

Office for Prevention and Fight
against Money Laundering

An abstract network diagram consisting of numerous small grey dots connected by thin, light grey lines, forming a complex web-like structure. This graphic is positioned on the right side of the cover, partially overlapping a diagonal gradient band that runs from the top right towards the bottom left.

ANNUAL REPORT 2022



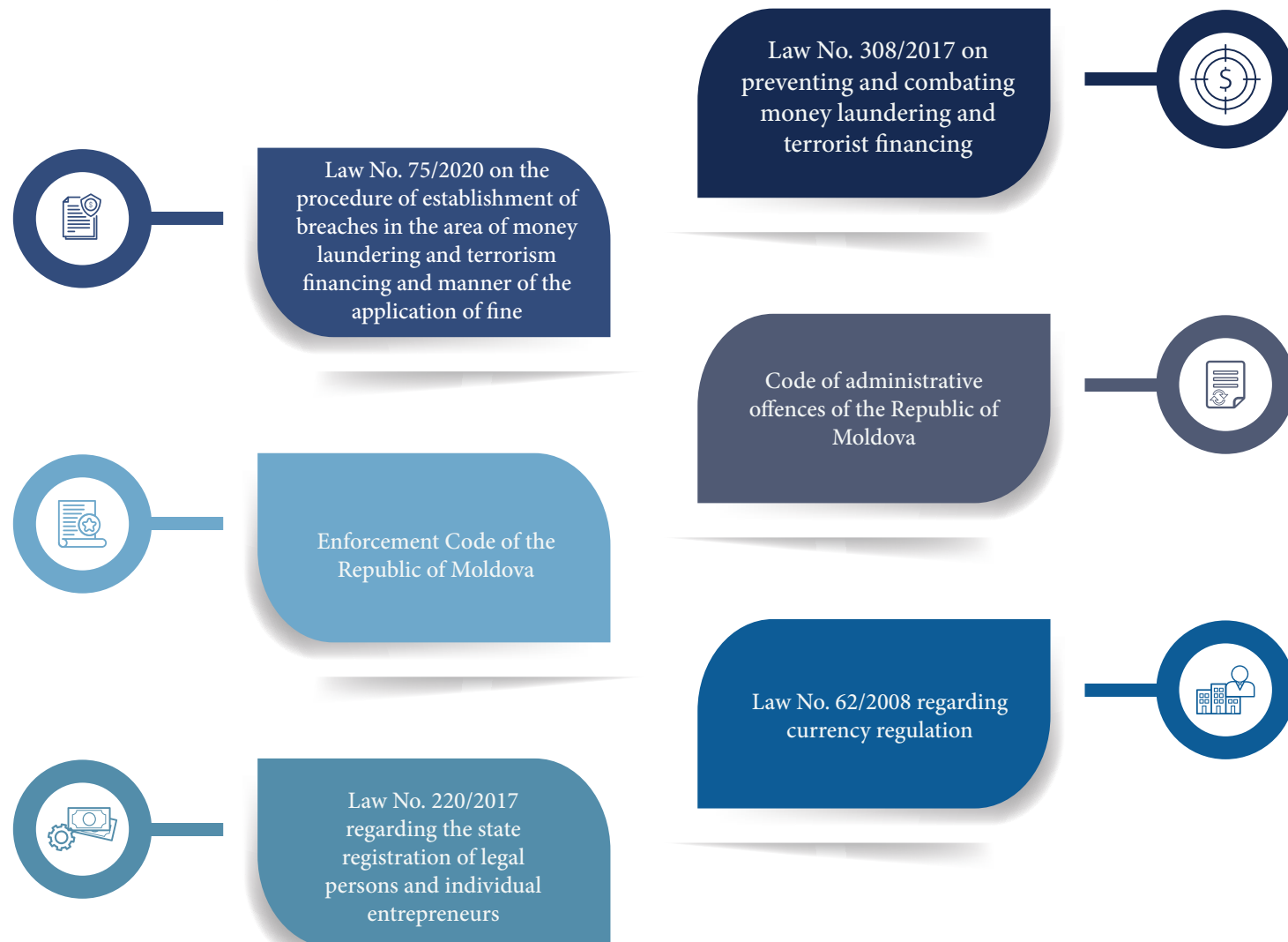
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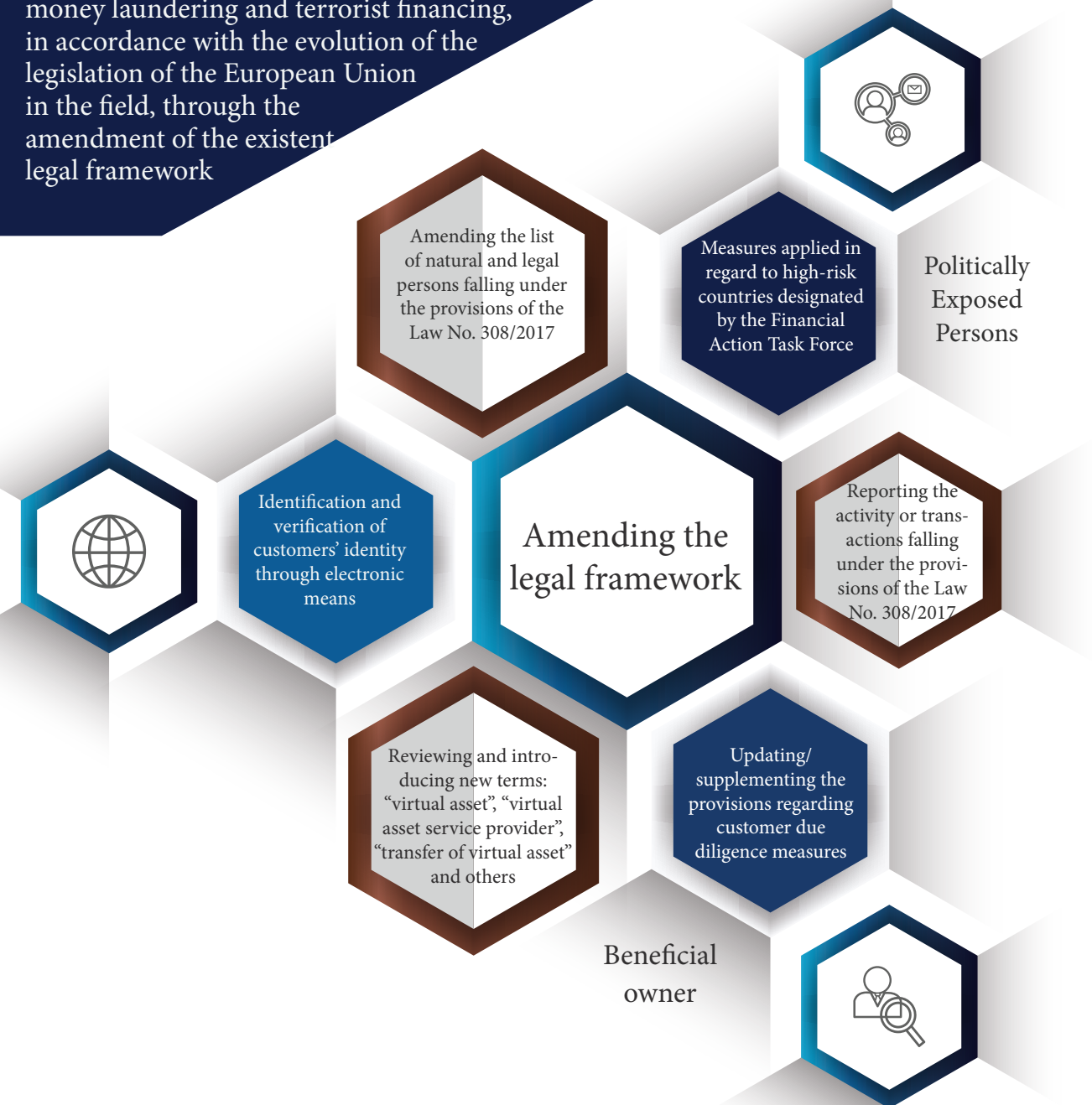
Legal Framework

The biggest priority for 2022 for the authorities with competences in the field of prevention and combating money laundering and terrorist financing was the development of the draft law for amending several normative acts, this being imposed by the necessity to transpose the provisions of the Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU, to implement the recommendations of the 5th Round Mutual Evaluation Report of the Moneyval Committee of the Council of Europe, as well as the updated provisions of the Recommendations of the Financial Action Task Force, especially the Recommendations No. 15 and 24.

This draft aims to amend several normative acts, such as:



This draft provides amendments of the national legal framework in the field of prevention and combating money laundering and terrorist financing, in accordance with the evolution of the legislation of the European Union in the field, through the amendment of the existent legal framework



In order to review the content of the draft, public consultations were organised within the Parliamentary platform with the participation of all competent public and private institutions, the proposed amendments being discussed, with the submission of the necessary proposals and objections.

Thereby, the amendments received from the parliamentary commissions, public authorities, civil society, professional associations and other entities were analysed, the draft being completed and approved in the first reading within the plenary meeting of the Parliament on 22.12.2022.

National Risk Assessment in the field of money laundering and terrorist financing

The fight against money laundering and terrorist financing represents a continuous challenge for national and international institutions and authorities. The constant evolution of money laundering and terrorist financing technics, which are based on the exploitation of vulnerabilities of national systems, require a continuous update for enabling the authorities and other responsible subjects to identify the changes in the modus operandi, new typologies, ways of using technological advances or other developments in this field

The purpose of the national risk assessment process is to reveal the threats and vulnerabilities existent in the national system for preventing and combating money laundering and terrorist financing.

The results of the national risk assessment process contribute to the management and efficient allocation of resources by the responsible authorities and reporting entities, as well as to the determination of the level of control measures applied to a product or to a particular sector.



For the purpose of implementing the recommendations formulated as a result of the 5th Round Mutual Evaluation carried out by the Moneyval Committee of the Council of Europe, as well as for the remediation of the deficiencies attested in the field, especially in the part related with updating the national risk assessment, it was required to create the National strategy on preventing and combating money laundering and terrorist financing for 2020-2025 and the Action Plan for its implementation, approved through the Decision of Parliament No. 239/2020.

Hence, the necessity of the national risk assessment represents a priority action of the Action Plan of the National strategy on preventing and combating money laundering and terrorist financing and resides from the Recommendation No. 1 of FATF/GAFI. Thereby, the main objective of the national risk assessment process represents the identification, analysis and the perception of money laundering and terrorist financing risks faced by the Republic of Moldova.

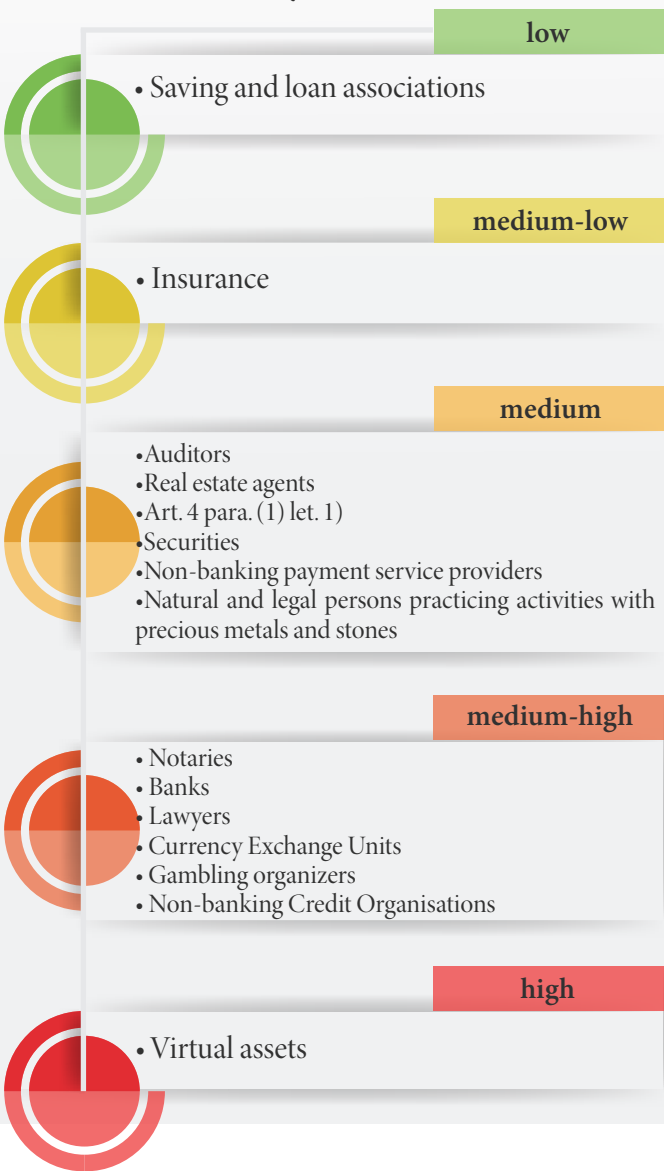


Taking into consideration that the money laundering and the offences generating illicit proceeds represent a major risk for the Republic of Moldova, within the framework of the national risk assessment were established the most relevant offences generating illicit proceeds at the national level.

Thereby, as a result of data systematisation and existent information, the working groups established as **offences generating illicit proceeds at the national level** the following phenomena, which represents a threat.



Sectorial analysis



Extension of fields subject to assessments

Reassessing the categories of the main offences generating illicit proceeds

The risk of using the legal persons registered in the Republic of Moldova in money laundering and/or terrorist financing offences

The risk of using the non-commercial organisations for terrorist financing purpose

Other natural and legal persons which sell goods in the amount of at least 200000 MDL or its equivalent

Virtual asset sector


National strategy in the field of preventing and combating money laundering and terrorist financing

Following the completion of the national risk assessment process in the field of preventing and combating money laundering and terrorist financing, through the approval of the national assessment Report it was necessary to develop some measures in order to minimize the identified risks. Taking into consideration the fact that, certain necessary measures to be taken by the national authorities in order to reduce the inherent risks are already included in the Action Plan for the implementation of the National strategy for preventing and combating money laundering and terrorist financing for 2020-2025 approved though the Decision of the Parliament No. 239/2020, it was considered appropriate, in order to avoid duplication of actions, to include the respective activities as amendments and supplements to the approved Action Plan. Accordingly, the respective amendments being approved by the Decision of the Parliament No. 138/2022.


At the same time, as a result of the implementation process of the first reporting periods, the Office carried out an assessment of the efficiency and impact of the implementation of measures according to the action plan accomplished on the basis of indicators and progresses provided in the Strategy, being revealed certain aspects that needed the update of implementation time periods and the review of some compartments of the action plan in order to establish of actions to be accomplish and to avoid multiple interpretations.

Thereby, on the basis of information received for 2022 from the responsible authorities, the Office performed an assessment of the efficiency and impact of the implementation of measures according to the action plan. The assessment was carried out on the basis of indicators and progresses provided in the Strategy.


Implemented priority actions




carrying out information actions tailored to the necessities of each sector, vulnerabilities and risks identified during the national risk assessment process




training the representatives of law enforcement agencies and judicial system regarding criminal investigation and specific aspects concerning the management of evidences in money laundering and terrorist financing cases




creation, consideration and approval of the action plan for reducing the risks in the field of prevention and combating money laundering and terrorist financing



creation and approval of the draft policy document in the field of criminal asset recovery

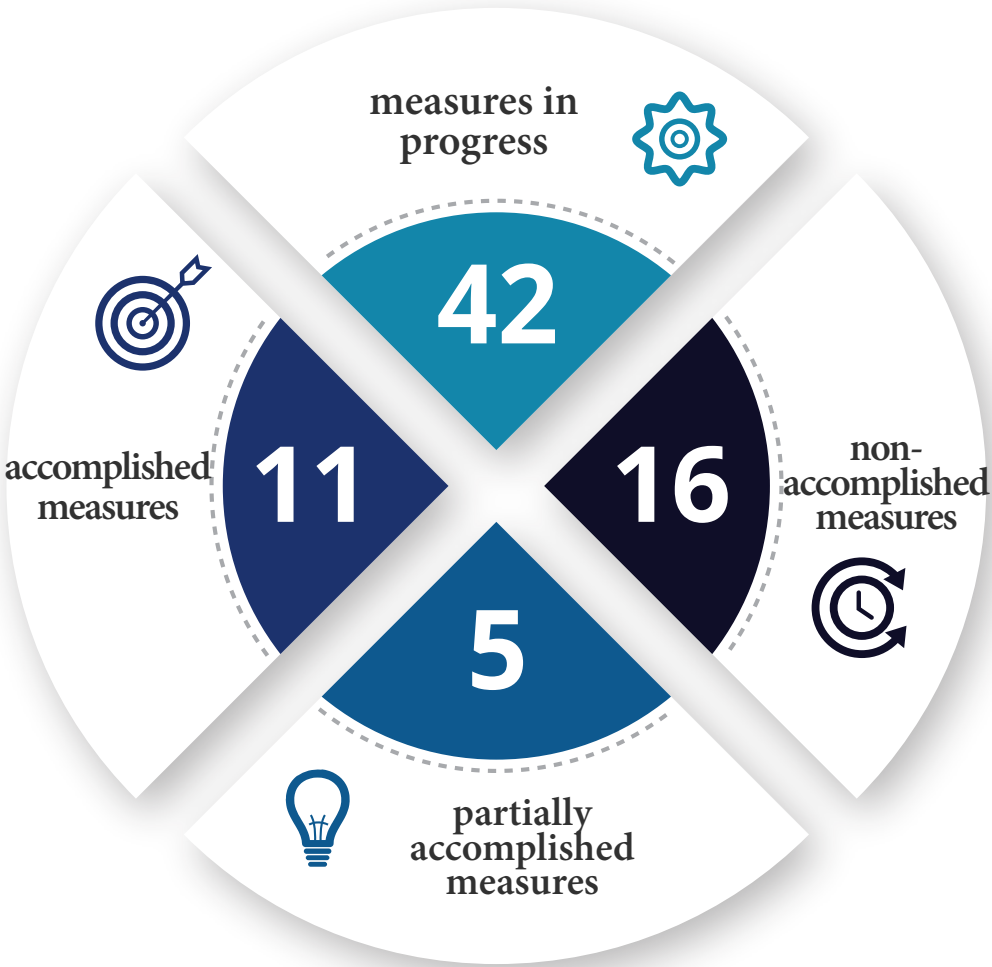


completing and approving the money laundering and terrorist financing national risk assessment Report



ensuring the collection of sectoral statistics

Implementation of measures



Supervision Compliance

The supervision and compliance activity is exercised by the Office on the basis of provisions of the Law No. 75/2020 on the procedure of establishment of breaches in the area of money laundering and terrorism financing and manner of the application of fine. An important role represents the supervision and compliance measures applied to reporting entities.

Hence, by the Supervision and Compliance Service are supervised ex officio and on-site the reporting entities provided by art. 15 para. (1) let. h) within the limit of monitoring and verification of compliance with the provisions Law No. 308/2017.

The transaction analysis is being carried out in accordance with the pre-established procedures and represents the risk based approach in relation to the exposure of reporting entities to money laundering and terrorist financing risks.

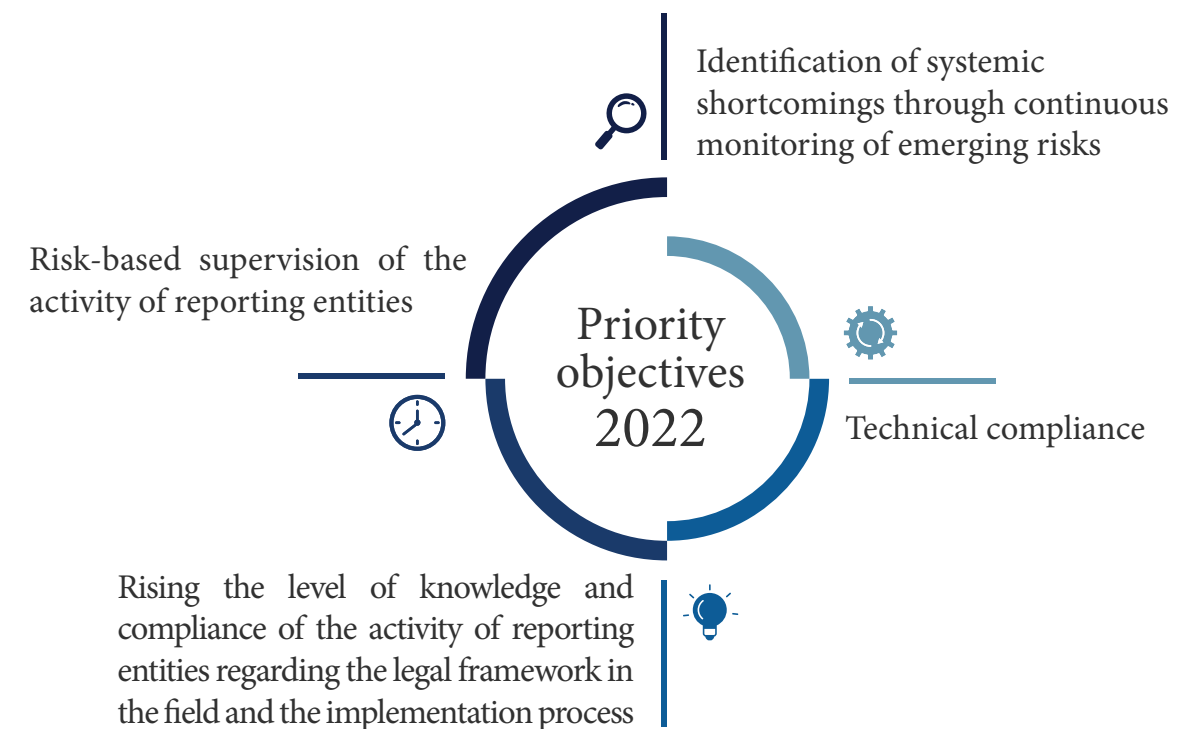
Following the analysis of information and data held by the Office and the assessment of risk indicators in the field of money laundering and terrorism financing risks, verification and control actions were initiated.

The purpose of supervision consists in assessing the implementation level and the manner of application of provisions of the legal framework on preventing and combating money laundering and terrorist financing by the reporting entities.

In this respect, during 2022 within the framework of the analytic process of risk indicator assessment, were subject 1934 transactions reported by the supervised entities provided by art. 4 para. (1) let. e), h), l).



Thereby, during 2022 by the Office were disseminated 8 information to the authorities with supervision functions, for breaches related with the incorrect fulfilling of the special form, improper application of customer due diligence measures, erroneous qualification of transactions.



Moreover, by the Supervision and Compliance Service were organised 21 trainings and working meetings with the reporting entities on the following topics

Transaction reporting and the role of the registrar in fighting against terrorism financing

Manner of fulfilling and submitting the compliance form

Exchange of experience and the taking over of practical methods between the competent institutions regarding the performance of the control procedure according to the provisions of Law no. 75 of 21.05.2020 and the training of notary trainers

The role of customs inspector in fighting against terrorism financing and detecting cases of non-declaration of foreign currency

Strategic Analysis

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

The strategic analysis focuses on the overall picture of certain medium and long term tendencies, predictions, forecasts and estimations aiming to support the strategic decisions and/or providing information support for the management of situations/events with an important impact on the field of prevention and combating of money laundering, including the dissemination of the information gathered.

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

In order to implement the strategic objectives, the Office uses specialised programmes and models, which offer integrated services for processing, analysing, graphic and dynamic representation of the accumulated data in the field of prevention and combating money laundering and terrorist financing at the national level.

Purposes and objectives



identification and clear understanding of sectorial and national money laundering and terrorist financing risks



establishing the criminal models which evolve in a particular group or in the creation of profound perspective over the developing criminal models at the national level



developing analytical researches regarding the tendencies and typologies in the field of money laundering and terrorist financing with the dissemination of information



identification of sectors of high risk of money laundering and terrorist financing, in the sector subject to analysis, with the formulation of proposals, including legislative



Constant receiving, analysis and processing of information regarding the suspicious, threshold and cash transactions received by the Office on the basis of provisions of art. 11 of Law No. 308/2017



The investigative-analytical activity in order to offer informational support to law enforcement, tax authorities, bodies with supervision functions in the exercise of their attributions



Performing financing investigation on suspicious transactions of money laundering and terrorist financing, with the accumulation of information from the available data bases, requesting information from the reporting entities, including confirmative documents from the subjects of investigations, within the limits of competences



Creating of analytical notes and reports in accordance with internal instructions



Dissemination of information to competent law enforcement agencies as soon as reasonable suspicions of money laundering were established or other offences which resulted in obtaining illicit goods, as well as to the Intelligence and Security Service in part related with terrorist financing or notifying the international authorities, resulting from financial investigations and analytical notes

The application of provisional measures on suspicious goods of natural and legal persons under OFAC sanctions, including on natural and legal persons associated with them, in accordance with the provisions of Disposition No. 45/2022 of the Exceptional Situation Commission of the Republic of Moldova



Investigative-analytical activity at the request of supervision authorities (NBM, NCFM, etc.) in order to create the financial profile of the shareholders of the commercial banks and non-banking credit organisations, persons that candidate for management positions within reporting entities and consultative consideration of external loans



Ensuring the compliance of reporting entities to the requirements of the AML/CFT legislation, monitoring the correctness of fulfilling the forms and reports submitted to the Office, but also the correctness of qualification of the reported transactions, with the information of the Supervision and Compliance Service and/or the supervision authorities in all cases of identification of deviations



Ensuring the evidence of statistical data

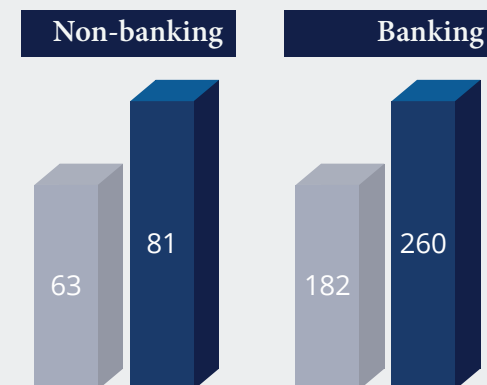


Operational Analysis

Reported transactions	2021	2022
Suspicious	533	146
Threshold	588 206	716 064
Cash	1 497 836	2 062 690
Total banking	2 086 575	2 778 900
Suspicious	436	450
Threshold	21 047	20 899
Cash	44 476	36 269
Total non-banking	2 086 575	2 778 900

Transactions reported by banking and non-banking entities

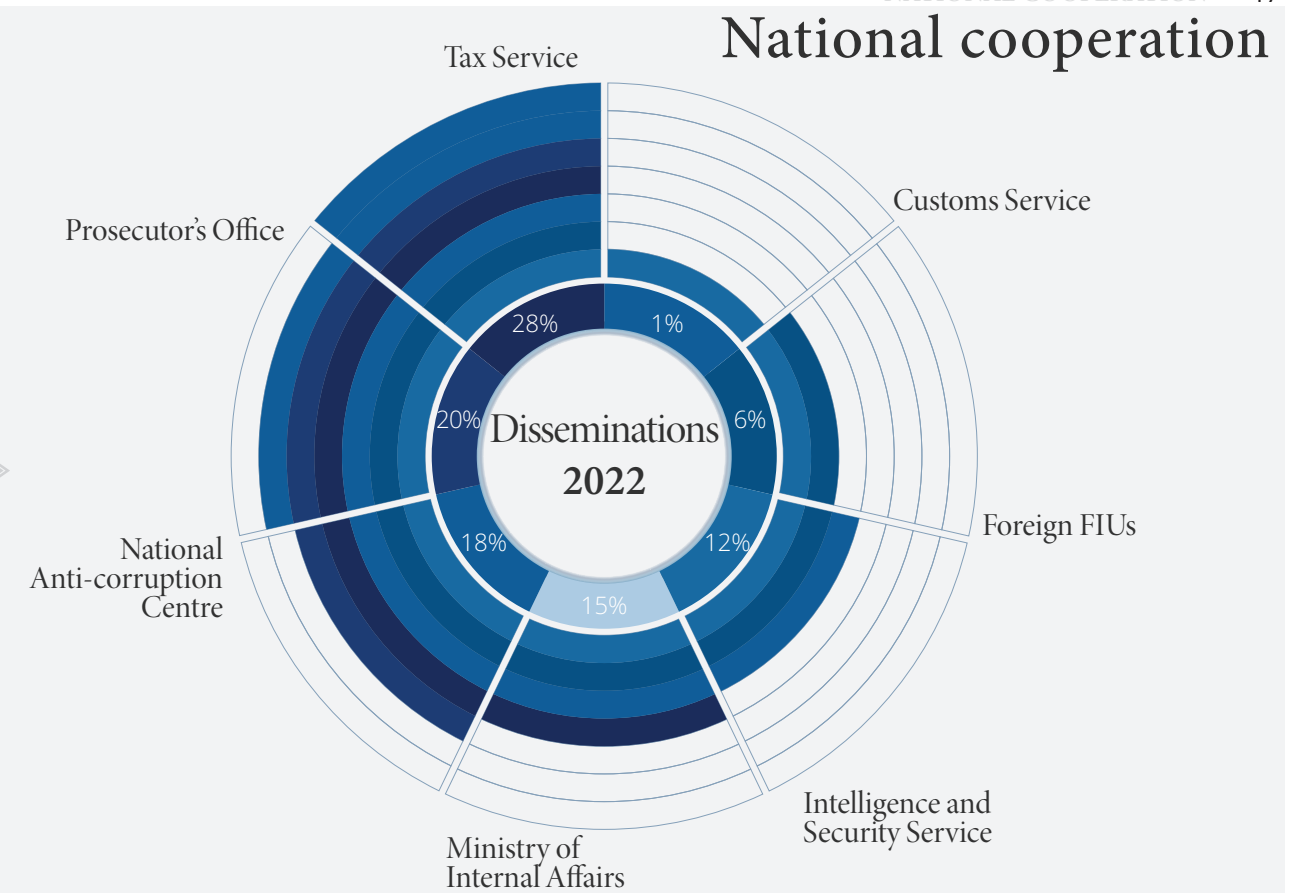
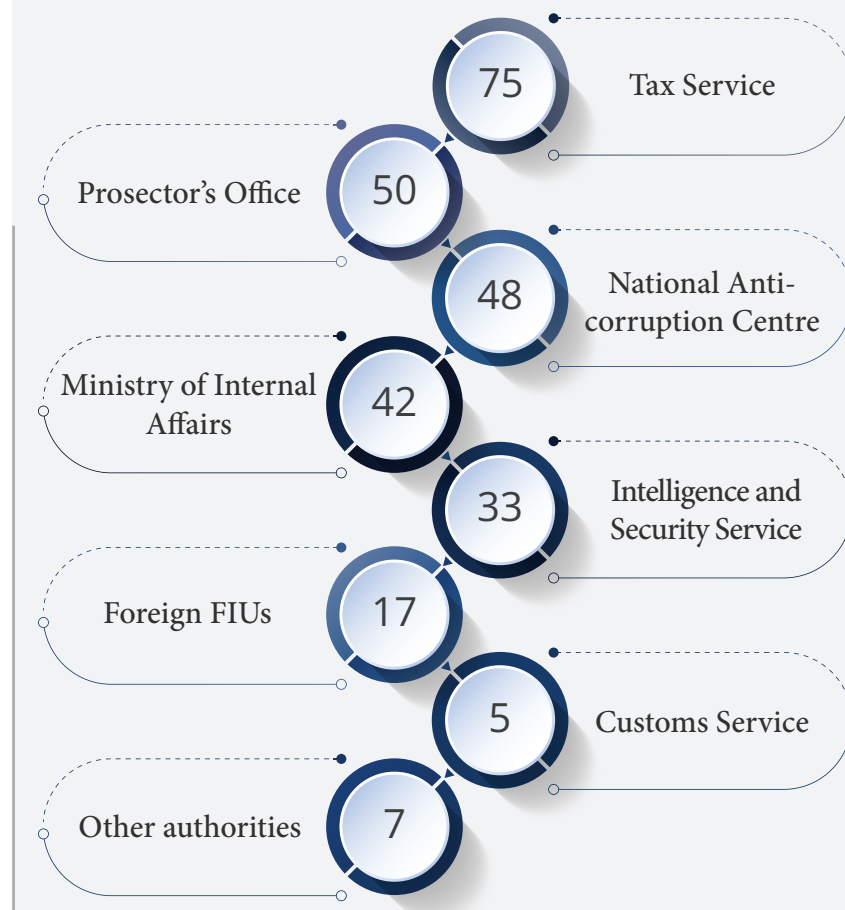
Special forms for reporting the suspicious activities



The non-banking system

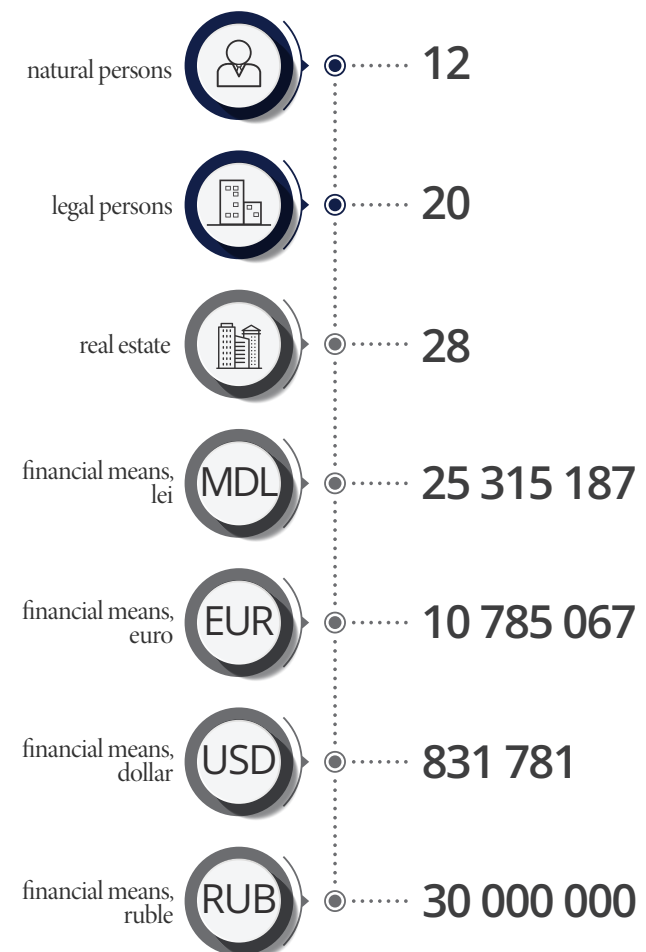
2021 2022

44 480	Notaries	36 882
6 585	NCO	7 173
2 001	Customs S.	4 000
2 226	SLA	2 585
1 406	PSP	2 140
1 024	Leasing	976
4 024	Letter L	960
1 338	Real estate	930
713	CEU	418
1 128	Alte	1 558



Provisional measures

applied in accordance with
Para. (4) art. 33 of
Law No. 308/2017



APO PCCOCS

NBM

NAC

Foreign FIUs

MIA

STS

ISS

NIA

NCFM

Other authorities

52

47

44

33

27

18

16

8

6

33

At the same time, the employees of the Office, within the limit of functional attributions performed 284 investigative-analytic activities on the basis of requests submitted by the law enforcement agencies and authorities with supervision functions of reporting entities

International cooperation

Moneyval Committee of the Council of Europe

According to the established procedures, following the organisation of the 5th Round Mutual Evaluation of the national system on preventing and combating money laundering and terrorist financing by the Moneyval Committee of the Council of Europe, the Republic of Moldova presented the progress report in the field, by demonstrating notable results in the level of compliance with the Financial Actions Task Force (FATF) standards.

Thereby, the measures undertaken by the national authorities led to the upgrading of certain ratings from “partially compliant” to “largely compliant” to 4 fields regarding the activities of DNFBPs, customer due diligence measures, politically exposed persons and high risk jurisdictions. The progress report analyses at the same time, the implementation of the new international requirements regarding virtual assets.

Because of the identified deficiencies, the rating on the implementation of this updated Recommendation was downgraded from “largely compliant” to “non-compliant”. Additionally, small deficiencies were identified, including regarding the definition of close associates of the politically exposed person and the lack of customer due diligence measures in certain sectors.

The re-evaluation of Recommendation No. 6, 7, 8, 10, 12, 19, 23.

Further, during 2023 the Republic of Moldova will be the subject to the reviewing procedure of the degree of implementation of the recommendations exposed in the evaluation Report, which requires continuous undertaking of actions for their realization by the responsible authorities.



MONEYVAL COMMITTEE OF THE COUNCIL OF EUROPE



EU HIGH LEVEL ADVISERS' MISSION
TO THE REPUBLIC OF MOLDOVA

EU High Level Advisers' Mission to the Republic of Moldova

The overall objective of the European Union High-Level Advisers' Mission is to support the Government to implement its reform Agenda and in particular to assist the Government in developing the capacities required for the implementation of the Association Agreement.

In this overarching framework, starting with 2021 the project offers support to the Office for Prevention and Fight against Money Laundering through the persons of the EU High Level Adviser on Anti-money Laundering and Asset Recovery. The carried out actions and activities were largely oriented on sharing the best practices in the field of preventing and combating money laundering and terrorist financing and on implementing the Moneyval Committee's recommendations.

The support of the EU included sectorial advice on multiple aspects, such as enhancing the awareness degree regarding different deficiencies of the AML sector, analysing draft laws and strategies, offering recommendations and opinions regarding the draft secondary normative acts, sharing the regulation experience, as well as ensuring the exchange of information between the Office and other participants on matters as:

- a) National risk assessment;;
- b) Creating the Registry of beneficial owners of legal persons and individual entrepreneurs;
- c) Cash control at the border;
- d) The transposition into the local legislation of the EU 5th AML/CFT Directive in the field of preventing and combating money laundering and terrorist financing.

Conference of the Parties of member states to CETS 198

The Office, as the authority in-charged, leads the delegation of the Republic of Moldova within the Monitoring Committee of the COP CETS-198 within the Council of Europe. The Office allocated additional resources in order to make the national efforts in the field more efficient, as well as to strengthen the monitoring mechanism of the CETS 198.

The delegation of the Republic of Moldova during the period of 15-16 November 2022 participated in the 14th Plenary Meeting of the Conference of Parties of CET 198 members. The Republic of Moldova presented the horizontal evaluation report on the implementation of provisions of art. 6 of the Convention and contributed to the implementation of practical cases which were unloaded on the restricted portal of COP CETs 198.

Also, the Office participated in the joint session between COP and the Committee of Experts on the Operation of European Conventions on Co-operation in Criminal Matters (PC-OC), where it contributed to discussions and approval of the decision on the creation of an additional protocol to the Warsaw Convention.

At the same time, by the virtue of its position as Vice-president of COP CETs 198 it contributed to the adoption of decisions and creation of the draft amending the procedure rules and their application on the participation manner of the Russian

Federation at the meetings of COP, which is limited to on-line participation.

To be mentioned, that a similar decision was approved as a recommendation of the Committee of Ministers of the Council of Europe by the COP being the first committee which created and approved a decision in this regard.

The representative of the OPFML has moderated the panel dedicated to discussions on the financing of violent extremism of left and right wing and possible measures for combating within the international Conference of the Council of Europe regarding transnational terrorist threats from emerging and re-emerging violent extremist movements, organised by the Committee for combating terrorism of the Council of Europe (CDCT) and the Federal Ministry of External Affairs of Germany.

Within regional projects of the Council of Europe together with the COP Secretariat, the Office promoted the importance of the Convention and familiarised the member states of CoE with the provisions of the Convention, in particular it presented the added value of the international instrument in the efforts of preventing and combating money laundering and terrorist financing within the framework of three regional meetings with the representatives of the Euro-Asian states.



CONFERENCE OF THE PARTIES OF MEMBER STATES TO CETS 198



EGMONT GROUP

Egmont Group

In its capacity of regional representative of the Europe II Group, the Office promotes the regional interests within the Egmont Group. Thereby, during the period of 2022, the implementation of Egmont principles was monitored by the regional member states, collaboration with the states with technical deficiencies was facilitated and the cooperation process was ensured.

At the strategic level, the Office participates as a member of the Egmont Group Committee. Thereby, during the period of 2022 it participated in the meetings of the Committee where procedural amendments were promoted, decisions regarding

the strategic development activities were approved for the next 5 years, the concept of reallocation of resources was created and the visibility was enhanced by launching the new web site, the EBC 2022 (Egmont Bia-annual Census), as well as the EG IT Review was streamlined.

The Office had a high contribution in achieving the strategic objectives of the Egmont Group in the four development areas, namely: bilateral and multilateral exchange of information, development of new partnerships, capacity building of FIUs, development of thematic activities with working groups.

Country	Requests	Replies	Requests	Replies	Spontaneous information	Disseminations
	Received	Submitted	Received	Submitted	Received	Transmitted
Romania	3	2	16	34	9	6
Cyprus			15	20		
Russia	6	4	14	18		
Switzerland			13	15	3	
Latvia	9	11	10	18		
Great Britain	2	2	8	5		
Lithuania			7	10	1	1
Luxembourg	1	1	6	13	3	
UAE			7	10		
Turkey			5	6		1
Austria			5	5	2	
USA	3	3	5	4		
Germany	2	1	4	10	3	
Poland	2	2	4	5	1	
Bulgaria	3	3	4	18		1
Singapore			4	4	2	
Malta	5	5	2	5	7	1
Ukraine	10	8	2	2	2	7
France			2	3		
Liechtenstein	4	4	1	2		
Belgium	1	1	1	9	2	
Spain	1	1	2	3		
TOTAL	52	48	137	219	35	17

Perspectives

During 2023, the Office, is going to ensure the continuity of the activities carried out in all segments, according to the competence, to achieve the perspectives, as follows

approving the draft law on amending the legal framework in the field of preventing and combating money laundering and terrorist financing

creation and approval of the secondary legal framework

continuous training of the authorities with supervision functions and reporting entities

implementation of the National strategy on preventing and combating money laundering and terrorist financing for 2020-2025

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