

OFFICE FOR PREVENTION
AND FIGHT AGAINST
MONEY LAUNDERING



2019 ANNUAL REPORT





Annual activity report of the
Office for Prevention and Fight against
Money Laundering for 2019

CHISINAU 2019



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“ ...the national system for prevention and combating money laundering was assessed in the Vth round by the Moneyval Committee, an average level of efficiency in the field being established, the threats and vulnerabilities were acknowledged through the assessment of systemic risks and were completed the measures and actions proposed for mitigating them, which contributed to strengthening and adjusting the local system to international standards.

The Office, in its status of national coordinator of the policy for prevention and combating money laundering and terrorism financing, jointly with the competent institutions, ensured a high level of commitment and coordination, both national and international, transparency and efficiency...”

”

MONEYVAL ASSESSMENT

The Vth round of evaluation of the national system for prevention and combating money laundering and terrorism financing by the Moneyval Committee of the Council of Europe

The Moneyval Committee of the Council of Europe performs periodic assessments of national systems for prevention and combating money laundering, so as to establish the implementation degree of the FATF (Financial Action Task Force) Recommendations.

In the Vth round, the Republic of Moldova was assessed for a period of 5 years, that included 2013-2018. The experts of the Moneyval Committee have focused on the effective implementation of the FATF Recommendations, risk assessment, their understanding and the manner on how the provisions of international standards are reflected in the national legislation.

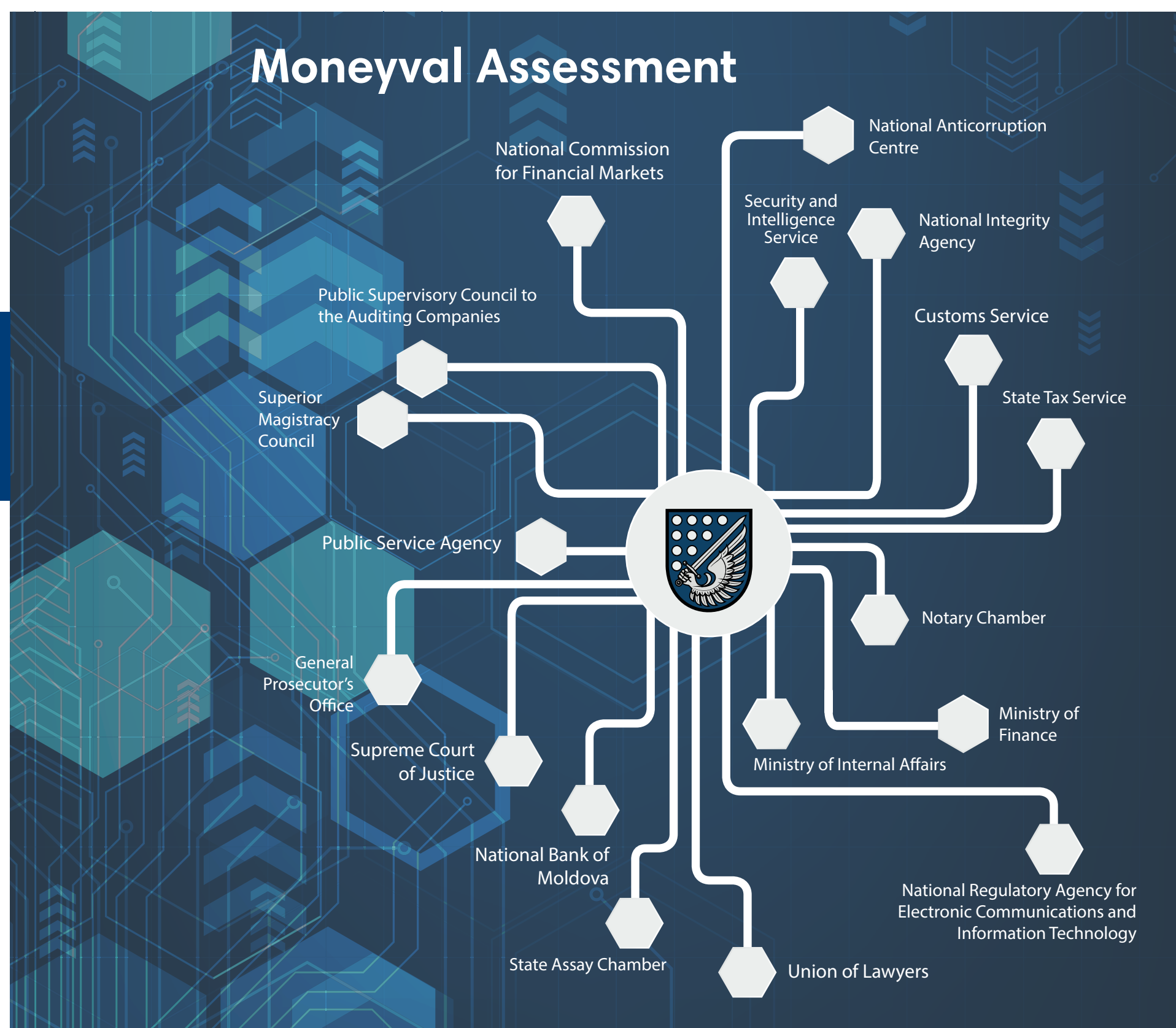


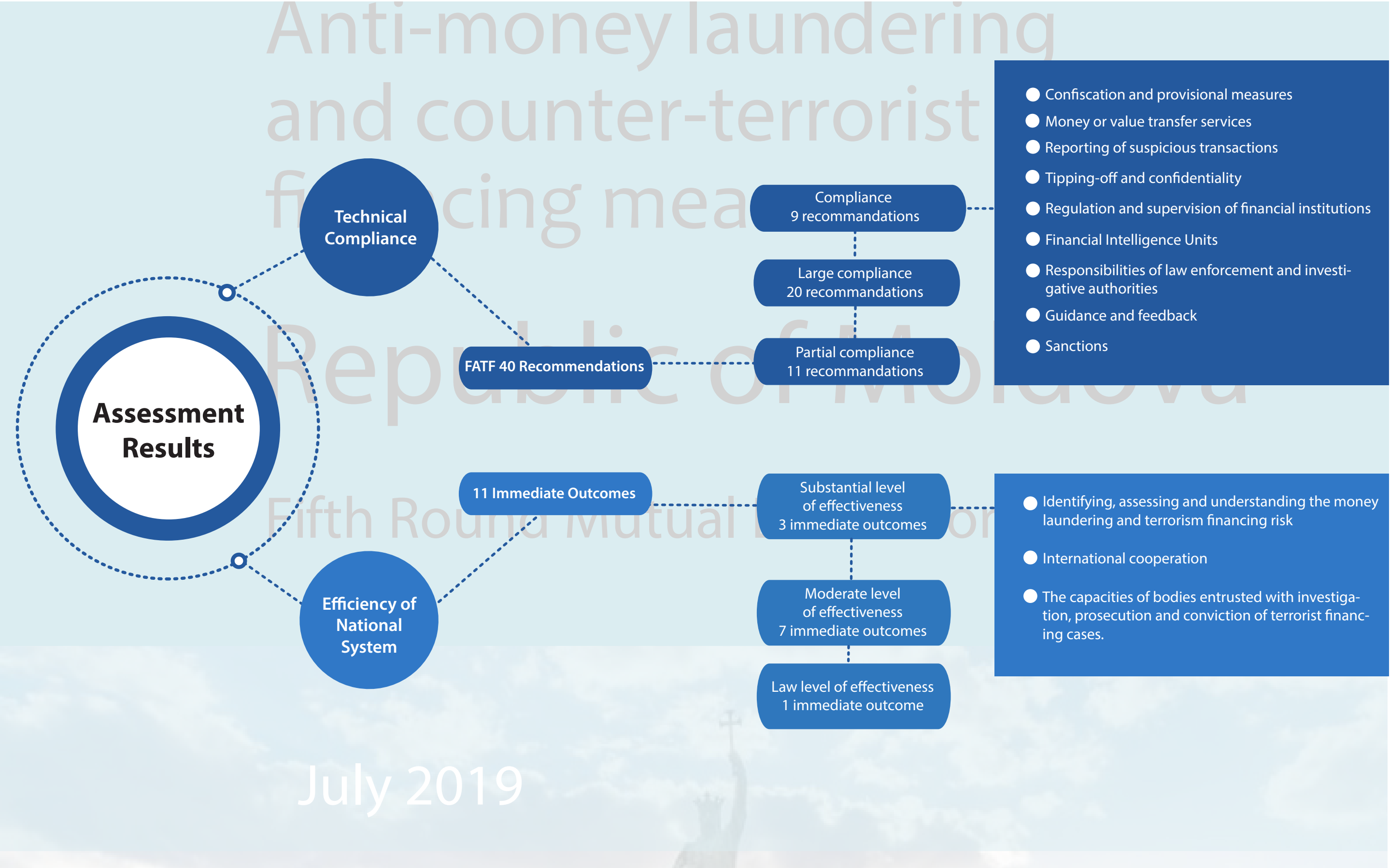
The results of the evaluation are divided into two areas: the efficiency of the national system and the technical compliance with FATF Recommendations. The evaluation of technical compliance is focused primarily on the analysis of legal provisions applicable in the field concerned for each institution in part. The system efficiency evaluation is an aspect specific for the Vth round of evaluation, being applied for the first time and reflects the assessment of practical implementation of the FATF Recommendations.

The Delegation of the Republic of Moldova, that presented the National Assessment report during the plenary meeting was represented by 20 national experts from the competent authorities.

The evaluation report can be accessed at the following link:

— <https://www.coe.int/en/web/moneyval/jurisdictions/moldova>





RISK ASSESSMENT

The action plan for mitigating the risks of money laundering and terrorist financing

In accordance with the provisions of the Government Decision 791/2017 “on approving the Action Plan for mitigating the risks associated with money laundering and terrorism financing for 2017-2019”, the Office, in its status of national coordinator of the policy in the field, monitored the implementation of actions for mitigating the money laundering and terrorist financing risks.



The main objectives and actions established in the mentioned plan, with the participation of competent authorities in the field, resulted in efficient outcomes performed on time, by attracting the necessary resources in the implementation process.

After an intense involvement and measures undertaken by the national authorities, in cooperation with international partners, of the proposed actions, it was established a high performance in executing the action plan, representing about 91%, with an impact in essentially reducing the identified risks during the period of 2013-2016.

The following objectives were achieved as result of the implemented measures according to the Action Plan

- sectorial risks identified and mitigated
- current regulatory documents improved
- measures to identify the beneficial owner taken
- surveillance improved
- cash transactions reduced
- national financial inclusion policies developed
- the effectiveness of inter-institutional cooperation enhanced
- the effectiveness of international cooperation enhanced
- technical endowment of law enforcement bodies, prosecutors and judges for parallel financial investigations and recovery of illicit proceeds

As a result of assessing the results of the adopted measures, were highlighted national threats and vulnerabilities in the field of justice and supervisory bodies, that shall be assessed in the next national assessment process, which will start in 2020 and will cover the period of 2017-2019.

OPERATIONAL ANALYSIS

The operational analysis processes the information received from reporting entities in order to identify the typologies regarding the suspicious transactions and activities of money laundering, associated offences and terrorist financing.

Objectives:

Receiving, analysing, processing of information regarding the suspicious, threshold and cash transactions and activities submitted by reporting entities on the basis of provisions of Law No. 308/2017

Performing financial investigations of transactions suspicious of money laundering and terrorist financing

Identifying the typologies of money laundering, associated offences and terrorist financing

Disseminating to competent law enforcement agencies the information regarding the suspicious transactions and activities and other relevant information.

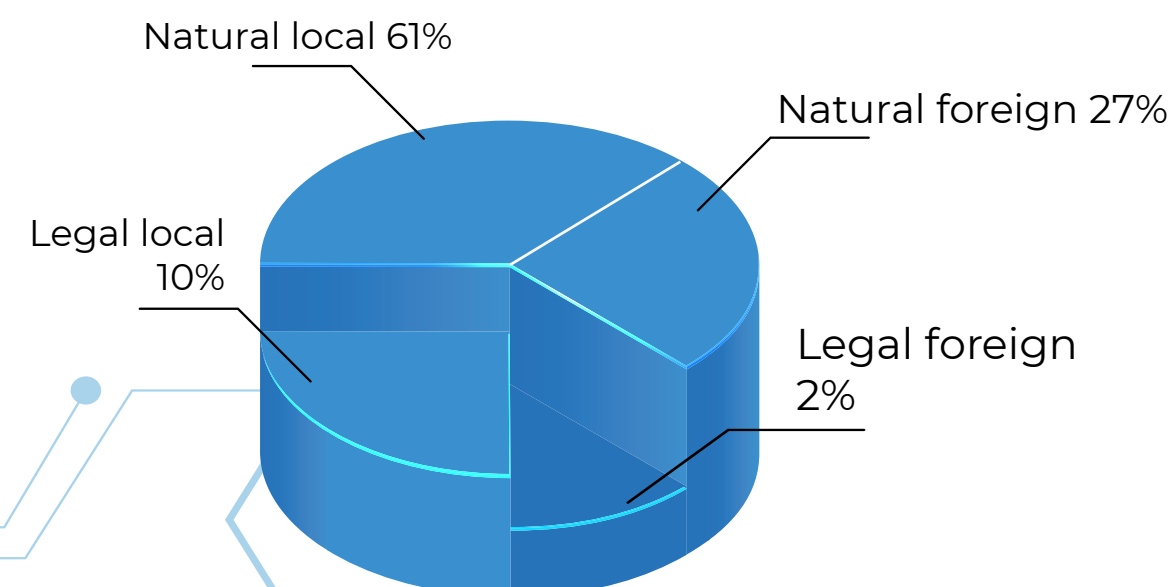
Providing informational assistance to law enforcement agencies, tax services, supervisory bodies in the exercise of legal competences

Applying the provisional measures on suspicious transactions and activities of money laundering, associated offences and terrorist financing

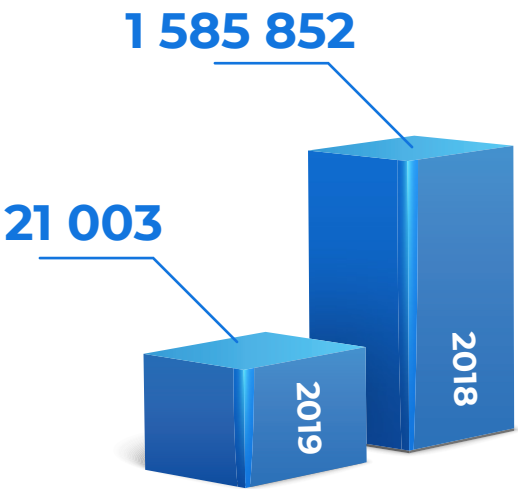
Providing informational support to Anticorruption Prosecutor's Office and National Anticorruption Centre on complex criminal cases concerning "Banking Fraud" and "Laundromat"

In the address of the Office were reported suspicious transactions and activities performed by resident and non-resident natural/legal persons in a total number of 21003.

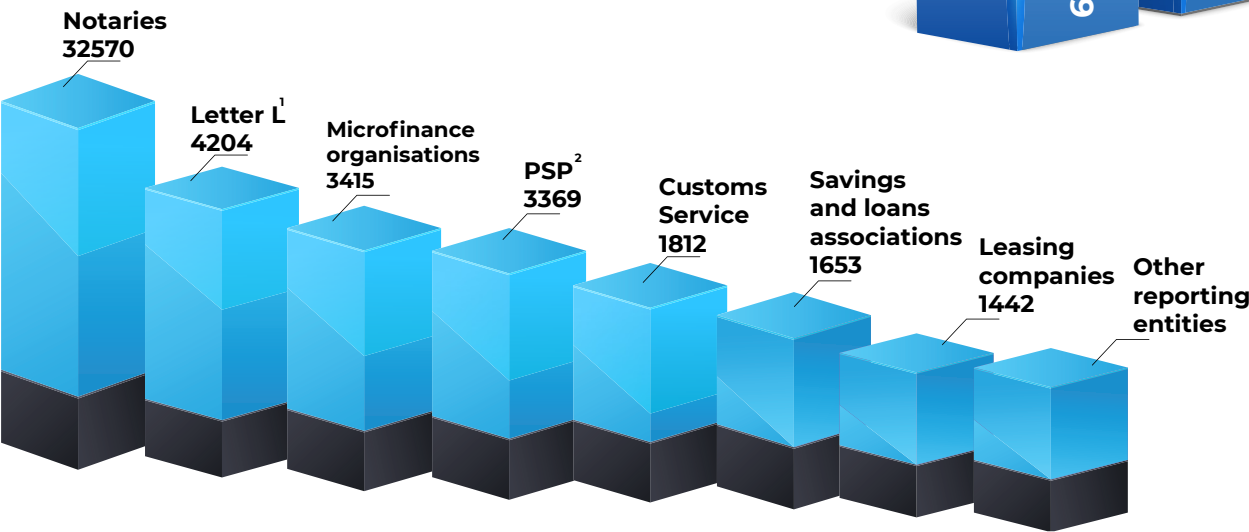
The share of subjects of reported suspicious transactions and activities:



Comparative analysis of suspicious transactions and activities reported by the banking entities



Statistics on transactions reported by the non-banking sector

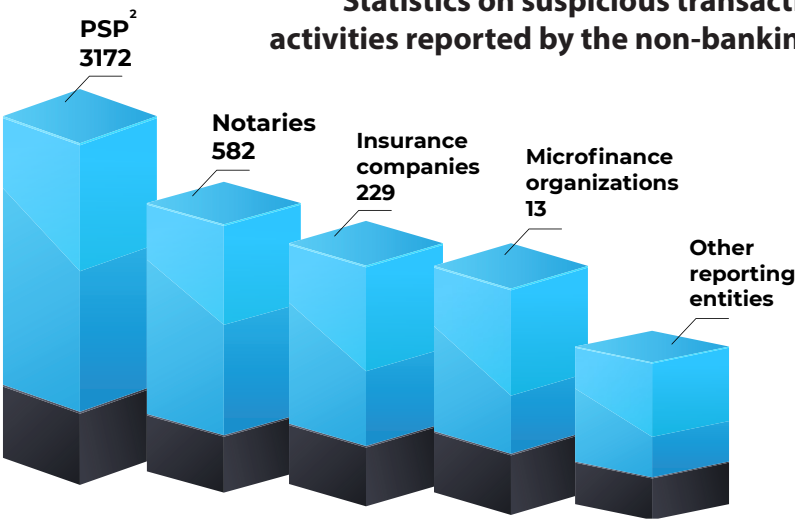


Total: 51 345 transactions (S, T, C) insurance companies

¹ natural and legal persons selling goods in the amount of at least 200000 MDL in cash

² payment service providers

Statistics on suspicious transactions and activities reported by the non-banking sector

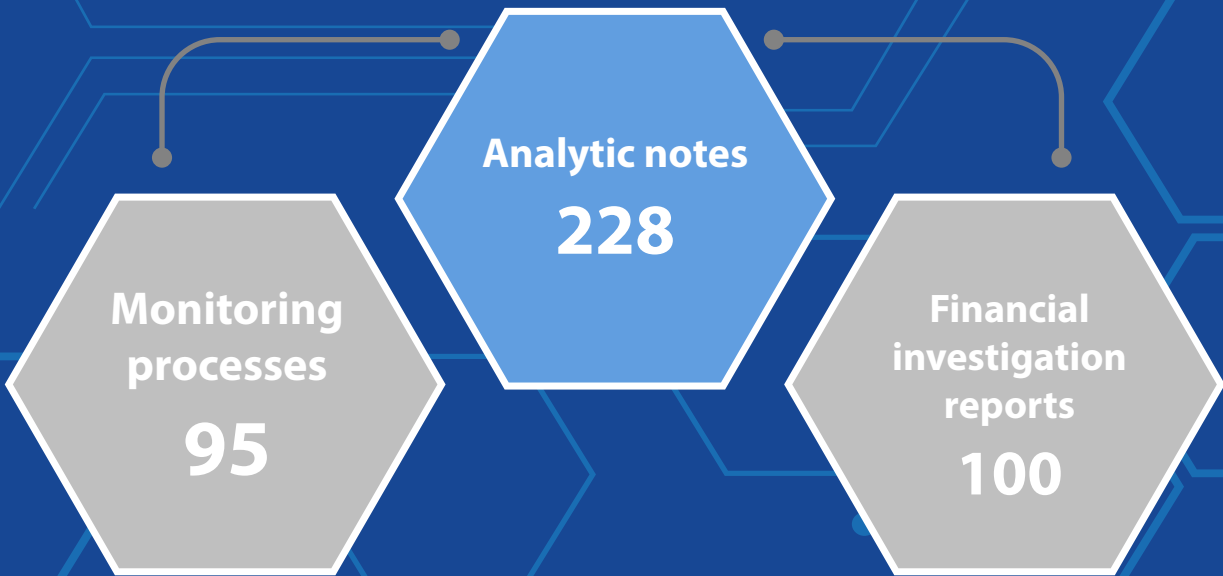


Total: 3 996 suspicious transactions

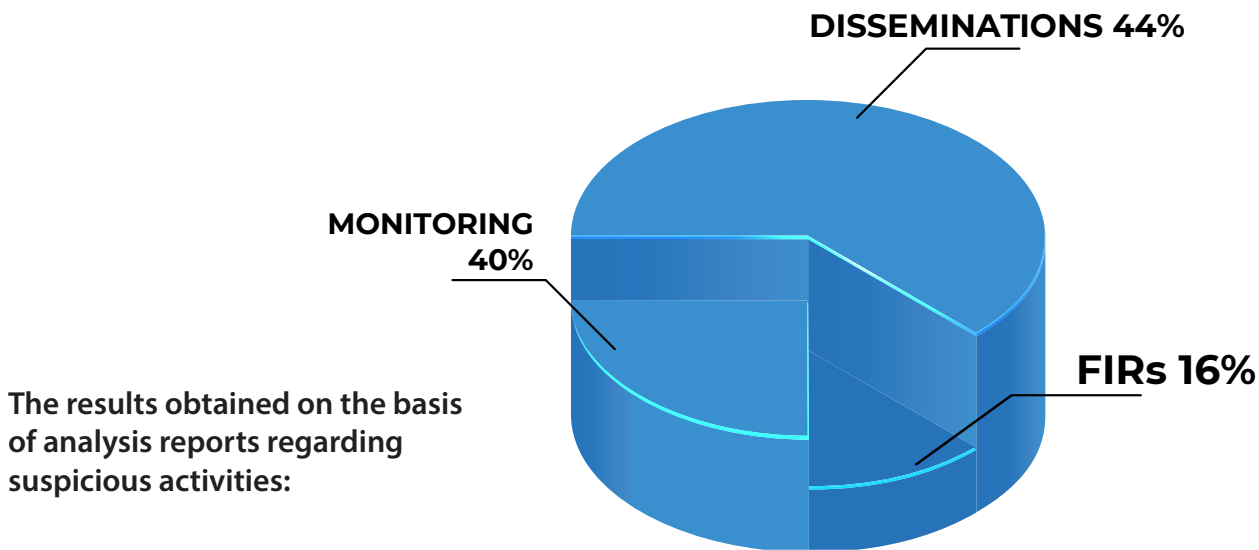
The financial investigation process represents a set of measures carried out in order to verify the indicators of suspicion and the facts presented in the Financial Investigation Report (FIR) through gathering of information, analysis and verification of all financial and economic relations and of the customers who can be linked to the suspicious activity of money laundering, of committing re

lated offences and financing of terrorism. Its goal is to establish the source and track of the used assets, proceeded from these offences, funds of terrorists and other assets that may or may not be object of the provisional measures and/or confiscated as well as the investigation of the size of the criminal network and the related degree of criminality.

The Office identified suspicious transactions and activities, as a result of analysing the forms reported by entities or of information received from other sources, resulting in the following outcomes:



The Office received 267 special forms on suspicious activities submitted by the banking and non-banking reporting entities.



The Office issued 61 decisions of suspending the execution of suspicious activity or transaction, by blocking the financial means

134 147 837	4 901 327	
MDL	USD	
1 217 298	357 755	6
EUR	RUB	individual safe boxes

118 646 087	1 217 298	1 927 215
MDL	EUR	USD

The financial means seized within criminal cases, as a result of provisional measures applied by the Office

“Banking Fraud” and “Laundromat”

The Office, continued to carry out financial investigations associated with the “Banking fraud” and “Laundromat”.

Actions have been taken to trace the flow of financial means, both internally and externally, in order to identify the full financial route of embezzled funds, to establish the beneficial owners of legal entities involved, and to create a “platform” of information regarding the goods and services acquired for their recovery.

The application of seizure on diverse assets (real estate, vehicles, banking accounts, agricultural equipment, share capital, etc.)

1 259 136 982	978,62	9181
MDL	EUR	USD

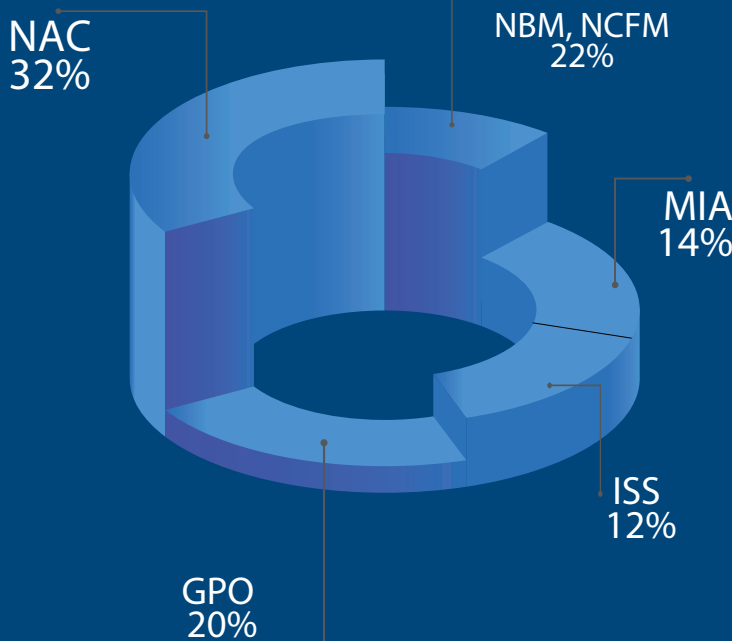
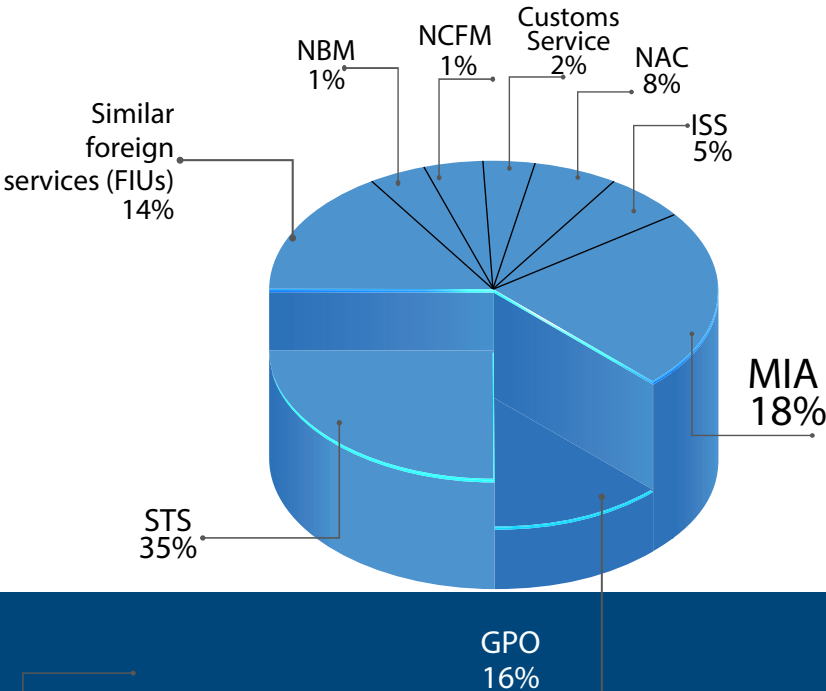
NATIONAL COOPERATION

The Office collaborates with the competent national authorities in the area of prevention and combating money laundering and terrorist financing.

The result of financial investigations are disseminated to competent national authorities.

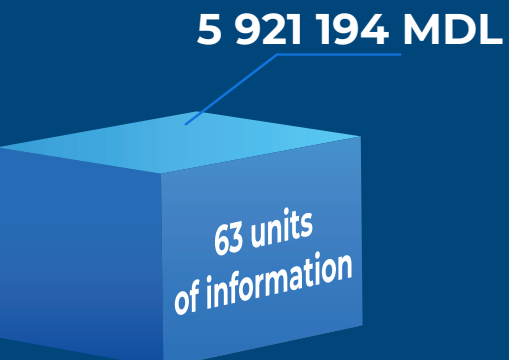
- General Prosecutor’s Office
- Intelligence and Security Service
- National Anti-corruption Centre
- Ministry of Internal Affairs
- Customs Service
- State Tax Service
- National Bank of Moldova
- National Commission of Financial Market
- Similar foreign services

Disseminated information



On the basis of disseminated information, the STS calculated and collected taxes and fees

Analyses and investigations on the basis of received requests



STRATEGIC ANALYSIS

The Strategic analysis highlights the general image of certain medium and long-term trends, performance of forecasts and estimations in order to underpin the strategic decisions or to build a support for managing certain situations/events with macro-economic impact in the area of prevention and combating money laundering, associated offences and terrorist financing, including the dissemination of collected information.

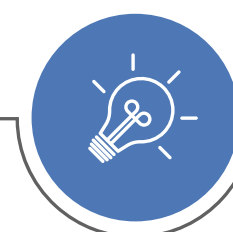


In order to perform the strategic analysis, the Office uses the MicroStrategy specialized software, that offers integrated services for processing, analysing and graphic representation of collected information in the area of prevention and combating money laundering and terrorist financing at the national level.

Goals and objectives

National risks

identification and understanding of sectoral and national money laundering and terrorist financing risks

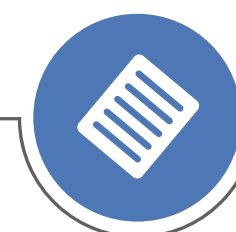
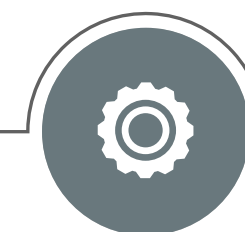


Typologies

establishing criminal trends at the national level

Sectoral Risks

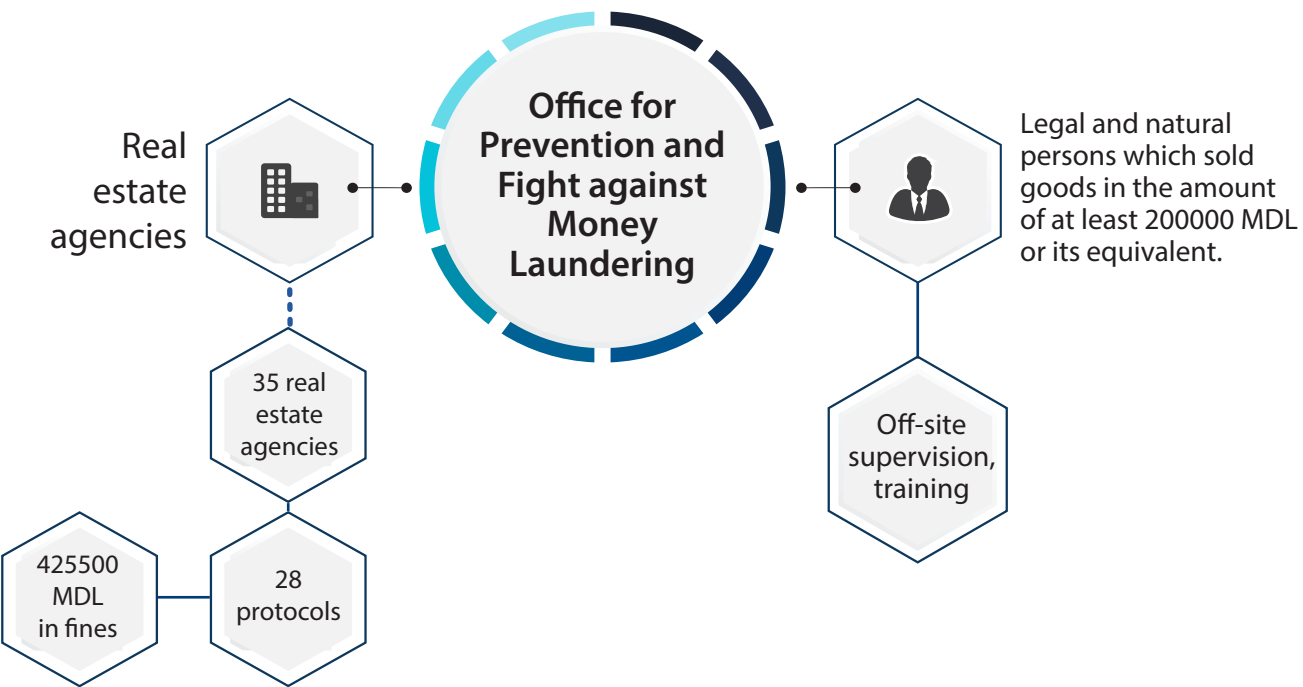
identification of sectors with increased risk of money laundering and terrorist financing with the subsequent formulation of proposals, including legal in order to mitigate them



Analytical Study

development of analytical studies regarding the related trends in the field, with subsequent information of law enforcement authorities, supervisory bodies, reporting entities and other authorities

SUPERVISION AND COMPLIANCE



Measures were performed, so as to reduce the risks related with the anonymous replenishment of electronic wallets offered by the payment service and e-money providers in the context of new drug-trafficking trends and typologies.

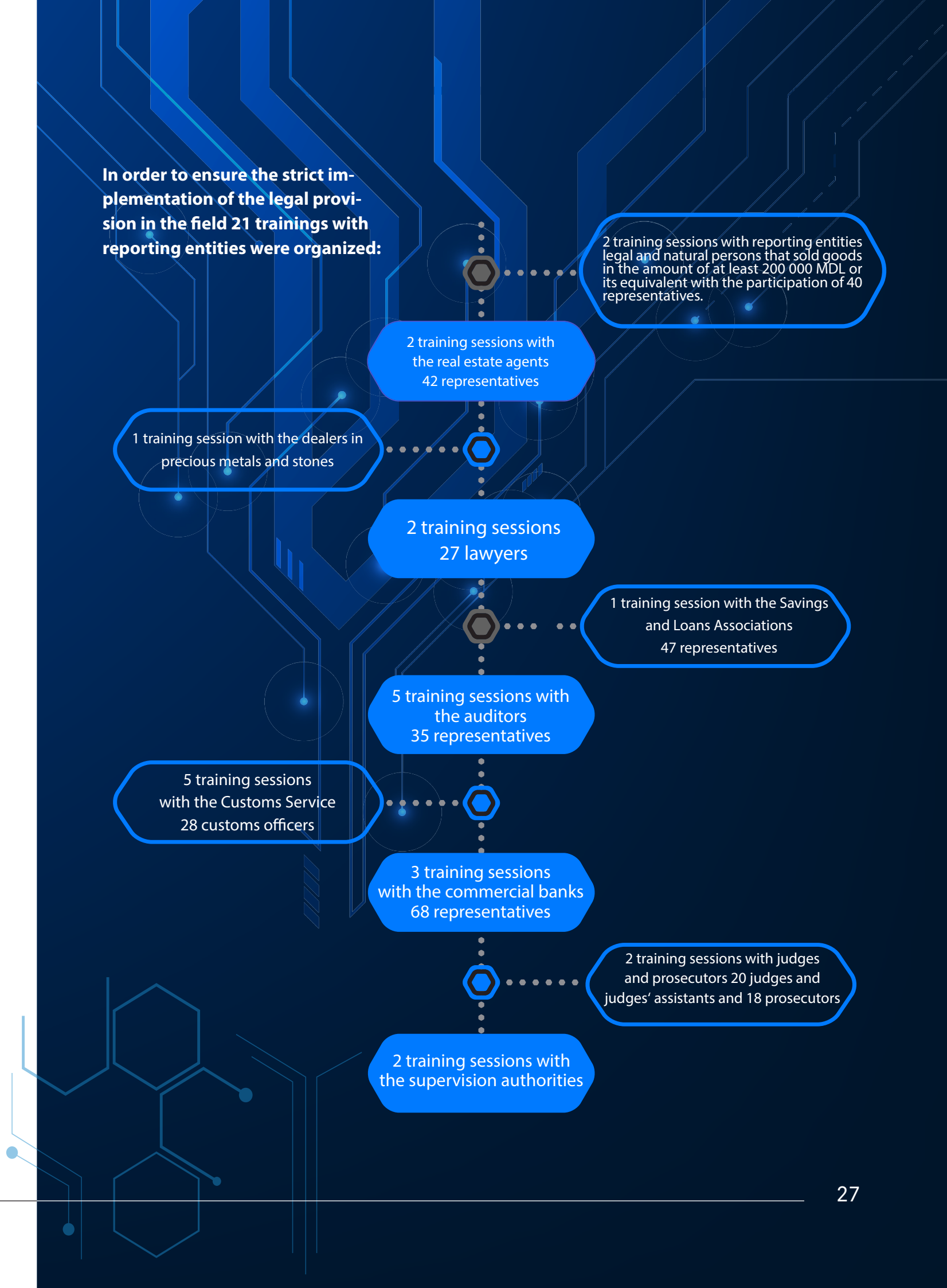
In order to execute the supervision tasks, the Office had a remarkable impact not only by applying supervision measures, but also through the verification of compliance of reporting entities.

34 PROTOCOLS	2 700 000 MDL
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In order to align the legislation with the international standards and to implement the provision of art. 35, para. (2), let. e) of Law No. 308/2017, the draft law on the procedure of establishment of breaches in the area of money laundering and terrorism financing and manner of the application of fine, which establishes:

- manner for establishing the violations of legislation committed by the reporting entities;
- manner for applying the sanctions for serious, repeated and systemic violations.

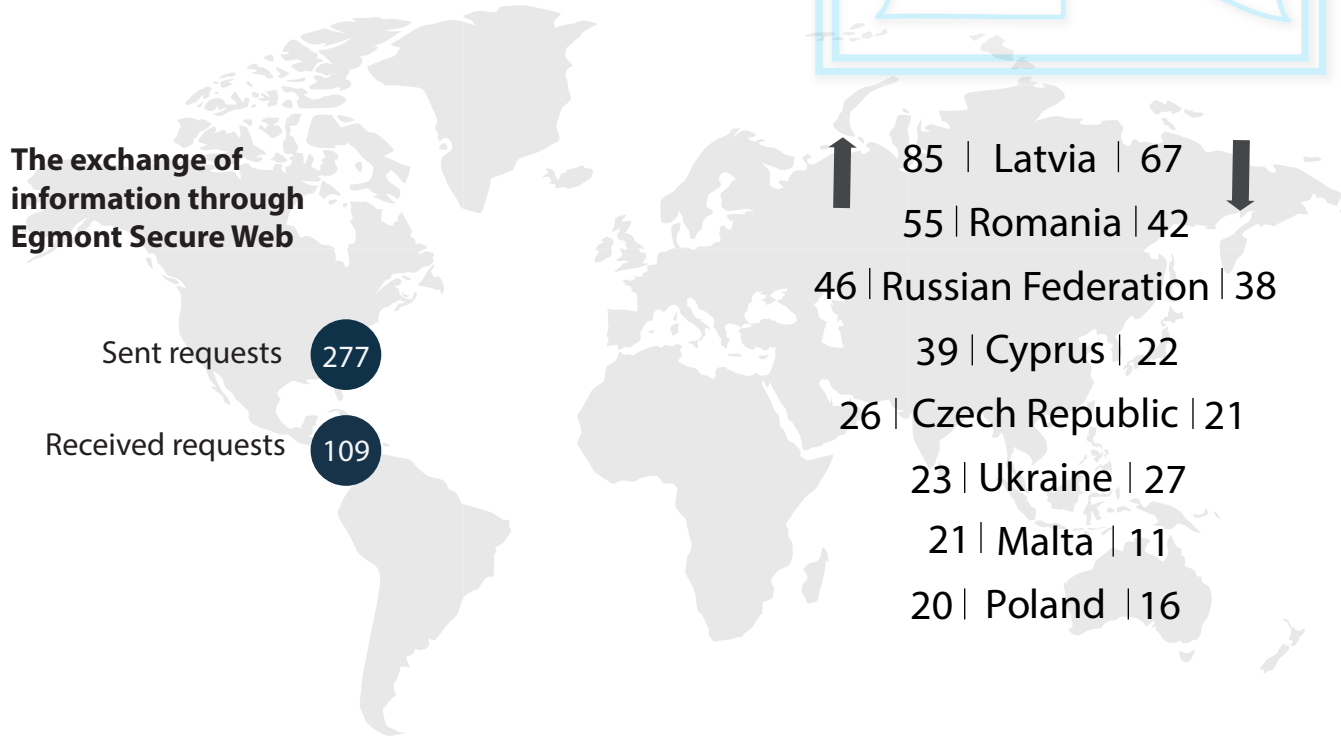
The draft law was analysed by joint EU/CoE Project "Controlling corruption through law enforcement and prevention" and by the EU High Level Adviser on Anti-money Laundering.



INTERNATIONAL COOPERATION

EGMONT Group

The Office became a member of the Egmont Group on 27 May 2008, aiming at improving the interaction between similar services. The exchange of information is carried out at the global level through the secure network-Egmont Secure Web.

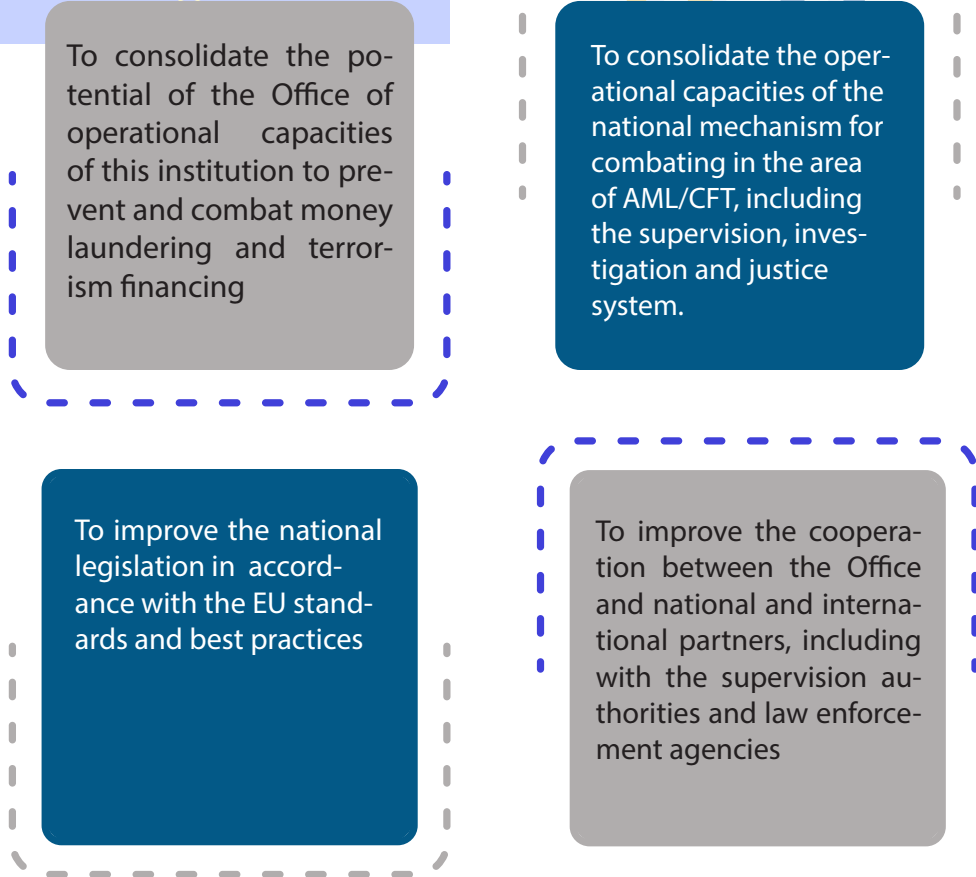


At the meeting of the Regional Group Europe II of the Egmont Group, the representative of the Office was elected by vote as the representative of the Regional Group Europe II of the Egmont Group. In this capacity, the representative of the Office is the member of the Egmont Committee. The Regional Group Europe II is composed of 22 member states including Guernsey, Jersey, Gibraltar, Serbia, Bosnia and Herzegovina, Israel,

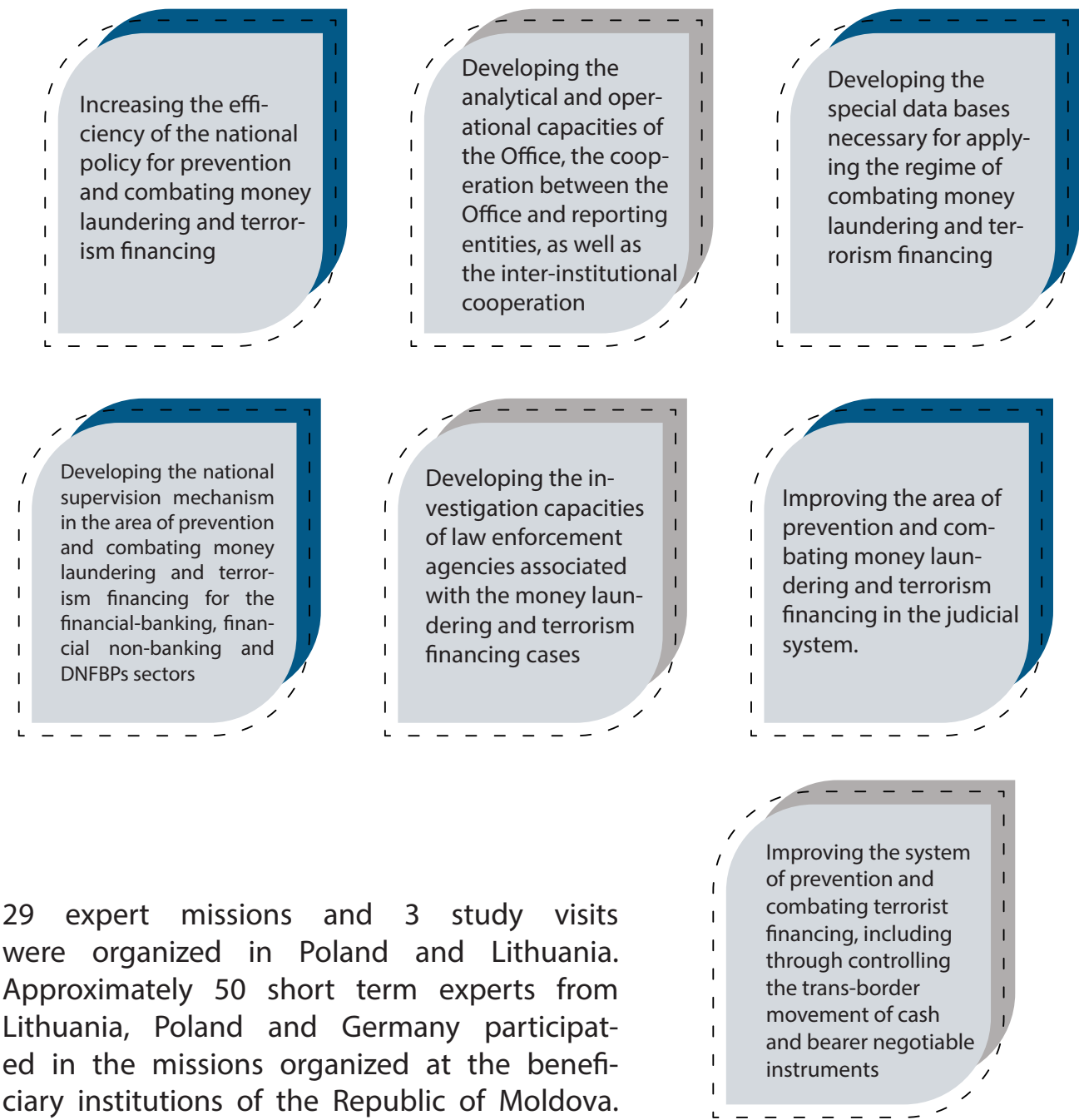
Armenia, Monaco, Albania, North Macedonia, Montenegro, Vatican, Kosovo, Azerbaijan, Andorra, Georgia, Republic of Moldova, Switzerland, San Marino and Ukraine. The role of the Regional Groups is to ensure the necessary assistance for the Financial Intelligence Units in order to achieve the development objectives, exchange of experience and information at the regional level.

The Twinning Project “Enhancing the system of prevention and combating money laundering and terrorism financing in the Republic of Moldova”

OBJECTIVE



Within the project the experts from Lithuania, Poland and Germany with the participation of the representatives of the National Bank of Moldova, National Commission of Financial Market, General Prosecutor’s Office, General Police Inspectorate, State Tax Service, Customs Service and other competent authorities are implementing measures divided into seven components as follows.



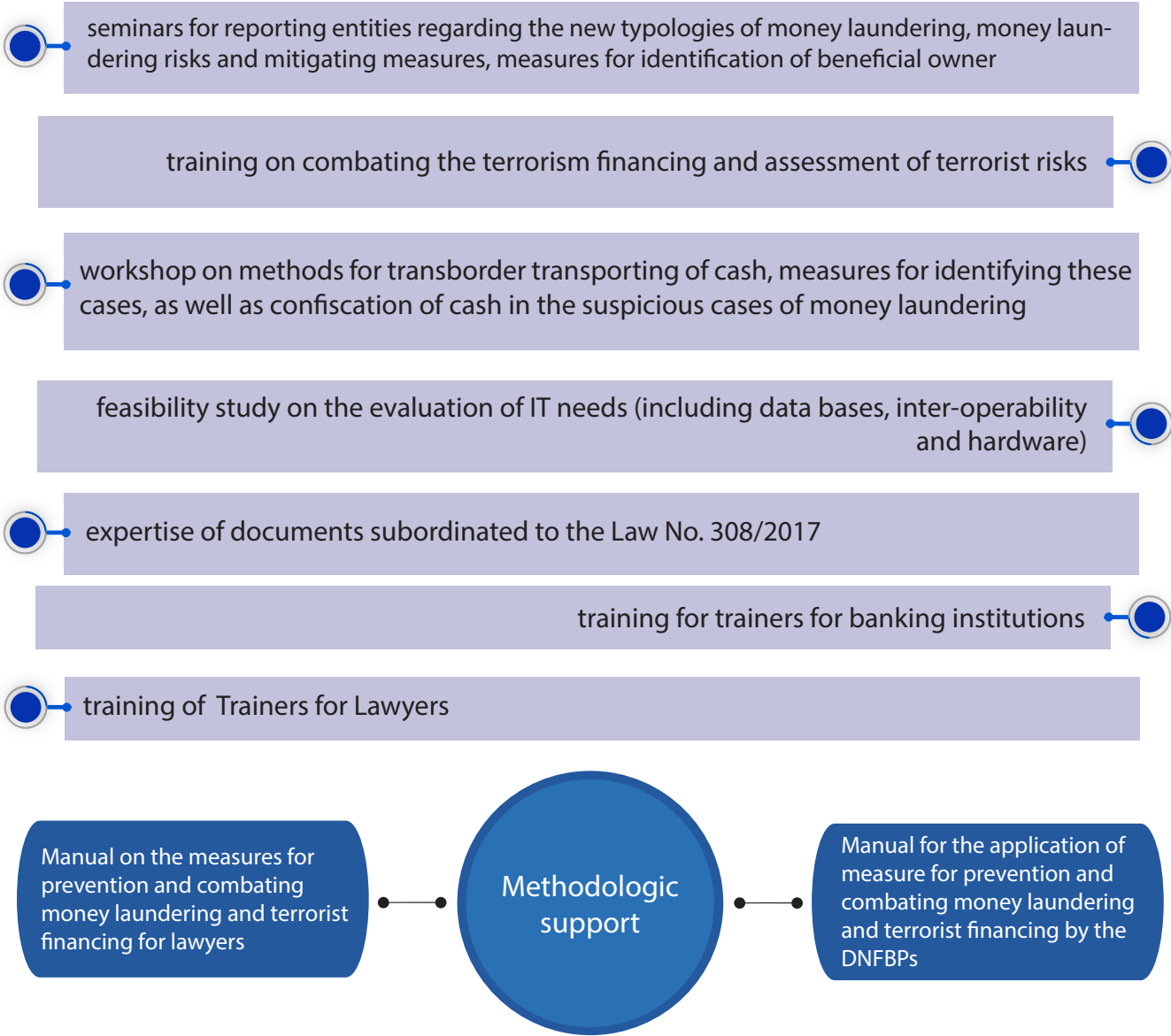
29 expert missions and 3 study visits were organized in Poland and Lithuania. Approximately 50 short term experts from Lithuania, Poland and Germany participated in the missions organized at the beneficiary institutions of the Republic of Moldova.

Within the activities of the project participated more than 100 representatives of the Office, law enforcement agencies, bodies with supervision functions of the reporting entities.

The joint project of the European Union and Council of Europe “Combating corruption through law enforcement and prevention” CLEP

The joint project of the European Union and Council of Europe “Combating corruption through law enforcement and prevention” CLEP aims to approach the priorities drawn by the Council of Europe and European Union in the area of fighting corruption, money laundering, combating terrorism financing and asset recovery.

In the context of implementing the mentioned project, the following activities were carried out:



Conference of parties

The Office in its status of authority entrusted at the national level with prevention and combating money laundering, leads the delegation of the Republic of Moldova in the Monitoring Committee COP CETS-198 of the Council of Europe.

The implementation of the provisions of the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism represents a priority at the national level, that's why the participation in the meeting of the Conference of Parties is an active one manifested by qualitative performance of national efforts in order to strengthen the Financial Intelligence Unit, international cooperation, streamlining measures for extended confiscation, asset recovery.

The COP member states were the subjects of the transversal evaluation against the provisions of article 9 paragraph (3) "Money laundering offence" and art. 14 "freezing of suspicious transactions" where the representative of the Office acted as the rapporteur and presented the implementation and efficiency of the Republic of Moldova in the area of AML/CFT.

The representative of the delegation of the Republic of Moldova has the status of member of the Bureau of the Conference of Parties, where participates and contributes for coordination of activity, by assisting in this regard the Secretariat of COP.



The Office was connected to the FIU.NET network, which represents a complex decentralized system for financial information exchange in the area of money laundering and terrorist financing between the member states of the European Union, integrated within the Europol in order to ensure the continuity of activities and allowing the permanent improvement of the platform.

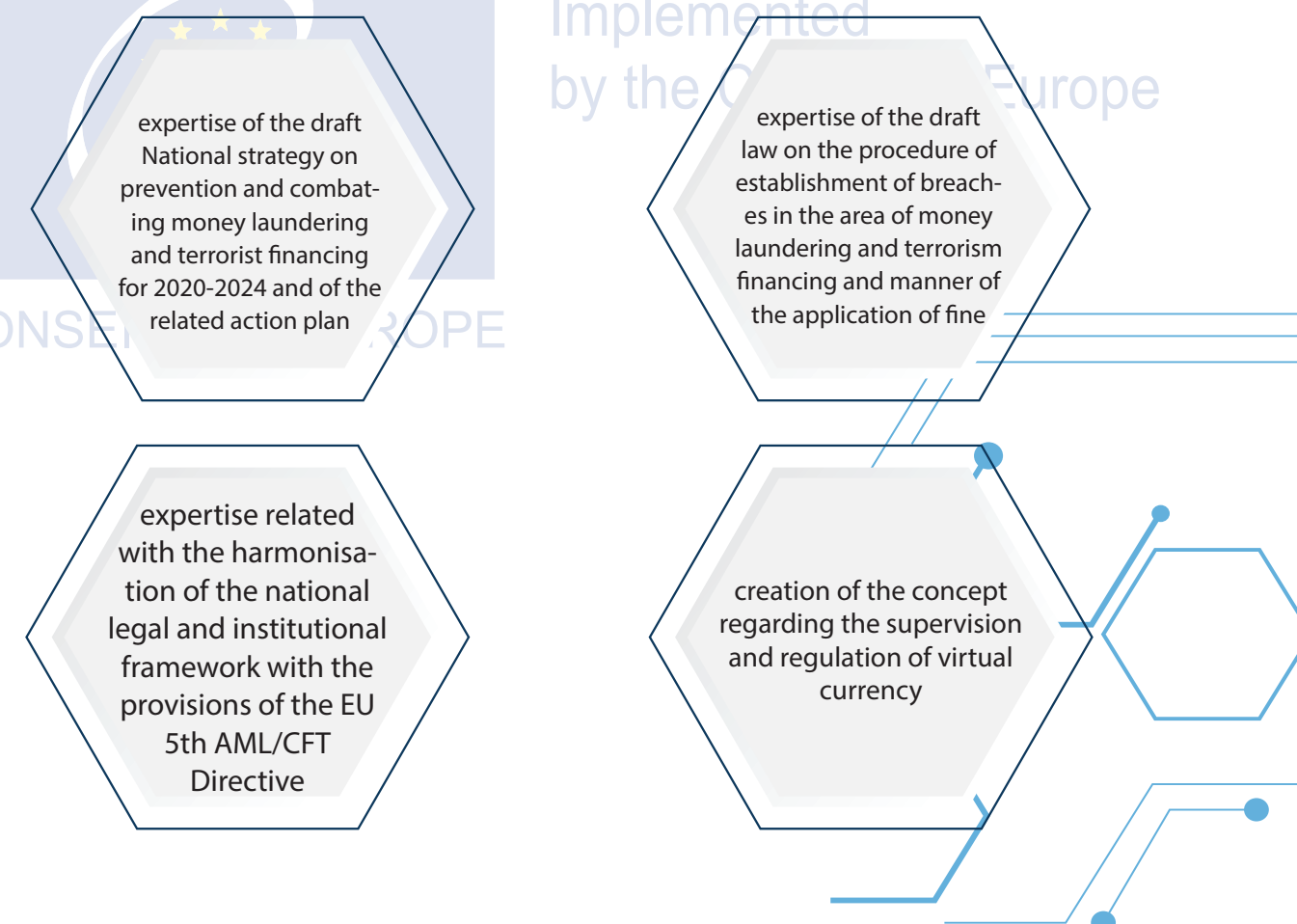
FIU.NET allows the efficient growth of information exchange by combining the performed functions with the information and services owned by Europol, resulting in the intensification of efforts for prevention and combating money laundering and terrorist financing.

Support to the Implementation of the European Union High Level Advisers' Mission 2019 – 2021

The project is financed by the European Union and aims to offer support to the Government, including to the Office in consolidating the necessary capacities for implementing the Association Agreement, including the Deep and Comprehensive Free Trade Area, as well as for ensuring the following post-liberalisation actions of the visa regime.

The EU High Level Advisor's Mission in Moldova on anti money laundering and counteracting of financing of terrorism objectives are: rising efficiency of the implementation of AML/CFT measures by the national and private institutions from Republic of Moldova, implementation of the relevant EU Directives.

The High-Level Advisers' Mission was oriented on the following actions:



“

...strengthening the national system for prevention and combating money laundering and terrorism financing, as well as the associated offences, shall be marked by the implementation of strategic objectives: approving the law on the procedure of establishment of breaches in the area of money laundering and terrorism financing and manner of the application of fine, approving the National strategy for prevention and combating money laundering and terrorist financing for 2020-2024 and of the Action plan, initiating the updating process of risks in the area of ML/TF, according to the World Bank Methodology, developing the progress report on the implementation of the Moneyval Committee recommendations, continuing the cooperation with foreign development partners in order to implement the international best practice...

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OPFML