



MONEYVAL (2009) 12

COMMITTEE OF EXPERTS ON THE EVALUATION OF ANTI-MONEY LAUNDERING MEASURES AND THE FINANCING OF TERRORISM (MONEYVAL)

ANNUAL REPORT 2008

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FOREWORD BY THE CHAIRMAN OF MONEYVAL



I am very pleased to introduce this report of MONEYVAL's activities in 2008. It is an honour for me to have served as the Chairman of MONEYVAL since 2006 and to have participated closely in our deepening collaboration with the Financial Action Task Force (FATF) since we became an Associate Member of FATF in my first year as Chairman.

Since then, I had the pleasure of jointly chairing the February 2007 FATF/MONEYVAL Plenary meeting in Strasbourg, which brought together over 500 of the world's experts in anti-money laundering and countering the financing of terrorism (AML/CFT).

In 2008, I also was privileged to share a platform with HSH Prince Albert II of Monaco and the President of FATF, Mr Antonio Gustavo RODRIGUES, at the opening, in November 2008, of the Joint FATF/MONEYVAL Typologies meeting, hosted so splendidly by Monaco.

Events such as these underline the role that MONEYVAL now plays as a key partner in the global network of assessment bodies. I am pleased that more delegations from MONEYVAL countries are able regularly to attend FATF meetings and input into global AML/CFT policy making. MONEYVAL highly values this collaboration.

The quality and consistency of our mutual evaluation reports and the assessment of progress by our members within our follow-up procedures requires the active involvement of the full membership of MONEYVAL. We have been fortunate to have had for many years three very distinguished scientific experts: Professor William Gilmore, Professor of International Criminal Law, University of Edinburgh, United Kingdom (legal issues), Mr Boudewijn Verhelst, Deputy Director CTIF/CFI, Attorney General, Belgium (law enforcement issues), Mr Giovanni Ilacqua, Deputy Head of Suspicious Transactions Analysis Division, Banca d'Italia, Italy (financial issues). I am pleased that in 2008 the Committee of Ministers approved a 4th scientific expert and that Mr Herbert Laferla, Director Financial Stability Division, Central Bank of Malta, Malta, has been appointed as a further scientific expert for financial issues. The work of the scientific experts in reviewing our mutual reports before Plenary discussion is greatly valued. However this year we have widened the range of experts involved in this process by creating additional ad hoc Review Groups for each Plenary meeting. I encourage more of our membership to volunteer for this important work. Likewise we have introduced in 2008 more Plenary involvement in the discussions of progress reports, through detailed peer review of each report by a rapporteur country. The experience of two Plenaries using this new procedure has been

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encouraging as it has stimulated even deeper discussion of progress reports.

I have also been pleased to engage in discussions (together with my fellow Heads of Council of Europe monitoring mechanisms) with the Chairs of the Committee of Ministers' Deputies. I warmly welcome this initiative and the opportunity of more dialogue with the Committee of Ministers on the important work and impact of MONEYVAL going forward.

I would like to thank Mr Vladimir Nechaev (Russian Federation) for his service to the Committee as Vice-Chairman since 2006. He resigned in 2008 as he left Government Service on AML/CFT issues, and we wish him well in his future career.

Lastly, I would like to express on behalf of the whole MONEYVAL Committee our gratitude to Mr John Ringguth, Executive Secretary to MONEYVAL, and all his staff who, despite their small numbers, continue to provide MONEYVAL with first class Secretariat services and work of a uniformly excellent quality.

Vasil KIROV
Chairman of Moneyval

INTRODUCTION BY THE EXECUTIVE SECRETARY TO MONEYVAL



I am very pleased to be able to review our work over the last year.

In 2008, MONEYVAL adopted 9 Third Round mutual evaluation reports, 7 first progress reports, 2 second progress reports and took action under our Compliance Enhancing Procedures in respect of two of our jurisdictions.

All of our mutual evaluation reports, progress and compliance reports, are now publicly available on our website under our policy of automatic publication.

In 2008, we amended the Rules of Procedure to shorten the time between adoption of the mutual evaluation report and publication. Going forward, we expect that all adopted reports will automatically be available on our website within one month of adoption at the latest.

In 2008, we further developed our website to make it more user-friendly. There is still much more work to be done, but I am encouraged by the positive feedback we have received about these improvements. It is important that all MONEYVAL countries regularly advise us when their AML/CFT Laws have been amended so that we can keep the links to national legislation updated on our site for the benefit of all of our many users.

There were 4 on-site visits in 2008 and the 2 outstanding reports will be considered in March 2009. Thereafter we will conclude the remaining Third Round on-site visits by Summer 2009. MONEYVAL's cycle of evaluations and the FATF's are not precisely aligned. Because of this, the FATF will conclude its Third Round somewhat later than MONEYVAL. MONEYVAL will naturally follow whatever evaluation procedures are decided upon in FATF in any Fourth FATF Round at the appropriate time. But until then, MONEYVAL, is anxious to maintain peer pressure on its members through continuing on-site visits.

MONEYVAL, having co-ordinated its plans with FATF, will in the second half of 2009 pursue a shorter, more focused round of "follow-up" evaluations. These evaluations will primarily, but not exclusively, follow-up on Recommendations which received lower ratings in the Third Round and reassess key and other important FATF Recommendations, using the 2004 AML/CFT Methodology, as amended. We expect the first of these new style reports to be adopted in December 2009.

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Lastly, I would like to thank the Austrian and Danish authorities for the secondments of Mr Gerhard MILD and Mrs Kirsten MANDRUP, who both left the Secretariat in December 2008.

They will both be sadly missed in MONEYVAL and we wish them well in their careers. We welcomed in November 2008 Mr John Baker, seconded from the Financial Services Authority (FSA) by the United Kingdom Authorities, and expect to recruit up to three further administrator secondees in the near future.

My thanks also are extended to all members of the Secretariat, who work so tirelessly in this important and demanding work.

I trust that readers will find this Annual Report helpful and informative.

John RINGGUTH
Executive Secretary to MONEYVAL

1. OVERVIEW OF MONEYVAL

1.1 Description of history and role of MONEYVAL

The Council of Europe was the first international organisation which emphasised the importance of taking measures to be used for combating the dangers of money laundering with respect to democracy and the rule of law.

In 1977, the Council of Europe's European Committee on Crime Problems (CDPC) decided to establish a select committee of experts to look into the "serious problems raised in many countries by the illicit transfer of funds of criminal origin frequently used for the perpetration of further crime". The work of this committee culminated in 1980 with the adoption by the Council of Europe's Committee of Ministers of a Recommendation on measures against the transfer and safekeeping of funds of criminal origin which included a package of measures for developing a comprehensive anti-money laundering programme.

The Threat Posed by Money Laundering

Money laundering, (i.e. the process through which criminals give an apparently legitimate origin to proceeds of crime), is an expanding and increasingly international phenomenon. It may particularly affect economies which are undergoing transformation and which offer significant opportunities for foreign investment. The financial regulatory framework, both in banking and non-banking sectors, is often less stringent in these countries than in others, which make them vulnerable to money laundering operations. Given the diverse illegal activities, including money laundering, of organised crime groups in some of these countries and, in exceptional cases, their alleged infiltration into entire national economies, it seems that it is in their vital interest to create and maintain a credible financial system capable of detecting, preventing and controlling money laundering.

In addition, recent experience has shown that organised terrorist groups also misuse the world's financial system to fund their illegal operations, thus posing a serious risk to financial institutions of being used for the hiding of terrorist money. Measures aiming at the prevention and deterrence of money laundering therefore need to be extended to terrorist financing.

In September 1990, Ministers adopted the Council of Europe's Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime (ETS No. 141) (the 'Strasbourg Convention'). The aim of this Convention is to facilitate international co-operation and mutual assistance in investigating crime and tracking down, seizing and confiscating the proceeds thereof. The Convention is intended to assist States in attaining a similar degree of efficiency even in the absence of full legislative harmony. This Convention has been ratified by all Council of Europe member states, which makes it a particularly useful tool for international co-operation due to its various provisions on mutual assistance. Furthermore, it is also open to countries which are not members of the Council of Europe.

The Strasbourg Convention remains a landmark treaty which forms an important cornerstone of anti-money laundering standards. It has been widely ratified: to date, 48 States are Party to this treaty, including all 47 Council of Europe member States and one non-member State (Australia).

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The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism – MONEYVAL (formerly PC-R-EV) was established in September 1997. The initial aim of this committee was to conduct self and mutual assessment exercises of the anti-money laundering measures in place in those Council of Europe countries, which were not members of the Financial Action Task Force (FATF). The functioning of the Committee is regulated by the general provisions of Resolution Res (2005) 47 on committees and subordinate bodies, their terms of reference and working methods. Its specific working methods are provided for in its terms of reference, covering the period 2008-2010.

In 2003, the Council of Europe decided to update and widen the Strasbourg Convention to take into account the fact that not only could terrorism be financed through money laundering from criminal activity, but also through legitimate activities. This process was completed in 2005 with the adoption on 3 May of the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198) which came into force on 1 May 2008. This new Convention is the first international treaty covering both the prevention and the control of money laundering and the financing of terrorism. The text addresses the fact that quick access to financial information or information on assets held by criminal organisations, including terrorist groups, is the key to successful preventive and repressive measures, and, ultimately, is the best way to stop them. The convention includes a mechanism to ensure the proper implementation by parties of its provisions.

1.2 Objectives

The aim of MONEYVAL is to ensure that its member states have in place effective systems to counter money laundering and terrorist financing and comply with the relevant international standards in these fields. MONEYVAL achieves this by:

- Assessing its members' compliance with all relevant international standards in the legal, financial and law enforcement sectors through a peer review process of mutual evaluations.
- Issuing reports which provide highly detailed recommendations on ways to improve the effectiveness of domestic regimes to combat money laundering and terrorist financing and States' capacities to co-operate internationally in these areas.
- Conducting typologies studies of money laundering and terrorist financing methods, trends and techniques.

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MONEYVAL Key Tasks

- ▶ Elaborate appropriate documentation, including questionnaires for self and mutual evaluations.
- ▶ Evaluate and adopt reports on:
 - the performance of member states of the Council of Europe which are not members of the FATF in complying with the relevant international anti-money laundering and countering terrorist financing standards
 - the performance of applicant states for membership of the Council of Europe which are not members of the FATF (provided certain requirements are met) and the performance of Israel
- ▶ Make recommendations to the evaluated countries, with a view to improving the efficiency of their anti-money laundering and countering terrorist financing measures and to furthering international co-operation.

1.3 MONEYVAL and the Financial Action Task Force

The Financial Action Task Force (FATF), created in 1989 by the G7, is an intergovernmental task force whose purpose is the development and promotion of national and international policies to combat money laundering and terrorist financing. FATF has developed and published 40 Recommendations plus 9 Special Recommendations in order to meet this objective.

It evaluates its own 34 member States according to the 2004 Methodology for Assessing Compliance with the FATF 40 Recommendations and the FATF 9 Special Recommendations, which is based on the 2003 Recommendations and the Special Recommendations, which was agreed between the FATF, the Financial Action Task Force style regional bodies (FSRBs), IMF and World Bank in 2004.

MONEYVAL, as an FSRB, was originally an observer to FATF. In 2005, the FATF developed an initiative to encourage FSRBs to become Associate Member of FATF, with defined rights and obligations. The Committee of Ministers of the Council of Europe authorised an application to be made and MONEYVAL became an Associate Member of the FATF in the first Round of accessions to Associate Member Status. As of June 2006, MONEYVAL became an Associate Member of FATF. There are several benefits arising from this new status – including the opportunity for more countries within MONEYVAL to attend and actively participate in FATF meetings as part of the Council of Europe/MONEYVAL delegation, and to receive all FATF documentation.

MONEYVAL's monitoring mechanism reviews the anti-money laundering measures and measures to counter the financing of terrorism in Council of Europe member States (and Council of Europe applicants which apply to join the terms of reference) which are not members of the Financial Action Task Force (FATF), using the same Methodology as the FATF.

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Council of Europe member states which are members of MONEYVAL but subsequently become members of the FATF can elect to retain full membership of MONEYVAL (as did the Russian Federation which is also a member of FATF).

1.4 Membership

MONEYVAL has 28 permanent members and 2 temporary members. Israel was granted active observer status with MONEYVAL in January 2006 by the Committee of Ministers, which enables it to take part in the evaluation process.

Permanent Members of MONEYVAL		
▶ Albania	▶ Andorra	▶ Armenia
▶ Azerbaijan	▶ Bosnia and Herzegovina	▶ Bulgaria
▶ Croatia	▶ Cyprus	▶ Czech Republic
▶ Estonia	▶ Georgia	▶ Hungary
▶ Latvia	▶ Liechtenstein	▶ Lithuania
▶ Malta	▶ Moldova	▶ Monaco
▶ Montenegro	▶ Poland	▶ Romania
▶ Russian Federation*	▶ San Marino	▶ Serbia
▶ Slovak Republic	▶ Slovenia	▶ “The former Yugoslav Republic of Macedonia”
▶ Ukraine		
* also FATF member		

Active Observer of MONEYVAL
▶ Israel

Temporary Members of MONEYVAL
▶ France
▶ The Kingdom of the Netherlands

* The Presidency of the Financial Action Task Force (FATF) is entitled to appoint two experts from FATF countries for two-year periods.

In addition, a number of countries and organisations have observer status with MONEYVAL.

Participants
▶ European Committee on Crime Problems (CDPC)

Other participants
▶ European Commission and the Secretariat General of the Council of the European Union

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Other participants

The following observers states with the Council of Europe may send a representative to meetings:

- ▶ Canada
- ▶ Holy See
- ▶ Japan
- ▶ Mexico
- ▶ United States of America

Observers

- ▶ Secretariat of the Financial Action Task Force on Money Laundering (FATF)
- ▶ ICPO-Interpol
- ▶ Commonwealth Secretariat
- ▶ International Monetary Fund (IMF)
- ▶ United Nations Drug Control Programme (UNDCP)
- ▶ United Nations Counter-Terrorism Committee (CTC)
- ▶ United Nations Crime Prevention and Criminal Justice Division
- ▶ World Bank
- ▶ European Bank of Reconstruction and Development (EBRD)
- ▶ Offshore Group of Banking Supervisors (OGBS)
- ▶ Organisation for Security and Co-operation in Europe (OSCE)
- ▶ Egmont Group
- ▶ Eurasian Group on Combating Money Laundering and Terrorist Financing (EAG)
- ▶ Any other Financial Action Task Force Style Regional Body which is, or becomes, an Associate
- ▶ Member of the FATF on the basis of reciprocity

Other Observers

- ▶ Members of the FATF other than those referred to above

1.5 Governance

1.5.1 Bureau

MONEYVAL members elect a Bureau to assist in the organisation of MONEYVAL's work, to facilitate its discussions and to prepare internal Rules of Procedure. A Chairperson and Vice-Chairperson, as well as three other persons are elected by the MONEYVAL members, in Plenary meeting, for a period of two years who together constitute the Bureau. The Chairman and Vice-Chairman are elected for 2 year terms, renewable once. There was an election in December 2008 for the vacant position of Vice-Chairman and Mrs Eva ROSSIDOU-PAPAKYRIACOU (Cyprus) was elected to serve as Vice-Chairman replacing Mr Vladimir NECHAEV (Russian Federation) for the remainder of his term of office (until De-

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ember 2009). The election of Mrs Eva ROSSIDOU-PAPAKYRIACOU created a further Bureau vacancy and Mr Liutauras ZYGAS (Lithuania) was elected. The current Bureau members are as follows:

MONEYVAL Bureau	
Chairperson	
▶	Mr Vasil KIROV (Bulgaria)
Vice-Chairperson	
▶	Mrs Eva ROSSIDOU-PAPAKYRIACOU (Cyprus)
Bureau members	
▶	Mr Damir BOLTA (Croatia)
▶	Mr Andres PALUMAA (Estonia)
▶	Mr Liutauras ZYGAS (Lithuania)

1.5.2 Members in Plenary

As stated above, MONEYVAL assesses its members' compliance with all relevant international standards in the legal, financial and law enforcement sectors through a peer review process of mutual evaluations. It is the Plenary which adopts mutual evaluation reports and progress reports.

Members of MONEYVAL have the right to vote, where this is necessary on issues relating to the Committee's work.

1.6 International partnerships

MONEYVAL, as a key partner in the global network of assessment bodies, co-operates with international organisations and bodies with equivalent interests in the development and promotion of national and international standards and policies to combat money laundering and terrorist financing.

As has been noted, many different organisations and bodies with AML/CFT in their remit have observer status in MONEYVAL and regularly attend its meetings. Clearly, as an Associate Member of the FATF, the FATF is MONEYVAL's primary external partner and two FATF countries (France and the Kingdom of the Netherlands) have full member status with MONEYVAL currently, though MONEYVAL does not assess them. The regular participation of members of the FATF Secretariat, as observers to MONEYVAL, is also very welcome.

MONEYVAL also highly values its partnerships with the international financial institutions (the IMF and the World Bank). The arrangements which MONEYVAL has had for several years with these bodies, under which the international financial institutions may undertake a number of assessment missions in an evaluation round in MONEYVAL States has been mutually beneficial. On such evaluation missions a MONEYVAL evaluator joins the team to

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cover European Union issues, in accordance with MONEYVAL's mandate. Under these arrangements, the IMF will conduct the evaluation of Armenia early in 2009 and present the report at a MONEYVAL Plenary meeting later in 2009. MONEYVAL is also grateful for the excellent collaboration of the IMF and the World Bank in MONEYVAL's 2008 Training Seminar.

The European Union, through the European Commission and the Secretariat General of the Council of the European Union have been actively engaged with MONEYVAL's work, as observers. In 2008, MONEYVAL welcomed the participation, in his personal capacity, of Mr Paolo COSTANZO (National Expert seconded to the European Commission) in the preparation of the revised MONEYVAL questionnaires covering the Third European Union Directive and Mr Paolo COSTANZO's personal participation in the Permanent Review Group, which considers each MONEYVAL report. MONEYVAL, through the Executive Secretary, has also participated in work being conducted by the European Commission (DG Justice, Law and Security) in identifying information needs within the European Union on AML/CFT issues.

In the 2008 December Plenary, the United Nations made a presentation on the work of the Counter-Terrorism Committee Executive Directorate (CTED), with which MONEYVAL collaborates. MONEYVAL has participated in two of their recent on-site missions and will do so again in 2009. The MONEYVAL Secretariat also made a presentation in the OSCE – UNODC – CYPRUS Regional Operational Meeting on Combating Human Trafficking and Money Laundering in the Mediterranean Region organised in Cyprus in September 2008.

The Executive Secretary was a principal speaker, for the second year, in the Anti-Money Laundering Professionals Forum in London in September 2008.

Last but not least, MONEYVAL is particularly grateful to those of our partners that made voluntary contributions to our work. Though MONEYVAL's work is primarily funded by the Ordinary Budget of the Council of Europe, voluntary financial contributions to the work of MONEYVAL are very welcome to take forward activities such as typologies exercises.

In 2008, MONEYVAL was very pleased to receive voluntary contributions from Andorra, the United States of America and Monaco, and we thank their authorities most warmly.

Voluntary contributions may also take the form of secondments of national experts with expertise in AML/CFT issues. Such contributions are also greatly valued and, as has been noted by the Executive Secretary in his introduction, the recent contributions of the Austrian, Danish and UK authorities in this regard were also very greatly appreciated.

2. MUTUAL EVALUATIONS

2.1 Mutual evaluation process

MONEYVAL's system of peer review is based on the FATF model, however the process of self-assessment and mutual evaluation is undertaken against a more extensive set of anti-laundering standards. In addition to the Forty Recommendations and the nine Special Recommendations on the Financing of Terrorism, participating countries are assessed in relation to their compliance with the European Union Directives. Specifically since 1 January 2008, MONEYVAL has evaluated its members under Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (the Third European Union Directive) and its implementing Commission Directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC.

Mutual Evaluation Rounds

First evaluation round (1998-2000)

The first round of mutual evaluations was initiated in April 1998 and on-site visits were concluded in December 2000. 22 Council of Europe member states which had been evaluated in the first evaluation round were examined during the second round of evaluation.

Second evaluation round (2001-2004)

MONEYVAL concluded at the end of 2003 its second round of on-site visits. This second round included evaluation against the criteria for non-cooperative states and territories. MONEYVAL also conducted on-site evaluation visits in new Council of Europe member States (e.g. Armenia, Azerbaijan, Bosnia and Herzegovina, Monaco, Montenegro, Serbia). In some of these States mutual evaluations were conducted on both money laundering and financing of terrorism.

Third evaluation round (2005-2009)

The third round of mutual evaluations will continue until 2009. All these evaluations are conducted according to the 2004 comprehensive global Methodology agreed with the FATF, the FSRBs, IMF and World Bank and which covers both money laundering and terrorist financing. This evaluation focuses on the effectiveness of the legal, financial and law enforcement measures in place to combat both money laundering and now financing of terrorism, and assesses countries against approximately 250 criteria drawn from the international standards.

Mutual Evaluation Rounds

Fourth evaluation round (2009-2012)

MONEYVAL will conclude its third round of mutual evaluations in 2009. Thereafter MONEYVAL will commence a fourth round of mutual evaluations. It is proposed that for each country, these evaluations will focus specifically on the key FATF Recommendations together with any recommendations for which the country received either a non compliant or partially compliant rating. In addition the evaluation will review aspects of compliance with the European Community's Third Anti-Money Laundering Directive which came into force on 15 December 2007.

The evaluation work is carried out in accordance with the programme approved by the MONEYVAL Committee. Several evaluations are made in a year, which are carried out by multi-disciplinary teams composed typically of 3 experts (a legal expert, a financial expert and a law enforcement expert), and one or two experts from FATF countries. These teams are assisted by a member or members of the MONEYVAL Secretariat.

Before the on-site visit commences, MONEYVAL evaluation procedures involve the collection of information through a questionnaire. The standard questionnaire was agreed at a FATF Plenary meeting in June 2004 (as amended). It was initially complemented – due to the specific scope of evaluations carried out by the Committee – by issues linked to the Council Directive 91/308/EEC of 10 June 1991 and Directive 2001/308/EEC on prevention of the use of the financial system for the purpose of money laundering as amended by Directive 2001/97/EC of 4 December 2001 (hereinafter the “EU Directive”). Following the deadline for implementation of 15 December 2007, the forgoing directives were superseded by Council Directive 2005/60/EC of 26 October 2005. These are additional to criteria within the FATF Recommendations. MONEYVAL commenced evaluations under the Third European Union Directive in January 2008.

Following the submission of country replies to the questionnaires, an on-site country visit (normally 1 week) is conducted by the team of experts and members of the Secretariat with a view to meeting practitioners who work for the sectors concerned and soliciting further information. A summary of key findings is left with the country. The visit leads to the drafting of the evaluation report, which goes through a number of rounds of consultation between the evaluators and the Secretariat and is subsequently sent to the country for comments. The report is revised in the light of the comments accepted by evaluators in the course of a joint meeting with representatives from the country and is then submitted for consideration and adoption to the Committee.

The report adopted by MONEYVAL provides a summary of the AML/CFT measures in place in the country as at the date of the on-site visit or immediately thereafter. It describes and analyses these measures, and provides recommendations on how certain aspects of the systems could be strengthened. It also sets out the country's levels of compliance with each of the FATF 40 + 9 Recommendations. All countries are required to provide a progress report 12 months after the adoption of the 3rd round report ac-

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According to the template progress report. Issues related to the Third European Union Directive were included in the revised Progress Report templates from the beginning of 2008.

Following its 28th Plenary meeting, the amended Rules of procedures now provide for automatic publication of mutual evaluation reports no later than 1 month after adoption of reports. Third Round progress reports, other updates and relevant follow-up reports are also subject to automatic publication on the MONEYVAL website. All Third Round reports adopted up to the end of 2008 are publicly available on MONEYVAL's website.

The Committee can invoke further peer pressure through "compliance enhancing procedures", involving a graduated series of steps to ensure compliance with specific aspects of the mutual evaluation report.

International Standards upon which MONEYVAL Evaluations are based

- ▶ FATF 40 FATF Recommendations 2003
- ▶ 1988 United Nations Convention on Illicit Traffic of Narcotics, Drugs and Psychotropic Substances (Vienna Convention) and the 2000 United Nations Convention against Transnational Organised Crime (Palermo Convention)
- ▶ Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (Strasbourg Convention) (ETS No. 141)
- ▶ FATF 9 Special Recommendations 2001 on financing of terrorism and several other related UN instruments (UN Convention for Suppression of the Financing of Terrorism, relevant UN Security Council Resolutions for the freezing of terrorist assets)
- ▶ Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and the implementing Commission Directive 2006/70/EC of 1 August 2006
- ▶ Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198)

2.2 Third Round Evaluations

2.2.1 Progress to date

The third round of mutual evaluations will continue until 2009. All these evaluations are conducted according to the comprehensive global Methodology agreed with the FATF, the FSRBs, IMF and World Bank and cover both money laundering and terrorist financing. This evaluation focuses on the effectiveness of the legal, financial and law enforcement measures in place to combat both money laundering and now financing of terrorism.

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Third Round Evaluation Reports			
Country	Report issued	Country	Report issued
Albania	2006	Malta	2007
Andorra	2007	Moldova	2007
Armenia	*	Montenegro	*
Azerbaijan	2008	Monaco	2007
Bosnia and Herzegovina	*	Poland	2007
Bulgaria	2008	Romania	2008
Croatia	2008	Russian Federation	2008 ⁺
Cyprus	2006	San Marino	2008
Czech Republic	2007	Serbia	*
Estonia	2008	Slovakia	2006
Georgia	2006	Slovenia	2005
Hungary	2005	“the former Yugoslav Republic of Macedonia”	2008
Latvia	2006	Ukraine	*
Liechtenstein	2007	Israel (active observer status)	2008
Lithuania	2006		

* Reports due to be issued in 2009 | ⁺ Joint FATF/EAG/MONEYVAL report

2.2.2 Reports

In 2008 MONEYVAL members adopted the following Mutual Evaluation Reports:

Plenary Meeting	Country
26th meeting (31 March - 4 April)	<ul style="list-style-type: none"> ▶ Bulgaria ▶ Croatia ▶ San Marino
27th meeting (7-11 July)	<ul style="list-style-type: none"> ▶ Israel ▶ Romania ▶ Russian Federation (*) ▶ “the former Yugoslav Republic of Macedonia”

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Plenary Meeting	Country
28th meeting (8-12 December)	<ul style="list-style-type: none"> ▶ Azerbaijan ▶ Estonia

(*) Joint FATF/EAG/MONEYVAL report

On-site visits were also conducted in Montenegro and Ukraine and it is anticipated that the mutual evaluation reports will be discussed and adopted in March 2009. As noted, the IMF is conducting an on-site visit in Armenia in February and March 2009 and it is anticipated that the mutual evaluation report will be discussed in 2009. On-site visits are in the process of being arranged for Bosnia and Herzegovina and Serbia and it is also anticipated that these reports will be approved in 2009. This will conclude the third round evaluations of MONEYVAL member countries.

2.2.3 Progress reports

One year after the adoption of the evaluation report, each country submits a progress report describing the new measures it has adopted since the preparation of the report.

The report will contain:

- a general overview of the current situation and the developments since the last evaluation relevant in the AML/CFT field;
- an update on improvements which have been made in respect of the FATF Key Recommendations (Recommendations 1, 5, 10, 13; Special Recommendations II and IV);
- an update on improvements which have been made in respect of those other FATF Recommendations which were rated either non-compliant or partially compliant in the mutual evaluation report;
- Questions related to the Third Directive (2005/60/EC) and the Implementation Directive (2006/70/EC); and
- Updated statistical data.

In 2008 MONEYVAL reviewed and approved the following progress reports:

Plenary meeting	First Progress Report	Second Progress Report
26th (31 March-4 April)	▶ Lithuania	
27th (7-11 July)	<ul style="list-style-type: none"> ▶ Georgia ▶ Poland 	

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Plenary meeting	First Progress Report	Second Progress Report
28th (8-12 December)	<ul style="list-style-type: none"> ▶ Andorra ▶ Liechtenstein ▶ Malta ▶ Moldova 	<ul style="list-style-type: none"> ▶ Hungary ▶ Slovenia

Furthermore, at the 28th Plenary meeting a Progress Report from the Czech Republic was discussed but approval was deferred pending further information being provided in March 2009.

2.2.4 Compliance Enhancing Procedures (CEPs)

MONEYVAL can invoke further peer pressure through “Compliance Enhancing Procedures”, involving a graduated series of steps to ensure compliance with specific aspects of the mutual evaluation report.

Steps to be taken in respect of countries undergoing evaluation by MONEYVAL which are not in Compliance with the Reference Documents or the Recommendations in Mutual Evaluation Reports (Compliance Enhancing Procedures)

MONEYVAL may take action in respect of countries subject to its evaluation procedures for failure to implement the reference documents or the recommendations in mutual evaluation reports. It should be guided by the following principles:

- flexibility in order to deal with situations which require urgent action by the Plenary when issues of non-compliance arise;
- equality of treatment for participating States;
- a graduated approach for dealing with non-complying States;
- approval by the Plenary of the steps to be taken, whilst allowing for some discretion regarding the application of the earlier stages of the process.

Steps in the process

The steps for dealing with non-complying States are, in chronological order, the following:

- (i) requiring the non-complying States to provide a report or regular reports on its progress in implementing the reference documents within a fixed timeframe;
- (ii) the Chairman of MONEYVAL sending a letter with copy to the MONEYVAL Plenary, to the Head of Delegation concerned, drawing his/her attention to non-compliance with the reference documents;
- (iii) the Chairman of MONEYVAL sending a letter with a copy to the Head of Delegation concerned, to the Secretary General of the Council of Europe, drawing his/her attention to non-compliance by a MONEYVAL participating State with the reference documents;

Steps to be taken in respect of countries undergoing evaluation by MONEYVAL which are not in Compliance with the Reference Documents or the Recommendations in Mutual Evaluation Reports (Compliance Enhancing Procedures)

- (iv) the Secretary General of the Council of Europe sending a letter to the relevant Minister(s) of the State, drawing his/her/their attention to non-compliance with the reference documents;
- (v) arranging a high-level mission (including selected Heads of CDPC Delegation) to the participating State in question to reinforce this message;
- (vi) in the context of the application of Recommendation 21 of the FATF by MONEYVAL States, issuing a formal public statement to the effect that a State insufficiently complied with the reference documents.

Azerbaijan

An assessment of Azerbaijan against the First Evaluation Round CEPs criteria highlighted the fact that there was no specific anti-money laundering legislation in Azerbaijan and there was no FIU that met international standards. Following a discussion at the 18th Plenary meeting on 31 January to 3 February 2006 it was agreed that Step (i) of the Compliance Enhancing Procedures should be invoked. Since that meeting MONEYVAL invoked Steps (ii) to (v) of the Compliance Enhancing Procedures culminating, in February 2008, with a high level mission to Azerbaijan to reinforce the message that the country was not in compliance with MONEYVAL reference documents.

At the time of the 28th Plenary meeting, Azerbaijan had still not taken remedial action and it was therefore agreed to issue a public statement urging Azerbaijan to urgently adopt a comprehensive law for preventing money laundering and countering the financing of terrorism which complies with international standards. MONEYVAL also called on MONEYVAL member states and other countries to advise their financial institutions to pay special attention to the potential money laundering and financing of terrorism risks in transactions with persons and financial institutions in Azerbaijan.

San Marino

Following the adoption of the mutual evaluation report on San Marino, the 26th Plenary meeting also examined the overall compliance of San Marino and agreed that in accordance with its rules of procedure, that Step (i) of the Compliance Enhancing Procedures should be applied and San Marino was requested to provide a compliance report at the 27th Plenary meeting on measures that it had taken to address the deficiencies underlying the recommendations which were rated Non Compliant and Partially Compliant. 2 compliance reports were submitted in the 27th and 28th Plenary meetings, which have been published on the website and reflect the progress that has rapidly been made since the adoption of the Third Round report. The country remains within the Compliance Enhancing Procedures.

2.2.5 Horizontal Review

At the conclusion of the second Evaluation Round a horizontal review of all of the mutual evaluation reports approved was undertaken by Professor William Gilmore. The aim of this review was to identify common themes arising out of the mutual evaluation reports. The resulting report was published in December 2007. A further horizontal review is being commissioned in respect of the third round evaluations and it is planned to publish this early in 2010.

3. TYPOLOGIES

An important part of the function of MONEYVAL is to identify new and emerging money laundering and terrorist financing techniques, assess the level of threat and produce a report of the findings. Once such techniques have been identified a working group is formed and a questionnaire is sent out to all MONEYVAL countries seeking to establish the level of threat and any relevant techniques of money laundering that have been identified. A report is then produced setting out the findings of the working group and providing suggestions for controls that need to be introduced.

3.1 MONEYVAL Typology reports published

During 2008 MONEYVAL published two typology reports. These were:

▶ **Report on the use of securities in money laundering schemes¹**

Although the securities sector forms a material part of the financial services industry which is subject to constant and rapid development, it was noted that there had not been any recent consideration of the vulnerability of the sector to money laundering. This was considered of particular importance as the securities sector was developing rapidly in a number of MONEYVAL countries.

This report analyses the underlying vulnerabilities in the securities markets and highlights a number of methodologies which have been employed in laundering money through securities transactions. It also provides guidance on techniques to prevent and detect money laundering in the securities industry.

▶ **Report on money laundering and counterfeiting²**

Counterfeiting is a highly profitable crime that is made easier by technological advances. It is a crime that undermines legitimate businesses and which operates both domestically and internationally across all MONEYVAL countries. The range of products involved extends beyond the traditional areas of designer clothing and consumer goods to pharmaceuticals, aircraft parts and a large range of other products. It is a crime that generates significant revenues and as a result of this criminals need to launder the profits arising from counterfeiting.

MONEYVAL noted that the money laundering aspects of counterfeiting appeared to receive little attention and as a result it was agreed to produce a report. This report assesses the characteristics of the counterfeiting market in responding countries and analyses the links between money laundering and counterfeiting. It also analyses, through case studies, the methods and techniques used to launder proceeds derived from counterfeit

1. See : [http://www.coe.int/t/dghl/monitoring/moneyval/Typologies/MONEYVAL\(2008\)24Reptyp_securities.pdf](http://www.coe.int/t/dghl/monitoring/moneyval/Typologies/MONEYVAL(2008)24Reptyp_securities.pdf)
2. See : [http://www.coe.int/t/dghl/monitoring/moneyval/Typologies/MONEYVAL\(2008\)22RRRepTyp_counterfeiting.pdf](http://www.coe.int/t/dghl/monitoring/moneyval/Typologies/MONEYVAL(2008)22RRRepTyp_counterfeiting.pdf)

trading, terrorist financing techniques involving counterfeit products and other techniques used in the counterfeit industry. Finally the report the report identifies issues for consideration as to anti-money laundering policy and practice.

3.2 Typology reports under consideration

MONEYVAL is currently involved in an additional typology study on money service bureaux. Money service bureaux provide a range of products enabling money to be transferred both domestically and internationally. They also adopt a number of business forms from major international groups to informal networks. Furthermore, the nature and complexities of money service businesses are constantly evolving and there is frequently a link with ancillary businesses such as currency exchange and cheque cashing facilities.

Due to the rapid growth in this area and, in particular, to their development in MONEYVAL countries it was agreed that MONEYVAL would conduct a typologies study to examine how money service bureau can be used by those who wish to launder money and to identify potential vulnerabilities in such businesses. It is anticipated that this report will be published in 2009.

3.3 Co-operation with FATF

In addition to the typologies reports that are set out above, MONEYVAL is working closely with FATF on a number of typology projects. A highly successful joint FATF/MONEYVAL typologies meeting was held in Monaco from 24 to 26 November 2008. At the Joint meeting, in addition to the typology on money service bureaux, as set out above, three other typologies projects were discussed.

3.3.1 Global Threat Assessment

The project aims to identify the key global money laundering threats and vulnerabilities. It will look at the reasons behind money laundering and terrorist financing as well as the threats posed by these criminal activities. In particular it will look at which types of crime generate criminal funds that need to be laundered and will seek to identify any regional variations or trends.

3.3.2 Securities

Following on from the MONEYVAL typology report on the use of securities in money laundering schemes, this study will look at the range of products classified as “securities” in various jurisdictions, consider how jurisdictions supervise compliance with anti-money laundering/combatting terrorist financing requirements for these products; identify potential areas of AML/CTF vulnerabilities in the securities industry and identify case studies and enforcement actions in the securities industry.

3.3.3 Sporting clubs

There are growing concerns that sporting clubs, and in particular football clubs, may unsuspectingly become involved in money laundering or handling the proceeds of crime. There is a concern that the sector is vulnerable to accepting money with criminal origins and this can lead to a range of illegal phenomena, including: money laundering, corruption/bribery, tax evasion, human trafficking, identity fraud, political manipulation, illegal gambling, extortion, etc. The emphasis of the study will be on both professional and amateur football.

4. MEETINGS

4.1 Plenary meetings

MONEYVAL's Plenary meetings take place in Strasbourg (France) and they usually last five days. Bureau meetings are usually organised shortly before or in parallel to Plenary meetings. During 2008 three Plenary meetings were held in Strasbourg:

26th Plenary meeting, 31 March – 4 April 2008

During the 26th Plenary meeting, held in Strasbourg from 31 March to 4 April 2008, MONEYVAL members:

- Discussed and adopted the 3rd round mutual evaluation reports and summaries as amended on Bulgaria, San Marino and Croatia.
- Agreed to move to step 1 of the Compliance Enhancing Procedure for San Marino.
- Reported on a High Level Mission to Azerbaijan in February.
- Discussed and adopted a revised Progress report on Lithuania.
- Agreed to further develop the report review procedures, by creating both a permanent group and an ad hoc group (to be appointed plenary by plenary).
- Agreed to appoint a Rapporteur country for each progress report.
- Took note of the fact that sectoral (legal, financial and law enforcement) representation within delegations did not appear to be balanced.
- Heard information on anti-money laundering issues in other fora.
- Heard information on AML/CFT issues in MONEYVAL countries, and Israel.
- Took note of the present Typologies work status and forthcoming activities and invited delegations to reflect upon the project proposals for the 2008 typologies meeting.
- Proposed shorter and more focused on-site visits for the 4th round of evaluations.

27th Plenary meeting, 7-11 July 2008

During the 27th Plenary meeting, held in Strasbourg from 7-11 July 2008, MONEYVAL members:

- Discussed and adopted the 3rd round mutual evaluation reports and summaries as amended on Israel, Romania, the Russian Federation and "the former Yugoslav Republic of Macedonia".
- Discussed and adopted the Progress Reports on Georgia and Poland.
- Agreed to further amend the rules of procedure.

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- Discussed the Compliance Enhancing Procedures on Azerbaijan and agreed to postpone consideration of a public statement under Step VI until the December Plenary meeting.
- Considered and accepted progress in Step I of the Compliance Enhancing Procedures on San Marino, but maintained San Marino within the Compliance Enhancing Procedures.
- Heard information on anti-money laundering issues in other fora.
- Heard information on AML/CFT issues in MONEYVAL countries, and Israel.
- Adopted the typology reports on the use of securities in money laundering schemes and money laundering and counterfeiting.

28th Plenary meeting, 8-12 December 2008

At this meeting MONEYVAL had the pleasure of a two day visit from Mr Antonio Gustavo Rodrigues, FATF President, who made a keynote address and actively engaged in dialogue with the delegations and with the Bureau. During the 28th Plenary meeting, held in Strasbourg from 8-12 December 2008, MONEYVAL members:

- Discussed and adopted the 3rd round mutual evaluation reports and summaries as amended on Azerbaijan and Estonia.
- Discussed and adopted the Progress Reports on Andorra, Liechtenstein, Malta and Moldova. The Czech Republic also presented a first progress report and, following examination of the report, has been invited to clarify certain issues before a decision is taken on adoption.
- Discussed and adopted the second Progress Reports on Hungary and Slovenia.
- Discussed the Compliance Enhancing Procedures on Azerbaijan and agreed to move forward and issue a public statement under Step VI.
- Considered and accepted progress in Step I of the Compliance Enhancing Procedures on San Marino, but maintained San Marino within the Compliance Enhancing Procedures.
- Introduced a draft of a questionnaire for the fourth evaluation round.
- Received a presentation on the application of the risk-based approach for designated non-financial businesses and professions.
- Elected its Vice-Chair, Mrs Eva Rossidou-Papakyriacou (Senior Counsel of the Republic, Head of the Unit for Combating Money Laundering, Attorney General's Office, Cyprus) and a Bureau member, Mr Liutaras Zygas (Chief legal adviser, Bank of Lithuania).
- Heard information on anti-money laundering issues in other fora.
- Heard information on AML/CFT issues in MONEYVAL countries, and Israel.
- Took note of the present Typologies work status and received a report on the joint typologies meeting held in Monaco in November 2008.

4.2 Typologies Meetings

Typologies meetings provide an opportunity for MONEYVAL members to discuss the current money laundering and terrorist financing trends and techniques, to exchange experience and best practices, to network with colleagues from other countries etc.

A highly successful joint FATF/MONEYVAL typologies meeting was held in Monaco from 24 to 26 November 2008. MONEYVAL extends its gratitude to the Monaco authorities for agreeing to host this important event and for its excellent organisation. The meeting was formally opened by His Serene Highness Prince Albert II of Monaco who gave an address. The President of the FATF, Mr Antonio Gustavo Rodrigues and the Chairman of MONEYVAL, Dr Vasil Kirov, also gave opening addresses. The meeting gathered 180 experts from 50 countries and international organisations. It focussed on the ways in which money launderers operate through the securities industry, sporting clubs and money service businesses and examined emerging trends and patterns of behaviour in these areas.

4.3 Training

The role of evaluators in the mutual evaluation process is vital. Both MONEYVAL and FATF arrange annual training seminars for potential evaluators. The aim of these seminars is to prepare experts to be part of an anti-money laundering and combating terrorist financing assessment team for mutual evaluations. The training consists of modules and practical exercises to enable delegates to become familiar with the relevant international standards and documents which are essential for evaluations.

MONEYVAL arranged an evaluator training seminar in Strasbourg on 1-3 October 2008. This seminar was attended by 39 delegates from 15 MONEYVAL countries as well as participants from Jersey, the Netherlands, United Kingdom and UNODC. In addition to representatives of the MONEYVAL secretariat, the trainers were:

- Lajos Korona, Public Prosecutor, Budapest (Hungary)
- Boudewijn Verhelst, Attorney General, Deputy Director CTIF/CFI, Scientific Expert to Moneyval, Brussels (Belgium)
- Klaudijo Stroligo, Senior Financial Sector Specialist, FSEFI Department, World Bank
- Herbert Zammit Laferla, Director, Financial Stability Division, Central Bank of Malta, Valletta (Malta)
- Terence Donovan, Senior Financial Sector Expert, Monetary And Financial System Department, International Monetary Fund

FATF also organised a Training Seminar in Washington, USA from 28 July to 1 August 2008. One representative from MONEYVAL attended this training seminar.

4.4 Participation in other fora

Co-operation with other bodies of the Council of Europe

The Chairman and Vice-Chairman also participated in two informal meetings (June and October 2008) of Presidents of monitoring bodies of the Directorate General of Human Rights and Legal Affairs which had been organised by the Swedish Chair of the Committee of Ministers to discuss questions of mutual interest and to identify any needs for coordination.

FATF

The Chairman of MONEYVAL, the Executive Secretary and representatives from the MONEYVAL's membership and Secretariat attended all of the FATF Working Groups and Plenary meetings in 2008 and contributed actively in their work.

Other meetings

MONEYVAL was also represented at the following meetings:

- Meeting of the European Commission sub-group on policy needs of data on money laundering (21 February 2008)
- EAG Plenary Meeting, Working Group and Training Seminar (14-19 July 2008)
- OSCE Political/Public Private Partnerships Conference (15-16 September 2008)
- OSCE – UNODC – CYPRUS Regional Operational Meeting on Combating Human Trafficking and Money Laundering in the Mediterranean Region (18-19 September 2008)
- Annual Anti-Money Laundering European Conference (25-26 September 2008)
- Consultation meeting between the Council of Europe and the European Commission (15-16 December 2008)

5. CURRENT INITIATIVES AND FUTURE AREAS OF WORK

5.1 The Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198)

The Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism entered into force on 1 May 2008. To date it has been ratified by 11 States and signed by another 22 States. Upon entry into force, the Secretary General of the Council of Europe made a statement, calling upon Council of Europe member states to join the convention and encouraging signatory countries to ratify it. The Convention is open for signature by the member States of the Council of Europe, the European Community and non-member States.

This is the first legally binding international treaty which covers in a comprehensive manner both the prevention and the control of money laundering and the financing of terrorism. This convention builds upon the 1990 Strasbourg Convention (ETS 141) and introduces new practical measures, drawn upon the experience of the evaluations conducted by MONEYVAL, the Council of Europe monitoring body on money laundering and terrorist financing.

There will be a Conference of the Parties within one year of the Convention entering into force. A separate monitoring mechanism is provided for in the Convention, the modalities of which will be addressed by the Conference of the Parties.

The text of the convention is available in English and French on the website of the Council of Europe Treaty Office at: <http://conventions.coe.int/Treaty/>

5.2 Key activities in which MONEYVAL is involved in 2009

Date	Evaluated Countries/ Activities	Venue	Proposed MONEYVAL Plenary discussions
4-6 February	Pre Meeting Montenegro	Strasbourg	
9-11 February	Pre Meeting Ukraine	Strasbourg	
23-27 February	FATF Meeting	Paris	
23 Feb- 10 March	Armenia on site visit (3 rd round) with IMF	Yerevan	

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Date	Evaluated Countries/ Activities	Venue	Proposed MONEYVAL Plenary discussions
16-20 March	29 th MONEYVAL Plenary	Strasbourg	3 rd round mutual evaluation report: Montenegro, Ukraine 1 st progress report: Bulgaria, Croatia, Czech Republic, Monaco, San Marino, 2 nd progress report: Cyprus
23-27 March	FATF training workshop	Paris, OECD Headquarters	
1-2 April	Workshop on the Domestic Legal Implications of United Nations Security Council Resolutions and Financial Sanctions against Terrorism	Bucharest	
22-23 April	Conference of the Parties to the CETS No. 198	Strasbourg	
29 April	Hearing House of Lords	London	
10 -16 May	Serbia on site visit (3 rd round)	Belgrade	
23 May – 4 June	Bosnia and Herzegovina on- site visit (3 rd round)	Sarajevo and other	
22-26 June	FATF Plenary Meeting	Mexico tbc	
6-10 July	4 th Round training seminar	San Marino	
July tbc	CTED mission to Azerbaijan	Baku	
21-25 September	30 th MONEYVAL Plenary	Strasbourg	3 rd round mutual evaluation report: Armenia 1 st progress: Romania, “The former Yugoslav Republic of Macedonia”, Israel, Russian Federation 2 nd progress report : Albania, Slovakia
5-9 October	Slovenia on site visit (4 th Round)	Ljubljana	
October	Pre-meeting Serbia	Strasbourg	
12-16 October	FATF Plenary Meeting	Paris	
26-30 October tbc	Hungary on site visit (4 th round)	Budapest	
November	MONEYVAL Typologies Meeting	Cyprus	

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Date	Evaluated Countries/ Activities	Venue	Proposed MONEYVAL Plenary discussions
24-26 November	Pre-meeting Bosnia and Herzegovina	Strasbourg	
7-11 December	31 st MONEYVAL Plenary	Strasbourg	3 rd round mutual evaluation report: Bosnia and Herzegovina, Serbia 1 st progress report: Azerbaijan, Estonia 2 nd progress report: Latvia

6. ADDITIONAL INFORMATION

6.1 Publications in 2008

All of the following publications can be found on the MONEYVAL website: www.coe.int/moneyval

- ▶ Rules of procedure for the 3rd evaluation round (version December 2008)
- ▶ Questionnaire for the third evaluation round (version April 2008)
- ▶ Typologies Report on the use of securities in money laundering schemes
- ▶ Typologies Report on money laundering and counterfeiting

Third Round Evaluation Reports on:

- ▶ Azerbaijan
- ▶ Bulgaria
- ▶ Croatia
- ▶ Estonia
- ▶ Israel
- ▶ Romania
- ▶ Russian Federation
- ▶ San Marino
- ▶ “The former Yugoslav Republic of Macedonia”

First Progress Reports on:

- ▶ Andorra
- ▶ Georgia
- ▶ Liechtenstein
- ▶ Lithuania
- ▶ Malta
- ▶ Moldova
- ▶ Poland

Second Progress Reports on:

- ▶ Hungary
- ▶ Slovenia

Compliance Reports on:

- ▶ San Marino (1st and second compliance reports)

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6.2 Meeting attendance

Attendance at MONEYVAL Meetings				
Meeting	Date	Participants	Countries Represented	International Organisations Represented
26 th Plenary	13 March-4 April	142	35	11
27 th Plenary	7-11 July	168	35	11
Evaluator training	1-3 October	47	18	6
Joint typologies	24-26 November	181	51	14
28 th Plenary	8-12 December	175	35	11

6.3 Mutual evaluation visits

On-site mutual evaluation visits in 2008

Country	Date	Evaluators from
Estonia	4-9 February	Bulgaria Cyprus Germany* Hungary
Azerbaijan	12-20 April	Latvia Lithuania Romania UK*
Montenegro	15-20 September	Andorra Romania Slovenia USA*
Ukraine	21 September-1 October	Armenia Cyprus "The former Yugoslav Republic of Macedonia" UK*

* FATF evaluators

6.4 Intervenors on mutual evaluation reports

MONEYVAL 2008 list of intervenors* for country reports

Draft mutual evaluation report to be examined	Intervenor on legal aspects	Intervenor on law enforcement aspects	Intervenor on financial aspects
Bulgaria 26 th plenary meeting	Ukraine	Andorra	Armenia
San Marino 26 th plenary meeting	Czech Republic	Cyprus	Latvia
Croatia 26 th plenary meeting	Lithuania	Liechtenstein	Malta
Romania 27 th plenary meeting	Bulgaria	Bosnia and Herzegovina	Azerbaijan
Israel 27 th plenary meeting	Estonia	Croatia	Moldova
“The former Yugoslav Republic of Macedonia” 27 th plenary meeting	Montenegro	San Marino	Serbia
Russian Federation 27 th plenary meeting	Slovakia	Slovenia	Ukraine
Estonia 28 th plenary meeting	Poland	Romania	Lithuania
Azerbaijan 28 th plenary meeting	San Marino	“The former Yugoslav Republic of Macedonia”	Serbia

* One country poses a set of detailed questions on each of the sections covered by the report (legal, financial and law enforcement) to the country undergoing evaluation during the Plenary discussion of the draft report

6.5 Involvement of MONEYVAL member countries in progress reports

MONEYVAL – PROGRESS REPORTS 2008

Plenary meeting	Progress report	Rapporteur* Country	Evaluators' Country or Affiliation
27th Plenary 7-11 July	Georgia	Albania	Estonia San Marino Poland
	Poland	Andorra	Slovakia Czech Republic "The former Yugoslav Republic of Macedonia"
28th Plenary 8-12 December	Liechtenstein	Armenia	IMF Belgium (CTIF/CFI)
	Czech Republic	Bosnia and Herzegovina	Bulgaria Hungary Malta
	Malta	Cyprus	Liechtenstein Bulgaria Estonia
	Andorra	Bulgaria	Belgium Monaco Liechtenstein
	Moldova	Croatia	Andorra Poland Romania Updating evaluation visit : Belgium (CTIF/CFI) Ukraine
	Slovenia 2 nd progress report	Georgia	Belgium (CTIF/CFI) Slovakia Czech Republic
Hungary 2 nd progress report	Latvia	IMF Malta	

* Under the MONEYVAL Rules of Procedure a rapporteur country scrutinises the progress report and raises questions on the legal, financial and law enforcement aspects of the report

6.6 Scientific Experts

- Prof William C. GILMORE, Professor of International Criminal Law, Faculty of Law, University of Edinburgh

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- Mr Giovanni ILACQUA, Deputy Head of Suspicious Transactions Analysis Division, Banca d'Italia, Rome
- Mr Boudewijn VERHELST, Deputy Director CTIF-CFI, Attorney General, Brussels
- Mr Herbert Zammit LAFERLA, Director Financial Stability Division, Central Bank of Malta

6.7 Key statistics for 2008

Plenary Meetings	31 March-4 April 7-11 July 8-12 December 2008 aggregate attendance at Plenary Meetings (485 Participants representing 35 countries and 11 international organisations)
Bureau meetings	17th meeting, 30 March 18th meeting, 17 November
Joint Typologies Meeting	24-26 November (180 Participants)
MONEYVAL Evaluator Training	1-3 October (47 Participants)
Permanent members of MONEYVAL	28
Temporary members of MONEYVAL	2
Active Observer of MONEYVAL	1
Observers	18
On-Site evaluations	4
Mutual Evaluation Reports published	9
First Year Progress Reports Approved	7
Second Progress Reports Approved	2
Typology Reports published	2