



ANNUAL REPORT 2023

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Legal framework

One of the Office's primary objectives established for 2023 was to ensure the transposition of the provisions of the Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. In this respect, the Parliament of the Republic of Moldova adopted the Law No. 66/2023 for modifying certain legal acts, that aims at amending the following laws:



Law No. 308/2017 on preventing and combating money laundering and terrorist financing

Law No. 75/2020 on the procedure for establishing the violations in the area of preventing and combating money laundering and terrorist financing and the manner of application of sanctions

Enforcement Code of the Republic of Moldova

Contravention Code of the Republic of Moldova

Law No. 62/2008 on foreign exchange regulation

Law No. 220/2007 regarding state registration of legal persons and individual entrepreneurs

The amendments include provisions that regulate:



The beneficial ownership



The politically exposed person



The categories of obliged entities



The virtual assets



The bodies with supervisions functions of the obliged entities



The regime of reporting the transactions to the Office



The identification and verification of clients' identify by way of electronic means



The possibility to extend and suspend the control performed on the basis of Law No. 75/2020



The application of sanctions for non-disclosure of information regarding the beneficial owner/beneficial owners



The application of sanctions for performing the activities of virtual asset service providers



The countermeasures regarding the high risk countries (jurisdictions) designated/monitored by FATF

In order to implement the amended legal framework, the Office approved the following secondary normative acts:

01

The guideline on the identification of suspicious transactions and activities of money laundering, approved by Order No. 15/2023

02

The guideline on the identification of suspicious transactions and activities of terrorist financing, approved by Order No. 16/2023

03

The methodology on the manner of filling and submitting the special forms on the activities and transactions, which are falling under the provisions of Law No. 308/2017, approved by Order No. 20/2023

04

The regulation regarding the requirements in the area of preventing and combating money laundering and terrorist financing, for the obliged entities supervised by the Office, approved by Order No. 21/2023

05

The guideline on the identification of the beneficial owner, approved by Order No. 34/2023

06

The guideline on the identification and monitoring of politically exposed persons and the risk indicators regarding the politically exposed persons, approved by Order No. 23/2023

07

The list of positions determining the capacity of the politically exposed person at the national level, approved by Order No. 22/2023



Recommendations for obliged entities for the identification of suspicious activities and transactions of money laundering, by offering certain suspicion criteria and typologies

Recommendations for obliged entities for the identification of suspicious activities and transactions of terrorist financing, by offering certain suspicion criteria and typologies

General requirements regarding the manner of filling and submitting the special forms in accordance with art.11 of the Law No. 308/2017, which shall be applied to obliged entities mentioned in art. 4, para. (1) of the Law No. 308/2017

Requirements regarding the identification and assessments of money laundering and terrorist financing risks, application of the risk based approach, elaboration of policies and internal procedures, application of customer due diligence measures, including of simplified and enhanced due diligence measures, record keeping, reporting of activities and transactions which are falling under the provisions of Law No. 308/2017

Recommendations regarding the aspects of implementing the provisions related with the beneficial owner – obtaining and keeping of adequate, correct and updated information regarding the beneficial owner, including details regarding his/her benefit generating interests, the presentation to the state registration body of the requested information regarding the beneficial owner and the immediate notification regarding changes in his/her data

Recommendations regarding the measures applied in the process of identification of the politically exposed person, family members of the politically exposed person and persons known to be close associates of the politically exposed person, including from the professional and social point of view

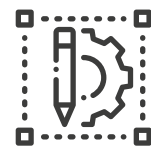
Establishes the list of important positions at the national level, equivalent with those provided by the Law No. 308/2017

The national strategy for preventing and combating money laundering and terrorist financing

During 2023, the Office continued the implementation process of general and specific objectives of the national strategy in the field, by considering the key purposes of an efficient system for preventing and combating money laundering and terrorist financing.

The legal framework amended as a result of the adoption of the Law No. 66/2023 imposed the necessity to modify the Action plan of the National strategy, in order to align the actions with the new provisions of the normative acts.

In order to ensure the compliance with the respective provisions, the Parliament adopted the Decision No. 383/2023 for modifying the National strategy. In order to ensure the efficient implementation of the new legal provisions, informational measures were organised for the obliged entities, bodies with supervision functions and representatives of law enforcement agencies.



As permanent measures from the Action Plan, the responsible authorities continued the fulfilment of actions regarding the assessment of the compliance degree of the obliged entities with the sectorial legal provisions, the application of effective, proportional and dissuasive sanctions in cases of identification of violations, assessment and development of internal systems and procedures of the obliged entities for identifying and reasoning the money laundering and terrorist financing suspicions and ensuring an operative and efficient exchange of information between the Office and the competent institutions.



Based on the information received from the responsible authorities, the Office performed an assessment of the efficiency and of the implementation impact of the measures according to the Action Plan. As a result, the implementation of measures was established as follows:

44 measures fulfilled

21 measures in the process of fulfilment

13 measures partially fulfilled

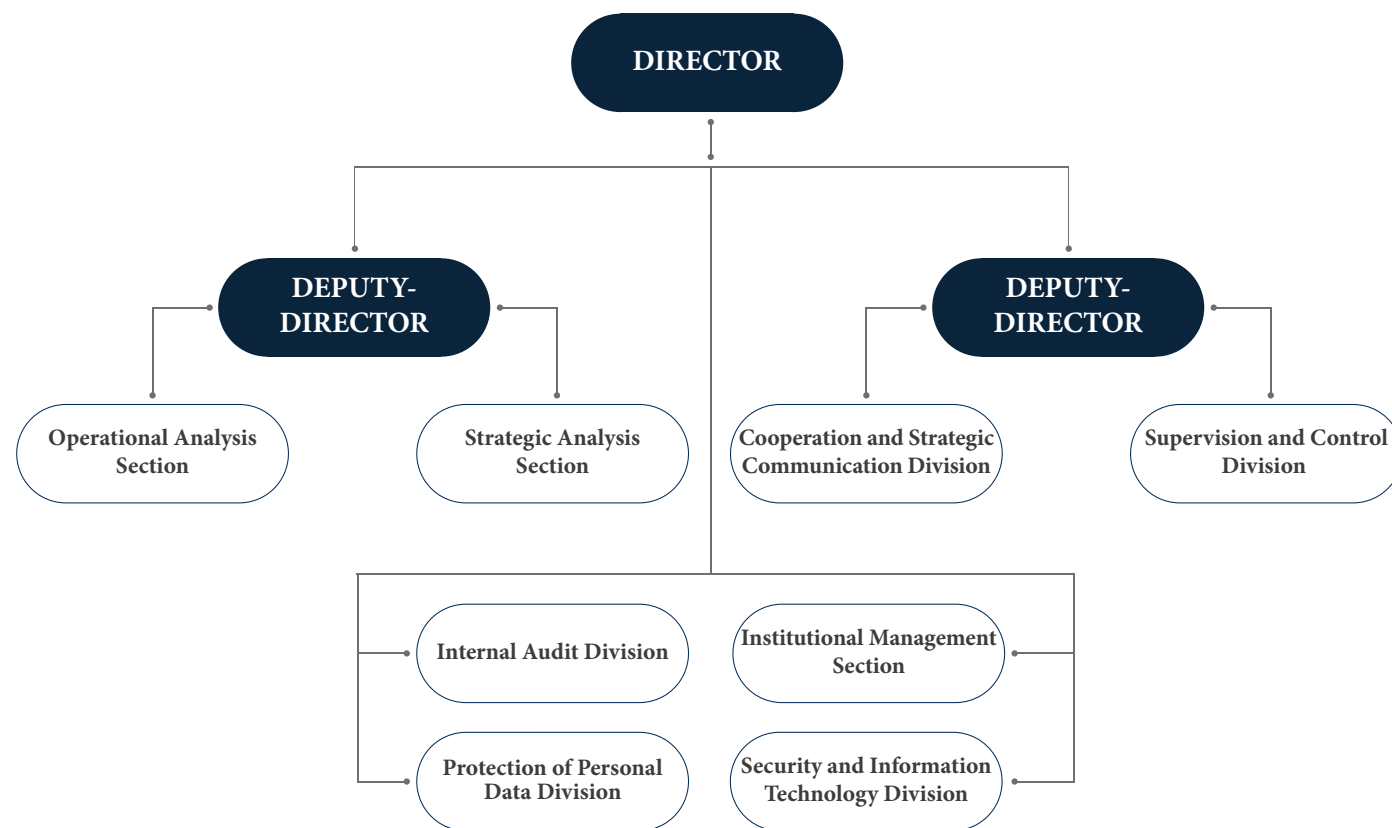
6 measures unfulfilled

Institutional organisation

In accordance with the provisions of art. 2 para. (3) of the Law No. 308/2017, the Office for Prevention and Fight against Money Laundering is the Financial Intelligence Unit of the Republic of Moldova, entrusted with the role of coordinating the national system for preventing and combating money laundering and terrorist financing.

In order to strengthen the implementation process of the new provisions of the legal framework adopted in 2023, which determined the attribution of new competences and tasks for the Office, as well as for ensuring the execution of commitments which are deriving from the accession of the Republic of Moldova to the European Union, the Government of the Republic of Moldova approved the Government Decision No. 844/2023 through which the staff limits were supplemented with 6 units and a new structure of the Office was approved.

Organizational Chart



The approved modifications were aimed at the redistribution of certain tasks and attributions, the establishment and reorganisation of some subdivisions through the allocation of new attributions, the reassessment of the number of staff units involved directly in the activities that result from the application of the current legal frame-work that covers the competences of the Office for ensuring the security of the state and the protection of the national financial-banking, financial non-banking and DNFBPs systems, the protection of rights and legitimate interests of the natural and legal persons, as well as of the state, and the execution of the commitments that the Republic of Moldova has assumed towards its foreign partners in this regard.

Supervision Compliance

An important role within the Office in the field of preventing and combating money laundering and terrorist financing is the supervision and compliance measures applied to the obliged entities.

Thereby, on the basis of the legal attributions, the Office performs the off-site and on-site supervision of the following obliged entities:

Other natural and legal persons that are trading goods exceeding the amount of at least 200 000 MDL or its equivalent

Persons that are storing, trading works of art

Natural/legal persons that are performing fiduciary activity

Legal persons and individual entrepreneurs that are providing accounting and tax consulting services

Organisers of gambling

Real estate agents

The purpose of the applied supervision measures consists in the assessment of the implementation degree and the manner of application of the legal frameworks provisions, regarding the prevention and combating of money laundering and terrorist financing by the obliged entities.

The supervision activity is performed in accordance with pre-established procedures, that imply a risk-based system, that determines the exposure degree of the obliged entity against the money laundering and terrorist financing risks.

Another important aspect in the activity of the Office are

the trainings organised for the representatives of the obliged entities having as the purpose to explain the application manner of the provisions of the legislation in the field of preventing and combating money laundering and terrorist financing and increase the level of awareness of the obliged entities regarding the money laundering and terrorist financing risks.

During the period of 2023, the Office organised 28 training sessions dedicated to all the types of obliged entities where the following subjects were approached:

01

application of customer due diligence measures

02

practical aspects regarding the identification of the beneficial owner

03

measures applied in the process of the identification of the politically exposed person

04

identification and reporting of suspicious transactions of terrorist financing

05

application of provisional measures

06

identification and reporting of suspicious transactions of money laundering

07

implementation of financial sanctions related with terrorist activities and proliferation of weapons of mass destructions

Strategic analysis

The strategic analysis is an important part of the analytical activity carried out by the Office, because it offers a higher level of generalisation and systematisation of the conclusions of the financial investigations, analysis of money laundering and terrorist financing trends and the formulation of recommendations for carrying out measures that should be performed, as the case may be, by the Office and other authorities with competences in the field.



The strategic analysis is being performed after all the possible information were collected and analysed. To be mentioned that the strategic analysis needs a bigger diversity of the used data categories compared to the operational analysis, as well as analysts with a broader experience.

The strategic analysis puts the accent on the general picture of certain medium and long term trends, carrying out predictions, forecasts and estimations intended to substantiate the adoption of strategic decisions or to constitute the support for managing some situations/events with important impact in the field of preventing and combating money laundering, including for disseminating the accumulated information.



In order to implement the purposes of the strategic analysis, the Office uses specialised software and models, which are offering integrated services for processing, analysing, graphic and dynamic representing of collected data in the field of preventing and combating money laundering at the national level.

The purposes and objectives of the strategic analysis which are being carried out through the performance of the Office's activities can be materialised in:



Operational analysis

During 2023, the activity of the operational analysis was oriented on the following actions:



1

Receiving, analysing and processing the special forms received from the obliged entities on the basis of the provisions of the Law No. 308/2017



2

Identification, as part of the performed analyses and financial investigations of suspicious activities of money laundering, predicate offences and terrorist financing



3

The application of provisional measures in relations to suspicious transactions or activities of money laundering, including of suspicious goods with illicit origin



4



Notificarea entităților raportoare, organelor cu funcții de supraveghere și altor autorități competente cu privire la riscurile aferente spălării banilor și finanțării terorismului, inclusiv noile tendințe și tipologii în domeniul spălării banilor și finanțării terorismului

5



Acordarea asistenței informaționale organelor de drept în exercitarea atribuțiilor de cercetare a infracțiunilor de spălare a banilor, infracțiunilor predicat, inclusiv de urmărire a bunurilor suspecte cu o proveniență ilicită, în condițiile Legii nr. 308/2017

6



Asigurarea schimbului de informații cu serviciile similare din alte state în cadrul investigațiilor financiare privind activitățile suspecte de spălare a banilor, inclusiv de urmărire a bunurilor suspecte de proveniență ilicită

7



Identificarea cazurilor de nerespectare de către entitățile raportoare a prevederilor legislației cu privire la prevenirea și combaterea spălării banilor și finanțarea terorismului, inclusiv întreprinderea acțiunilor de remediere a acestora

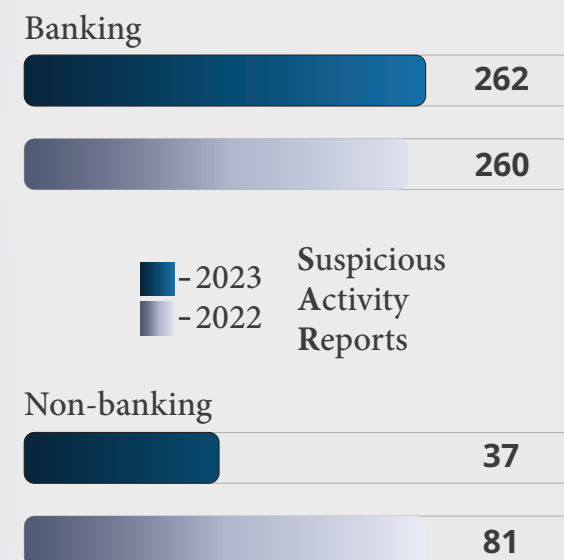
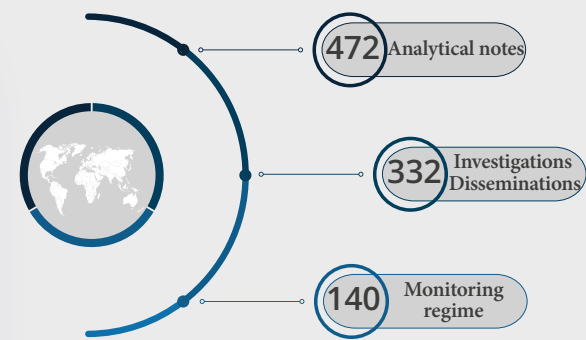
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Diseminarea informațiilor către organele de drept competente imediat ce s-au stabilit suspiciuni rezonabile cu privire la spălarea banilor sau la alte infracțiuni ce s-au soldat cu obținerea bunurilor ilicite, precum și Serviciul de Informații și Securitate în partea ce ține de suspiciuni privind finanțarea terorismului dar și activități suspecte în subminarea securității statului

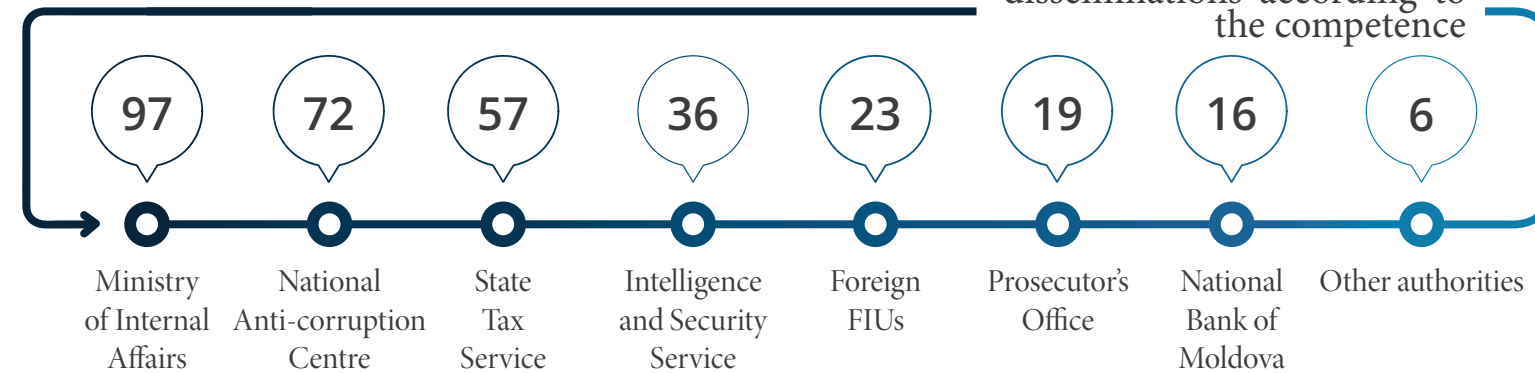
Reported transactions Banking	2023	2022
Suspicious	135	146
Threshold	1 414 969	716 064
Cash	3 216 282	2 062 690
Money remittances	29 582	
Total banking	5 468 495	2 778 900

Reported transactions Non-banking	2023	2022
Suspicious	502	450
Threshold	19 566	20 899
Cash	37 671	36 269
Money remittances	117	
Total non-banking	57 851	57 618

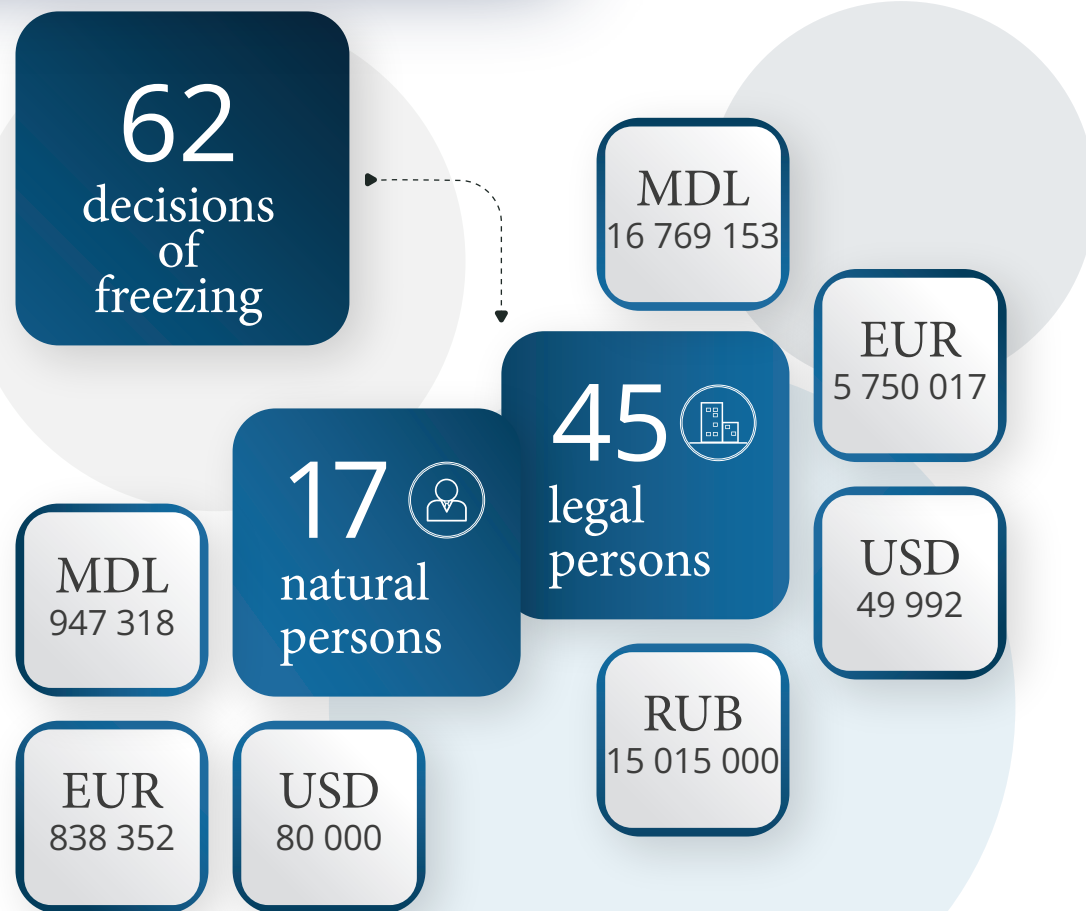
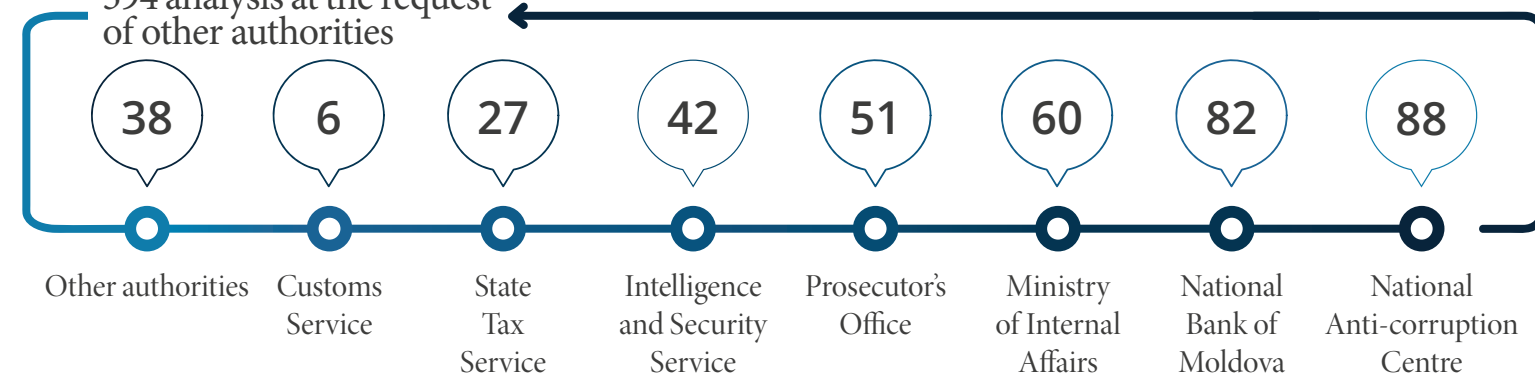


National cooperation

The Office submitted 325 disseminations according to the competence



The Office performed 394 analysis at the request of other authorities



During 2023, the Office had an active cooperation with the Criminal Asset Recovery Agency under NAC, in order to identify the criminal goods in other jurisdictions and eventually recover them for the benefit of the Republic of Moldova, especially the main focus being oriented on resonant cases, with the generic names of "Laundromat" and "Banking Fraud", in the covered period were submitted 30 requests and were received 26 answers.

To be mentioned that, on the basis of requests submitted by the Criminal Asset Recovery Agency under NAC, the Office initiated the cooperation with several foreign Financial Intelligence Units, by submitting 18 information requests of similar services from abroad according to the following table:

FIUs	Requests submitted	Answers received
Spain	1	1
Switzerland	1	3
Gibraltar	2	2
Cyprus	3	3
Estonia	1	1
Latvia	1	1
Lithuania	1	1
Luxembourg	1	1
Poland	1	1
Czech Republic	1	1
Monaco	1	1
Malta	1	1
Romania	1	1

As a result of cooperation between the Criminal Asset Recovery Agency under NAC and the Office, during 2023 were applied seizure measures on goods and financial assets, with a total value of:



International cooperation

Conference of the Parties to CETS 198



As part of the 15th Plenary Meeting of the COP CETS 198, which took place during 9-10 November 2023, the representative of the Republic of Moldova – Ms. Oxana GISCA, as the vice-president of the COP CETS 198, presented the progresses in the representation of the COP in other international fora. These progresses included the participation in the Plenary Meeting of FATF organised in February 2023, where the progresses regarding the imple-

mentation of the Convention provisions were highlighted, which were reflected in the FATF's draft regarding the amendment of the Recommendation 4 and 38, which are oriented on the consolidation of the toolset available to law enforcement agencies, asset recovery offices and criminal justice system, for the recovery of assets originating from the commitment of crimes. At the same time, it is to be mentioned that, as part of the 15th plenary meeting, Ms. Oxana GISCA was elected as the president of the COP CETS 198 for a 2-year mandate, by obtaining the support of 20 state members from a total number of 33.

Due to the contributions to the efforts of the Council of Europe in the field of preventing and combating money laundering and terrorist financing, Ms. Oxana GISCA was designated within the project "75 women in 75 years of the Council of Europe history".

EU High Level Advisers' Mission to the Republic of Moldova



The project is financed by the European Union with a current implementation phase of 2 years, from January 2023 to January 2025.

Its overall objective is to support the authorities from the Republic of Moldova to implement the reform Agenda and in particular to assist in developing the capacities required for the implementation of the Association Agreement (AA), including the Deep and Compre-

hensive Free Trade Area (DCFTA), as well as assistance for the negotiation process of accession to the European Union. Specifically, the project aims at strengthening policy-making at sector level, strategic planning and policy management capacities, enhancing stakeholders' knowledge and awareness of EU policies, legislation and regulations.

During the period of 2023, the EU High Level Advisers' Mission to the Republic of Moldova offered sectorial advice to the Office on multiple dimensions, especially on delivering recommendations and opinions regarding the draft normative acts created in the process of transposition of the 5th EU Directive on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing into the national legislation.

Moneyval Committee of the Council of Europe



In the context of the adoption in 2019 of the Report of the Republic of Moldova, as part of the 5th round evaluation of the national system for preventing and combating money laundering and terrorist financing and in 2021 of the first Progress report, according to the established procedures, the Republic of Moldova was going to present the progresses performed by the national authorities in order to consolidate an efficient system for preventing and combating money laundering and terrorist financing at the national level. Thereby, in order to ensure a corresponding national performance, the authorities with competences in the field presented in accordance with the questionnaire remitted by the Moneyval Committee the information regarding the implementation degree of the recommendations of the Moneyval's Committee experts formulated in the Evaluation

report of the Republic of Moldova.

The Draft report is going to be the subject of discussion and adopted within the plenary meeting of the Moneyval Committee which will take place in May 2024.

In the same context, it is to be mentioned that, Mr. Daniel-Marius STAICU – the director of the Office was designated by the Council of Europe as the assessor of the national system for preventing and combating money laundering and terrorist financing of Guernsey as part of the 5th Round evaluation.

Moreover, in 2023, Mr. Andrian MUNTEANU – the deputy-director of the Office was the assessor for the evaluation process of Azerbaijan, being responsible for the analysing the efficiency of Immediate Outcomes No. 10 and 11.

Another notable achievement of the delegation of the Republic of Moldova obtained for the first time since holding the membership of the Moneyval Committee, was the election of Mr. Daniel-Marius STAICU as the member of the Bureau of the Moneyval Committee. By holding this position, there will be a contribution to the facilitation of the creation of reliable and efficient systems for preventing and combating money laundering and terrorist financing in the member states.

Egmont Group



The Egmont Group is an international organisation, which has as its purpose the facilitation of cooperation and exchange of information between the Financial Intelligence Units, Continuously, the Egmont Group is supporting its own members for implementing the interna-

tional standards and regulations in the field, by offering a dialogue platform, by issuing documents intended to guide the international cooperation activity between the services of member states. Within the Egmont Group is functioning one coordination committee, 9 Regional Groups and 4 Working Groups.

The Office is actively involved in the activities of the Egmont Group Committee, Ms. Oxana GISCA holding the position of regional representative of the Europe II Group. This mandate represents a continuation of regional efforts to promote the best practices in the exchange of information associated with this region.

Perspectives

In 2024, the Office is going to ensure the continuity of the activities carried out on all segments, according to the competences, in order to achieve the perspectives:

The initiation of the money laundering and terrorist financing risk assessment process in accordance with the international standards and recommendations of the specialized international institutions

The creation of a training centre in the field of preventing and combating money laundering and terrorist financing dedicated to public authorities with competences in the field and obliged entities

The creation of an efficient mechanism for presenting and updating the information regarding the beneficial owners by the legal persons, regardless of their legal and organisation form

The consolidation of strategic analysis capacities in order to establish the money laundering and terrorist financing trends and formulation of recommendations for countering them

Country	Requests received	Answers submitted	Request submitted	Answers received	Spontaneous information	
					Received	Submitted
Ukraine	12	12	1	6	1	15
Romania	3	3	12	19	2	3
Cyprus			5	13	2	
Italy	3	4	2	7		1
Latvia	5	4	3	3	1	
Malta	1	3	2	3	6	
Great Britain	5	4	1	3		1
Switzerland			6	5	1	1
Lithuania	1	1	5	5		
UAE	1	1	3	3	1	
Czech Republic	1	1	3	3		
Kazakhstan	2	2	2	2		
Turkey			4	4		
Bulgaria	1	1	2	3		
Montenegro	1	1	2	2		
Germany	1		1		2	1
Israel	1	1	1	2		
Poland		2		3		
Gibraltar			2	2		
San Marino	1	1	1		1	
Singapore	2			1	1	
Armenia			1	1		
Azerbaijan	1	1				
Estonia			1	1		
Georgia			1	1		
South Korea				2		
Monaco			1	1		
Netherlands	1	1				
Canada				1		
Hungary			1		1	
TOTAL	43	43	63	96	19	22

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