperation

## 6.1 The exchange of information

OFMPL has been a member of the Egmont Group since May 2008, with the primary aim of improving the interaction and exchange of information between similar institutions worldwide.

During 2020, OPFML in the process of financial investigation exchanged information with over 60 member countries and sent 304 requests to similar authorities from other jurisdictions, which represents 9.8% more than the previous year. At the same time, OPFML received 145 requests for examination from similar institutions, providing 90 responses.

### The exchange of information 2020



Requests send



9

9

8

7

7

7

7

7

6

5

5

5

65

Requests received



3

3

2

2

2

2

2

2

2

2

2

63



## 6.2 The V<sup>th</sup> round of evaluation by the MONEYVAL Committee

Republic of Moldova, as a member of the Council of Europe, is subject to continuous evaluation by the MONEYVAL Committee on the compliance of the national AML/CFT system with the requirements of the FATF Recommendations.

In this context, taking into account that on July 17, 2019 at the Plenary Session no. 60 of the MONEYVAL Committee was approved the Evaluation Report of the Republic of Moldova in the V<sup>th</sup> round of evaluation, OPFML leading the delegation of the Republic of Moldova to this specialized Committee, coordinated the activities related to the Progress Report, being approved the Government Disposition no. 6/2020, which established the working group composed of representatives of the competent national authorities, with the following competences:

analyse the recommendations of the MONEYVAL Committee and propose the measures to be taken for their implementation;

participate in the national risk assessment process in the area of AML/CFT and submit proposals to mitigate the identified risks;

implement the National AML/CFT Strategy for the years 2020-2025 and the Action Plan for its implementation;

develop proposals to modify the national regulatory framework in order to adjust it to the recommendations of the MONEYVAL Committee, including in the National AML/CFT Strategy for the years 2020-2025.

It should be mentioned that, in the realization of the nominated provisions, 19 authorities were involved, which participated in the development of the country Progress Report for the years 2019-2020. Subsequently, in December 2020, the Republic of Moldova presented the report with the registered progresses, aimed to remove the shortcomings identified by MONEYVAL experts.



## 6.3 TWINNING Project

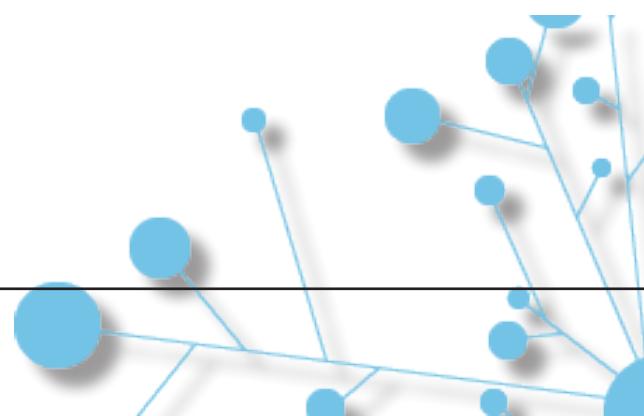
Project launched by the European Commission for the years 2018 - 2020 in partnership with Lithuania, Germany, Poland in order to improve the national AML/CFT system by increasing the operational capacities of the OPFML, supervisory bodies, law enforcement and justice authorities in accordance with international standards.

In order to achieve this general goals, the project was separated into 7 components:



## Abbreviations

**AML/CFT** – preventing and combating money laundering and terrorist financing;  
**APO** - Anticorruption Prosecutor's Office;  
**CLEP** - Project of the European Union and the European Council on the Control of Corruption through Law Enforcement and Prevention;  
**DNFBP** – Designated Non-financial Businesses and Professions;  
**FATF/GAFI** - Financial Action Task Force;  
**MIA** - Ministry of Internal Affairs;  
**ML/TF** - money laundering and terrorist financing;  
**MONEYVAL Committee** - Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism of the Council of Europe;  
**NAC** - National Anticorruption Centre;  
**NBM** - National Bank of Moldova;  
**NCFM** - National Commission for Financial Markets;  
**NCO** - Non-bank credit organizations;  
**OPFML** – Office for Prevention and Fight against Money Laundering;  
**POCOCSC** - Prosecutor's Office for Combating Organized Crime and Special Cases;  
**PSP** - Payment service providers;  
**SLA** - Savings and Credit Associations;  
**STS** - State Tax Service;  
**SIS** - Security and Intelligence Service;



## CONTACTS

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