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

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Slovakia

Progress report[1]

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[1] Second 3rd Round Written Progress Report Submitted to MONEYVAL

Slovakia is a member of MONEYVAL. This progress report was adopted at MONEYVAL's 30th Plenary meeting (Strasbourg, 21-24 September 2009). For further information on the examination and adoption of this report, please refer to the Meeting Report (ref. MONEYVAL(2009)36) at http://www.coe.int/moneyval

1. *General overview of the current situation and the developments since the last evaluation relevant in the AML/CFT field*

Position as at date of last progress report (3 July 2007)

The third evaluation of Slovakia by MONEYVAL took place from 8th -14th May 2005. The final report was adopted by the MONEYVAL Committee at its 20th Plenary Session in Strasbourg from 12th – 15th September 2006.

In the area of financial field, to be highlighted is that the 3rd MER conclusions, recommendations and ratings have been presented for discussion at the National Bank of Slovakia's Board of Directors early October 2006 in order to be aware of the areas of criticism, which need to be addressed. The way to achieve a progress in implementing the recommendations has been outlined – active participation in the interministerial working group on the draft preventive law, which harmonises the Slovak legal framework with the requirements of the 3rd EU AML/CFT Directive. In fact, the NBS experts took part in drafting of the new AML/CFT law (since autumn 2006), which will implement the EU Directives and is expected to enter into force in December this year.

One of the substantial changes, which took place since the last mutual evaluation, was the integration of the former Financial Market Authority into the National Bank of Slovakia in January 2006. In exercising supervision over the whole financial market – in banking, the capital market, the insurance industry and pension savings – the NBS follows general procedural rules laid down in Act No. 747/2004 Coll. on Financial Market Supervision, and in Act No. 566/1992 Coll. on the National Bank of Slovakia. The aim of financial market supervision (responsibility for which lies with a Deputy Governor of the NBS) is to enhance the stability of the financial market as a whole and its secure and sound operation. The financial market supervision unit conducts financial market regulation, including mainly:
– regulatory activities – drafting generally binding legal regulations (called "decrees") determining prudential conduct of business by supervised entities;
– licensing activities – taking first-instance decisions in issuing authorisations, prior approvals and imposing sanctions and corrective measures in case of non-compliance;

– supervision activities – supervising financial market entities through on-site and off-site supervision;
– analytical activities – producing analyses of the financial market as a whole, as well as of individual financial entities.
The financial market comprises of 4 sectors – the banking sector (principally represented by banks and branches of foreign banks), the capital market (mainly securities dealers, asset management companies, the stock exchange and the central securities depository), insurance sector (mainly insurance companies and branches of foreign insurance companies) and the pension savings market (mainly pension fund management companies and supplementary pension companies/pension insurance companies).
In concrete terms, the integration also meant that all supervisory procedures (manuals for the conduct of on-site inspections and off-site analytical tools) had to be harmonized. The process is still on-going and is expected to be finished by the end of this year.

As regards the co-operation with the FIU, in continues based on the signed Memorandum of Understanding; with regular meetings twice a year, where the information on executed and planned on-site inspections and controls is exchanged and of course, discussions are held on other topics of mutual interest.

From the FIU point of view the final report was presented to the Minister of interior through the first vice-president of the Police Corps, which adopted necessary actions for implementation of the recommendations made by the MONEYVAL experts. Most of the insufficiencies identified by MONEYVAL experts, will be eliminated by implementing of the Third EU AML/CFT Directive (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 purpose of money laundering and terrorist financing) into a new AML/CFT Law. FIU and Ministry of Interior plays a leading role in this process within the interministerial working group.

Since the last mutual evaluation Slovak FIU has established a new electronic system for receiving and analyzing the received reports which also enables to monitor effectiveness of AML/CFT measures through the statistical data. Significant steps have been made in informing the obliged entities on their AML/CFT obligations by number of trainings organized by the FIU members and by creating FIU public website. Slovak FIU also initiated the creation of the National Action Plan in the AML/CFT and will establish a permanent group, which will meet regularly and also ad hoc with the other relevant Slovak bodies.

From point of criminal law area, firstly it could be pointed out that on 20 May 2005 the Slovak Parliament approved completely new Criminal Code and Criminal Procedure Code as well. Both became effective on 1 January 2006. Article 252 – money laundering offence of former Criminal Code has been revised in order to ensure that all the language of Palermo and Vienna Conventions, on physical and mental aspects of the ML offence are covered in criminal legislation. Currently ML is criminalised by Article 233 of the Criminal Code – Act No. 300/2005 Coll. (see Annex 3).

Main features of new criminal legislation are introducing of two forms of criminal offence – minor offence and crime, extending provisions on culpability of preparation for the criminal offence, providing new definition of „terrorist group“ and providing definitions of „support of“ and „activity for“ the terrorist group. New type of trial proceedings was based where the adversarial system was strengthened. Further improvements has been provided by new regulation of several procedural instruments concerning seizure of financial means and seizure of registered securities (see Annex 4).

Slovakia has signed and ratified several important international conventions since last evaluation:

- The 2003 UN Convention against Corruption (ratified in April 2006 and came into force in July 2006)

- The 2000 EU Convention on Mutual Assistance in Criminal Matters between the Member States of the European Union (ratified in May 2006 and came into force in October 2006)

- The 2005 Council of Europe Convention on the Prevention of Terrorism (ratified in November 2006 and came into force in June 2007)

- The 2005 International Convention for the Suppression of Acts of Nuclear Terrorism (ratified in February 2006 and came into force in July 2007)

In addition, Slovakia has also ratified Additional Protocol to the Criminal Law Convention on Corruption (came into force in August 2005) and Protocol against The Illicit Manufacturing of and Trafficking in Firearms, their Parts and Components and Ammunition, Supplementing the UN Convention against Transnational Organized Crime (came into force in July 2005).

Slovakia has fully implemented EU Framework Decision 2003/577/JHA on the execution in the European Union of orders freezing property or evidence. Slovakia's implementing legislation – Act No. 650/2005 Coll. came into force on 1 January 2006.

New developments since the adoption of the 1st progress report

In the area of legal developments, this is the overview of international conventions, to which the Slovak Republic became a party of (since the adoption of the 3rd MER):
Convention on Cybercrime CETS No.185, published in the Collection of laws under the No.137/2008, which entered into force on 1st May 2008,
Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism CETS No.198, published in the Collection of laws under the No.91/2009, which entered into force on 1st January 2009,
on 19 May 2009 the **Second Protocol** drawn up on the basis of Article K.3 **of the Treaty on European Union, to the Convention on Protection of the European Communities´ financial interests** entered into force (No. 164/2009 Coll.), which relates, inter alia, to the concept of criminal liability of legal persons in specific situations (including money laundering) and also to some aspects of confiscation measures.
The principal legal change, which means elimination of numerous deficiencies identified during the third evaluation round, and also harmonization of the Slovak system to EU requirements and standards, was the introduction of the new preventive Law No. 297/2008 Coll. on the Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing and on Amendments and Supplements to Certain Acts (hereinafter referred to as "AML/CFT" Law), which came into force on 1 September 2008 and is operational for 1 year at the time of the progress report presentation.
The unofficial translation in English is to be found on the Slovak FIU web site http://www.minv.sk/?legislativa-7.
It significantly extended the range of entities (by including a whole range of non-financial businesses) subject to identification requirements towards clients and beneficial owners, specified the record-keeping and reporting obligations. The process of a customer due diligence has been introduced and provided for by the AML/CFT Law in details. It re-defined the rights and duties of subjects involved in the anti-money laundering system, and provided more exactly for sanctioning powers. The term „financing of terrorism" was implemented into the legal system of the Slovak Republic through Section 3 „Terrorist financing" of the AML/CFT Law. It was not being defined in domestic legal order before the above cited law came into force. Now, under the AML/CFT Law the FIU is vested with large responsibilities for compliance with anti-money laundering and counter financing of terrorism requirements.
The administrative capacity of the FIU has been extended too, by increasing its staff and powers. New analytical department composed of 5 people including IT specialists was established within the FIU as of 1 April 2009.

In financial field, the most important fact, which influenced the area of ML/TF prevention and brought new challenges in its day-to-day application, was also the new AML/CFT Law. Financial institutions (through their associations or chambers) took active role not only within the process of drafting of the law; but also after its entry into force. Both the FIU and the National Bank of Slovakia (in its role of single supervisory authority over the whole financial market) supported these initiatives and several working meetings and workshops were organised (since September 2008 and in the first half of 2009) in order to clarify new AML/CFT provisions and discuss questions related to implementation in financial institutions.
The National Bank of Slovakia in cooperation with the FIU and the Ministry of Finance issued the Methodological guidance of the Financial Market Supervision Unit of the National Bank of

Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist financing in order to provide more details related to implementation of the new preventive law. The guidance is available also in English on the web site www.nbs.sk, under the Financial Market Supervision, Banking Sector and Securities Dealers Supervision, Recommendations and Methodical Instructions.

2. Key recommendations

Please indicate which improvements have been made in respect of the FATF Key Recommendations (Recommendations 1, 5, 10, 13; Special Recommendations II and IV) and the Recommended Action Plan (Appendix 1).

Recommendation 1 (Money Laundering offence)	
Rating: Largely Compliant	
Recommendation of the MONEYVAL Report	*Ensure FT in all its forms is a predicate to the ML offence.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report	Slovak authorities consider the legal regulation of the criminalisation of FT is even now sufficient to ensure FT in all form is a predicate to the ML offence (see Art. 297, Art. 129 par. 4, 5, 6, of Criminal Code in Anne 4). However, Slovakia is ready to introduce autonomous criminal offence of FT. The relevant amendments of Criminal Code are currently being prepared and are expected to be submitted into legislative procedure in September 2007.
Measures taken to implement the recommendations since the adoption of the first progress report	The relevant draft legislation concerning the offence of financing terrorism and corporate criminal liability was submitted to the Government by the end of March 2008. However, the Government has interrupted discussions with respect to the mentioned draft law with a view to wait for the outcome of proceedings pending before the Constitutional Court of the Slovak Republic (hereinafter as "the court") concerning the constitutionality of the Act on Establishment of the Special Court and the Special Prosecutor's Office (Law No. 458/2003 Coll. as amended) as based on the motion filed by 46 members of the parliament with the court in accordance with the Article 130 paragraph 1 letter a) of the Constitution of the Slovak Republic on 5 February 2008. The court by its finding of 20 May 2009 decided that Art. 1 §1 of the Act no. 458/2003 Coll. on the Establishment of the Special Court and the Special Prosecution Office as well as the pertinent provisions of the Code of Criminal Procedure and the Act on Judges and Lay Judges were in violation of Article 1(1), Article 141(1), Article 141a(4)(b), Article 144(1) in conjunction with Article 12(1) and of Article 148 (1) and (2) of the Constitution of the Slovak Republic and of Article11(1) of the UN Convention against Corruption. The Special Court ceased to exist on 16 July 2009 and since the next day (17 July 2009) a new Specialized Criminal Court was established by law no. 291/2009 Coll. on Specialized Criminal Court. The new Specialized Criminal Court will be competent to decide inter alia corruption cases and money laundering cases. On the basis of such development it is assumed that the draft legislation mentioned above will be submitted again to the legislation procedure in September 2009.
Recommendation of the MONEYVAL Report	*Ensure conspiracy to commit ML involving two persons is covered not only in cases involving organised crime.*
Measures reported as of 3 July 2007 to	Due to new definition of preparation for a crime in Art. 13 of new Criminal Code

implement the Recommendations of the report.	(see Annex 3) is ensured that conspiracy to commit ML involving two persons is covered not only in cases involving organised crime.
Measures taken to implement the recommendations since the adoption of the first progress report	As mentioned in the 1st Progress report, this issue has been already solved by virtue of Section 13 of the Criminal Code.
Recommendation of the MONEYVAL Report	*More emphasis should be place on the third party laundering and clarifying the evidence required to establish the underlying predicate in autonomous ML prosecutions.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Slovak authorities consider the realization of this recommendation as continuous process in order to improve current situation.
Measures taken to implement the recommendations since the adoption of the first progress report	No changes.
Recommendation of the MONEYVAL Report	*Keep more detailed statistics covering the nature of ML investigations, prosecutions, convictions and sentences including the details of predicate offences and whether prosecutions were brought autonomously.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Slovak authorities consider the realization of this recommendation as continuous process in order to improve current situation.
Measures taken to implement the recommendations since the adoption of the first progress report	Since 1st September 2008 the new AML/CFT Law is in force; thus Section 27, which determines the data to be kept and submitted by public authorities to the FIU for the purposes of maintaining the overall statistical information to be included into the annual report of the FIU, which should reflect the general picture of ML/TF situation both in the preventive and repressive side, is applicable (first collection of such data will take place to the end of 2009).
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 5 (Customer due diligence) I. Regarding financial institutions	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Articulate the national policy on risk of ML/CFT(in light of 3rd EU directive) and improve and enhance guidance notes across the whole financial sector.*
Measures reported as of 3 July 2007 to implement the Recommendations of	With regard to issuance of guidance notes across the whole financial sector; no new guideline has been issued by the NBS in this area, in spite of the fact that there is a working version for the banking market participants mirroring the requirements of the 3rd EU Directive and the Implementing Directive

the report.	(2006/70/EC), but after discussions with banks, who clearly indicated that such new, extensive obligations, which substantially change the existing AML/CFT preventive regime would not be accepted by a non-binding guideline, the NBS decided to postpone the issuance of such a set of recommendations after the new AML/CFT law is in force.
Measures taken to implement the recommendations since the adoption of the first progress report	After the entry into force of the new AML/CFT Law, an expert group consisting of representatives from the National Bank of Slovakia ("NBS") together with the FIU and the Ministry of Finance prepared and after discussions with the Slovak Banking Association, issued the Methodological Guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist financing to enhance a proper AML/CFT Law application in the practice. Methodological Guidance is a non-binding, thus a non-enforceable tool, which is used by the Central Bank to clarify its supervisory expectations and to set in "soft" legislation some benchmarks in specific areas. The above-mentioned guidance is available at www.nbs.sk, on its English version under Financial Market Supervision, Banking Sector and Securities Dealers Supervision, Recommendations and Methodical Instructions.
Recommendation of the MONEYVAL Report	*It would be preferable for the AML Law to cover identification at account opening or establishing business relations across all reporting entities.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	There was no change in the existing preventive law; not only in this regard, but at all. For that reasons, the new draft AML/CFT law will be cited (even though currently it is before the discussion in the Government). The draft requires all obliged (meaning "reporting") entities (all financial institutions and also DFNBP´s are covered), to identify always a new client at establishing the business relationship, including account opening.
Measures taken to implement the recommendations since the adoption of the first progress report	As said before, majority of the shortcomings identified in the 3rd MER in the area of identification & verification of a client and of a beneficial owner have been rectified by adopting of the new AML/CFT Law. It has significantly changed the executing technique of identification and examination of identification data obtained (verification of identification) for all the reporting entities – credit institutions, financial institutions and DNFBP´s as well. To be more precise, the obligation to perform identification procedure at account opening or establishing business relations is contained in Section 10 „Customer Due Diligence" para 2, letter a) of the AML/CFT Law, which clearly defines a duty to carry out CDD including the identification and verification of this identification when opening an account and establishing a business relation, explicitly for all the reporting entities.
Recommendation of the MONEYVAL Report	*Provide reference in insurance and securities laws or regulations to the requirement to undertake CDD measures when establishing business relations.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	There was no change in the existing laws on insurance and securities in this regard. For that reasons, the new draft AML/CFT law as cited above, is relevant.
Measures taken to implement the recommendations since the adoption of the first progress report	There is no need to regulate the requirement to undertake CDD measures when establishing business relations by special laws or regulations as regards insurance companies or securities dealers as it is covered by general legal norm, i.e. AML/CFT Law and with respect to all the reporting entities. It means, that the same provision (as mentioned in the previous answer) of the AML/CFT Law is applied in

	relation to insurance companies and securities dealers and whichever – all the reporting entities determined by Section 5 do have the duty to carry out CDD measures.
Recommendation of the MONEYVAL Report	*Cover in Law or Regulation the requirement for CDD measures when carrying out occasional wire transfers (which fully include the verification process) and in cases of doubts regarding the veracity or adequacy of previously obtained customer identification data.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	There was no change in the existing preventive law in this regard; the new draft law requires CDD measures including verification to be undertaken always: - by occasional transactions over 15 000.- EURO - regardless any threshold in case of: - doubts about the accuracy or veracity of provided information or - in case of suspicion. Moreover, if it is one-off transaction executed by the FX office and/or the wire transfer provider, which is not a bank (currently 2 such companies are active on the financial market), the threshold is lower, i.e. every client is to be identified and verified, if the transaction is more then 1 000.- EURO.
Measures taken to implement the recommendations since the adoption of the first progress report	Beyond CDD measures (AML/CFT Law contains the requirement for CDD measures in Section 10 „Customer Due Diligence“ para 2, letter b) and letter d), which clearly define a duty for all the reporting entities to carry out CDD when carrying out an occasional transaction - an occasional transaction outside a business relationship worth at least EUR 15,000) and when there are doubts about the veracity or completeness of customer identification data previously obtained; under the same provision para 8 the reporting entities are obliged to verify the validity and completeness of identification data and information acquired at CDD performing depending on the risk of legalization or terrorist financing, during business relationship as well, and they are obliged to record their particular changes). Moreover, there is a duty in Section 10 para 3 of the AML/CFT Law to perform an identification of a customer and verification of his/her identification also in case of carrying out a transaction (including occasional one) the amount of which reaches at least EUR 2,000.
Recommendation of the MONEYVAL Report	*Provide in the insurance and the securities laws guidance on which documents are reliable independent documents for verification of identification for natural persons.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	There was no change in the existing laws on insurance and securities in this regard. The draft AML/CFT law includes detailed requirements on ID documents (basically ID card, passport and residence permit in case of non-residents are eligible), which have to be followed by all obliged entities in the process of identification and verification of a client being a natural person.
Measures taken to implement the recommendations since the adoption of the first progress report	This guidance provides the AML/CFT Law in Section 8 „Verification of Identification“ for both natural and legal persons. It stipulates a volume of identification data examination (verification) for all the reporting entities (including insurance companies and securities dealers) and Footnote No. 33 to this legal provision – Section 8 letter a) – exactly lists, which documents may be considered as reliable and independent for verification of identification for natural persons. For instance, Act No. 647/2007 Coll. on Travel Documents and on Amendments and Supplements to Certain Acts, Act No. 48/2002 Coll. on the Stay of Foreign Nationals and on Amendments and Supplements to Certain Acts as amended, Act No. 224/2006 Coll. on Identification documents and on Amendments and

	Supplements to Certain Acts as amended.
Recommendation of the MONEYVAL Report	*Promulgate enforceable guidance on how the verification process should apply to legal persons (especially non-resident legal persons).*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	No guidance on this issue has been promulgated; the draft AML/CFT law contains instructions on verification of clients including foreign legal persons; meaning that the basic scope of ID and verification does not differ in case of foreign legal entity from the procedure applied in case of a Slovak legal entity; but according to other provisions in section, which determines the CDD measures; the obliged entities have to take into regard when applying CDD always ML/TF risk inherent in a concrete relationship with a concrete client or a concrete type of a business transaction. Moreover the draft contains also a requirement to pay special attention to any business transaction or type of a business, which could be more open to ML/TF risk and is obliged to apply measures eliminating such risks. The way how this will be done in practise must be dealt with in the internal preventive programme of each obliged entity, which is to be issued in line with the draft AML/CFT law until end March 2008.
Measures taken to implement the recommendations since the adoption of the first progress report	*The verification process towards the legal persons including non-resident legal persons is described in more details in Section 8 „Verification of Identification" letter b) of the AML/CFT Law. This provision stipulates the extent of identification data examination (verification) for the reporting entities with applying of risk-based approach pursuant to Section 10 para 4 of the AML/CFT Law. In this regard a principle/rule has been introduced in Section 15 of the AML/CFT Law, which determines that in case when a reporting entity may not perform CDD in the required scope, i.e. pursuant to Section 10 para 1 letters a)-c), which cover the core elements of CDD in line with the EU Directive; it is obliged to refuse to establish a business relationship, terminate a business relationship or refuse to carry out a particular transaction. Thus, it is enforceable through the AML/CFT Law and if the reporting entities failure to comply with this requirement, then the FIU is authorized to impose on a legal entity (and a natural person-entrepreneur as well) a fine up to 333,333 EUR and even it may file an initiative to revoke* a licence for the conduct of business or other independent profitable activity.
Recommendation of the MONEYVAL Report	*Clarify the timing of verification across the whole of the financial sector.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	No other clarification beyond the draft AML/CFT law is in place as yet. The draft stipulates the verification as a component of due diligence procedures; meaning it has to be done together with identification by all obliged entities; by all means it has to be finished before the establishment of the business relationship or before the business transaction is being executed.
Measures taken to implement the recommendations since the adoption of the first progress report	Reporting entity is obliged to complete verification before establishing the business relationship or carrying out the transaction in a physical presence of a client under Section 10 „Customer Due Diligence" para 6 of the AML/CFT Law. Thereafter Section 10 para 8 of the AML/CFT Law imposes to the reporting entities obligation to verify the validity and completeness of identification data and information also during business relationship and shall record their changes.
Recommendation of the MONEYVAL Report	*The definition of beneficial owner as set out in the FATF Recommendations in respect of ultimate control of the customer and the natural persons who exercise ultimate effective control over legal persons or arrangements should be provided*

	for in Law or Regulation.
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Since the last evaluation in May 2005, the Act on Banks has been amended in May 2006, allowing banks and foreign banks branches to require by each transaction from their clients being legal persons, information on ownership (over 10%). Respective Art. 93a is enclosed. The draft AML/CFT law goes further and deals with this issue in more detail; in line with the EU Directive, there is the obligation to identify the beneficial owner in case of legal entities for all obliged entities; the risk-based approach is taken into regard in this issue.
Measures taken to implement the recommendations since the adoption of the first progress report	The definition of beneficial owner is set out in Section 9 „Other Definitions" letter b) of the AML/CFT Law (by this special provision Article 3, point 6 of the 3rd AML/CFT Directive was implemented). As far as a beneficial owner is concerned, a reporting entity is obliged to carry out CDD measures under Section 10 „Customer Due Diligence" para 2 and under Section 12 „Enhanced Due Diligence" para 1 of the AML/CFT Law with respect to enhanced due diligence.
Recommendation of the MONEYVAL Report	*Review the notion of ongoing due diligence comprehensively in all financial sector laws or regulations.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The review has been incorporated into the draft AML/CFT law, which contains the obligation to conduct due diligence procedures in precisely specified situations (e. g. always by establishing a new business relationship, by conducting one-off transactions over 15 000 EURO, in case of doubts about the accuracy or veracity of provided information, in case of suspicion, on entering the casino by a natural person, in case of a client requires to be paid out against the already non- existent bearer passbooks) and also it determines that due diligence is to be understood as consisting of: - identification and verification, - determination of beneficial owner including verification (risk-based approach), - asking the information on the substance of the business relationship (e. g. a business plan), - conducting on-going monitoring of a client activities, whether they are in line with his proclaimed business plans, whether his risk profile is showing substantial changes, including the flow of up-dated information on his activities, etc.
Measures taken to implement the recommendations since the adoption of the first progress report	Section 12 „Enhanced Due Diligence" of the AML/CFT Law stipulates the notion and extent of enhanced due diligence procedure, not only across the whole financial sector, but also across the all reporting entities (credit institutions, financial institutions, DNFBP´s). Other necessary details for credit institutions are provided for in part E of the Methodological Guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist financing.
Recommendation of the MONEYVAL Report	*Review and ensure that the practice of making an STR where CDD cannot be completed satisfactorily is provided for and is effectively operating.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The new draft AML/CFT law provides for the obligation to refuse the establishment of the business relationship in case due diligence cannot be completed and in case beneficial ownership cannot be determined and in another provision there is the obligation to report such cases to the FIU immediately.

Measures taken to implement the recommendations since the adoption of the first progress report	Reporting entity is obliged to refuse to establish a business relationship, terminate a business relationship or refuse to carry out a particular transaction under Section 15 „Refusal of Establishment of a Business Relationship, Termination of a Business Relationship or Refusal of Carrying out Transaction“ and under Section 24 „Special Provisions relating to Credit and Financial Institutions“ para 2 of the AML/CFT Law. Moreover, reporting entity has a duty to report to the FIU without undue delay such refusal to establish a business relationship, terminate a business relationship or refusal to carry out a particular transaction under Section 17 „Unusual Transaction Reporting“ para 1 of the AML/CFT Law (it is obliged to make UTR).
Recommendation of the MONEYVAL Report	*Enforceable guidance to all financial institutions covering the policy on application of CDD measures to existing customers could be refined.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	According to the new draft AML/CFT law, all obliged entities do have to apply due diligence also to existing clients in a proper timeframe, based on risk-oriented approach, but there is a deadline of end March 2009 for obliged entities to accomplish it.
Measures taken to implement the recommendations since the adoption of the first progress report	Reporting entity is obliged to perform CDD and enhanced due diligence also in relation to the customers who were acquired before the AML/CFT Law entering into force (1 September 2008) subject to the risk of legalization or terrorist financing (Section 10 para 4) by 31 December 2009 under Section 36 „Interim Provisions“ para 1 of the cited law.
Recommendation of the MONEYVAL Report	*The reporting duty should cover the NBS in respect of its commercial activities.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The new draft AML/CFT law contains a provision, which determines that the National Bank of Slovakia by commencing of business activities (keeping and administering the accounts of own employees and conducting FX operations) is the obliged entity and thus, has to comply with respective obligations of the AML/CFT law after its entering into force.
Measures taken to implement the recommendations since the adoption of the first progress report	The rights and duties imposed by the AML/CFT Law on credit institutions also apply to the National Bank of Slovakia while carrying out transactions under a special regulation (meaning the Act No. 566/1992 Coll. on the National Bank of Slovakia as amended) under Section 24 „Special Provisions relating to Credit and Financial Institutions“ para 5 of the cited law, including UTRs reporting. In practice, this means that the NBS has appointed its AML/CFT Compliance Officer (and his deputy) and has prepared its own preventive programme in line with Section 20 of the AML/CFT Law. Respective employees have been duly trained and have established adequate working contact with the Slovak FIU.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 5 (Customer due diligence) II. Regarding DNFBP[1]	
Recommendation of the MONEYVAL Report	*All requirements in relation to full identification of beneficial ownership and additional identification/KYC rules should apply to DNFBP especially regarding higher risk activities*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of the draft of the new AML/CFT Act, DNFBP as obliged entities are always obliged to carry out CDD which shall comprise: • identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source; • identifying, where applicable, the beneficial owner and taking risk-based and adequate measures to verify his identity so that the institution or person covered by this Directive is satisfied that it knows who the beneficial owner is, including, as regards legal persons, trusts and similar legal arrangements, taking risk-based and adequate measures to understand the ownership and control structure of the customer; • obtaining information on the purpose and intended nature of the business relationship; • conducting ongoing monitoring of the business relationship including scrutiny of transactions undertaken throughout the course of that relationship to ensure that the transactions being conducted are consistent with the institution's or person's knowledge of the customer, the business and risk profile, including, where necessary, the source of funds and ensuring that the documents, data or information held are kept up-to-date. DNFBP may determine the extent of such measures on a risk-sensitive basis depending on the type of customer, business relationship, product or transaction. The institutions shall be able to demonstrate that the extent of the measures is appropriate in the view of the risks of money laundering and terrorist financing.
Measures taken to implement the recommendations since the adoption of the first progress report	The AML/CFT Law defined the extent of CDD for DNFBP´s (as in the case of credit and financial institutions) as well as a duty to perform enhanced due diligence in cases determined by the AML/CFT Law. CDD shall include (Section 10 para 1 of the AML/CFT Law): a) identification of a customer and verification of his identification, b) with regard to the risk of legalization or terrorist financing, identification of the beneficial owner and taking adequate measures to verify his identification including measures to determine the ownership structure and management structure of a customer being a legal entity or a corporation , c) obtaining information on the purpose and intended nature of the business relationship, d) conducting ongoing monitoring of the business relationship including scrutiny of particular transactions carried out during the business relationship for the purpose of determination whether the transactions being carried out are consistent with the obliged entity's knowledge of the

[1] i.e. part of Recommendation 12.

	customer, his business profile and review of possible customer–related risks and depending on the risk of legalization or terrorist financing, determining the source of funds and ensuring that the obliged entity's documents, data and information held on the customer are kept up-to-date. As regards DNFBP´s, the reporting entity may determine the extent of CDD measures on a risk-sensitive basis with regard to the customer, type of transaction, business relationship or a particular transaction under Section 10 „Customer Due Diligence" para 4 of the AML/CFT Law. When controlled, the reporting entity shall prove that the extent of CDD performed is adequate, depending on the risk of legalization or terrorist financing. Section 12 of the AML/CFT Law lists cases when the reporting entities including DNFBP´s are obliged to perform enhanced due diligence and also determines its extent.
Recommendation of the MONEYVAL Report	*CDD should be required by real estate dealers, lawyers, notaries and other independent legal professionals and accountants in the circumstances set out in Recommendation 12.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Real estate dealers (agents), lawyers, notaries and other independent legal professionals and accountants are covered by the draft of the new AML/CFT Act as obliged entities with obligation to carry out CDD and its extent on the basis of risk-based approach. The draft of the AML/CFT Act directly requires: a) casinos always to carry out CDD on entry of a natural person to casino and at the same time identify and verify the identity of a person who purchases or changes gambling chips in casino in amount of 1.000,- EUR or more, b) lawyers and notaries to carry out CDD if they provide customer with a legal service concerning the 1. buying and selling of real property or business share of a company, 2. managing or custody of the funds, securities or other assets, 3. opening or management of a bank account or a securities account, or *4.* creation, operation or management of a company, an association of natural and legal persons, a special purpose association of property or of a similar legal person.
Measures taken to implement the recommendations since the adoption of the first progress report	Real estate dealers, casinos, precious metals or gemstones dealers, service providers of property management or company service providers, lawyers, notaries and other independent legal professionals and accountants are included among the reporting entities under the AML/CFT Law. They are obliged to perform CDD under the AML/CFT Law in the extent pursuant to Section 10 „Customer Due Diligence" para 1. Special provisions are applied to advocates and notaries (as to DNFBP´s), who are a reporting entity if they provide the customer with legal services related to: 1. purchase or sale of real estate or ownership interests in a company, 2. management or safekeeping of funds, securities or other property, 3. opening or management of an account with a bank or a foreign bank branch or of a securities account or 4. establishment, operation or management of a company, an association of natural persons or legal entities, a special-purpose corporation or another legal entity. In addition, all the reporting entities, including DNFBP, have a duty to perform identification of a customer and verification of his identification also in case of carrying out a transaction the amount of which reaches at least EUR 2 000 based on Section 10 „Customer Due Diligence" para 3 of the AML/CFT Law beyond the

	requirement for CDD and the requirements of the 3rd AML/CFT Directive. By virtue of this provision e. g. the casinos are obliged to perform identification and verification, if the player changes playing jetons in the amount of 2 000.- EUR at least. Likewise, based on the cited provision, the reporting entities are obliged to perform identification and verification of customer when carrying out an occasional transaction outside a business relationship worth at least EUR 2 000.- in respect of real estate dealers, precious metals or gemstones dealers, service providers of property management or company service providers.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 10 (Record keeping) I. Regarding Financial Institutions	
Rating: Largely Compliant	
Recommendation of the MONEYVAL Report	*Consider providing a legal basis for keeping transaction records and identification data for longer than five years if necessary when properly required to do so in specific cases by a competent authority.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of the draft of the AML/CFT Act, the obliged entity is required to keep data or written documents obtained from the customer for a period of five years after the business relation with their customer has ended or after the end of the business relation. The obliged entity is required to keep such data and written documents for a period of at least five years if FIU shall request to do so in written form, FIU shall specify period and scope of keeping data and written documents.
Measures taken to implement the recommendations since the adoption of the first progress report	DNFBP´s are required to keep data or written documents obtained from the customer for a period of 5 years after the business relation with their customer has ended or after the end of the business relation pursuant to Section 19 „Data Processing and Record-Keeping" para 1 and 2 of the AML/CFT Law. According to Section 19 para 3 the obliged entities are required to keep such data and written documents even for a period longer than 5 years if the FIU shall request to do so in writing and in such case the FIU shall specify a period and extent to which the data and written documents shall be kept.
Recommendation of the MONEYVAL Report	*Consider harmonizing the period of retention of identification data between the Act on Banks and the AML Law (i.e. at least five years following the termination of the account or business relationship).*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The period for retention of identification data under the Act on Banks and the AML/CFT Act is the same, the new legal framework will be in compliance with the present AML Act – it is a period of at least five years.
Measures taken to implement the recommendations since the adoption of the first progress report	No changes; as said in the 1st progress report, the time to archive ID documents has already been harmonised to 5 years (Section 19 of the AML/CFT Act just reflected and specified this rule for all reporting entities).
Recommendation of the MONEYVAL	*Clarify in the AML Law or in Decree that identification data should be retained to*

Report	*include account files and business correspondence.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of the draft of the AML/CFT Act, the obliged entity is required to keep identification data including account files and business correspondence for a period of at least five years.
Measures taken to implement the recommendations since the adoption of the first progress report	AML/CFT Law determines these requirements in Section 10 para 1 (which enumerates components of CDD) and in Section 12 (=enhanced due diligence). Moreover, this issue is also dealt with in more detail in the Methodological Guidance mentioned above in part H.
Recommendation of the MONEYVAL Report	*Clarify in the AML Law that customer identification data (as well as transaction records) should be available on a timely basis to a competent authority in specific cases upon proper authority (which should include the Police generally and not just the Financial Police).*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Obligation of financial institutions to provide with costumer identification data (as well as transaction records) to Police is covered in Section 91 paragraph 4 letter g of the Act on Banks. ("A report on matters concerning a client that are subject to bank secrecy shall be submitted by a bank or branch office of a foreign bank without the prior approval of the client concerned solely upon request made in writing by the criminal police and financial police services of the Police Corps for the purposes of detecting criminal acts, the detection of and search for their perpetrators and especially in the case of tax evasion , illegal financial operations, and money laundering.") On the basis of the Section 29 a) paragraph 4 of the Police Act the Police Officer belonging to Criminal or Financial Police is authorised to request from banks and foreign bank branches the reports on their customer identification data by disclosing tax evasions and illicit financial transactions or money laundering.
Measures taken to implement the recommendations since the adoption of the first progress report	This issue has already been clarified in the 1st Progress report.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 10 (Record keeping) II. Regarding DNFBP[2]	
Recommendation of the MONEYVAL Report	*All essential criteria marked with an asterisk in Rec. 10 should be covered for DNFBP by law or regulation.*
Measures reported as of 3 July 2007 to implement the	All essential criteria marked in R 10 are covered for DNFBP by the new preparing AML Act.

[2] i.e. part of Recommendation 12.

Recommendations of the report.	
Measures taken to implement the recommendations since the adoption of the first progress report	DNFBP´s are required to keep data or written documents obtained from the customer for a period of 5 years after the business relation with their customer has ended or after the end of the business relation pursuant to Section 19 „Data Processing and Record-Keeping“ para 1 and 2 of the AML/CFT Law. According to Section 19 para 3 the obliged entities are required to archive such data and written documents even for a period longer than 5 years if the FIU shall request to do so in writing and then the FIU shall specify a period and extent to which the data and written documents shall be kept.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 13 (Suspicious transaction reporting) I. Regarding Financial Institutions	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Reporting obligations needs explaining in guidance, particularly on FT.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The new term "financing of terrorism" is introduced and defined by the new AML Act, it stems from 3rd EU AML/CFT Directive. This term has not been defined in the Slovak rule of law yet.
Measures taken to implement the recommendations since the adoption of the first progress report	The term „financing of terrorism“ was implemented into the legal system of the Slovak Republic by Section 3 „Terrorist financing“ of the AML/CFT Law. It was not being defined in domestic legal order before the above cited law came into force. AML/CFT Law differs from the previous one also by listing of examples of 10 unusual transactions (Section 4 „Unusual Transaction“ para 2) that have been included in the AML/CFT Law upon the analysis of approx. 5,000 UTRs received by the FIU in the past. These unusual transactions are not being subject to any threshold limit of the transactions and they include the transactions related to tax matters as well. It is a sample list of unusual transactions where 2 unusual transactions defined in this provision directly relate to terrorism financing. The FIU received 13 UTRs regarding the financing of terrorism as of the new AML/CFT Law entered into force. The substance of the unusual transaction relating to terrorism financing is the fact, that customer or a beneficial owner is a person against whom the international sanctions are applied or a person whom can be in a relationship to the person against whom the international sanctions are applied, or the unusual transaction where there is a reasonable ground to expect that its object is or should be a thing or service which would relate to a thing or service against which the international sanctions are applied. As far as the unusual transaction is concerned, it should be noted that a legal system of the Slovak Republic does not exactly determine a list of the predicate offences to money laundering and as a predicate offence would be any crime which generates a property or other proceeds (there is all-crime approach regarding money laundering in Slovakia). The details and procedure of the analysis and evaluation of the transactions are provided

	for by Methodological Guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist financing in part F. In this guidance it is stated that for transactions assessment it is crucial to apply KYC principle (performing CDD, enhanced due diligence or simplified due diligence), then to apply risk-based approach as well as to compare the transactions with the overview of the unusual transactions (listed as examples in Section 4 para 2 of the AML/CFT Law) and with the overview of the transactions, which each reporting entity directly defines by itself.
Recommendation of the MONEYVAL Report	*AML Law should provide for attempted transactions.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of the draft of the AML/CFT Act, the obliged entity is required to report to FIU not only unusual transaction but also attempt to do so without delay. The obliged entity is required to report to FIU refusal to execute an unusual transaction, too.
Measures taken to implement the recommendations since the adoption of the first progress report	Duty to report to the FIU an attempt to make a transaction as well as refusal to carry out the required unusual transaction by reporting entity is determined by Section 17 „Unusual Transaction Reporting“ of the AML/CFT Law. It is applied also in practice, however the FIU does not keep this specific statistics. There is about 10 to 15 such UTRs received by the FIU as yet.
Recommendation of the MONEYVAL Report	*Clear guidance on unusual business activities needs providing to all the financial sector (which includes guidance on personal transactions).*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	So far pending legal framework which will assure providing systematic education of obliged entities and publishing information about trends and typologies in money laundering and financing of terrorism is a part of the draft of the new AML/CFT Act. This new draft clearly resolves doubts and it includes explicitly personal transactions apart from business transactions.
Measures taken to implement the recommendations since the adoption of the first progress report	The Methodological Guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist in its part F describes in details the way how the transactions should be assessed and evaluated from the point of their possible “unusuality”. Besides others, it is mentioned here, that for transactions assessment it is crucial to apply and use KYC principle on the on-going basis (starting with performing CDD, enhanced due diligence or simplified due diligence), then to apply risk-based approach as well as to compare the transactions with the overview of the unusual transactions (listed in Section 4 para 2 of the AML/CFT Law) and also with an overview of the transactions, which each reporting entity directly defines by itself. Personal transactions are clearly covered by virtue of Section 9 „Other Definitions“ letter h) of the cited law.
(other) changes since the first progress report (eg draft laws, draft regulations or draft “other enforceable means” and other relevant initiatives)	

Recommendation 13 (Suspicious transaction reporting) II. Regarding DNFBP[3]	
Recommendation of the MONEYVAL Report	*The issue of potential risks that may arise having business relationships and transactions with persons from countries which do not or insufficiently apply the FATF recommendations needs to be addressed in regard of the DNFBP.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of draft of the new AML/CFT Act DNFBP are obliged to pay special attention and apply enhanced customer due diligence measures towards clients from countries not applying the FATF recommendations. DNFBT carry out enhanced customer due diligence measures in dependence on risk of money laundering and terrorism financing.
Measures taken to implement the recommendations since the adoption of the first progress report	Considering a risk-based approach defined in Section 10 „Customer Due Diligence" para 6 of the AML/CFT Law all the reporting entities including DNFBP´s are obliged to apply, in case of business relationships and of businesses with the clients who are from countries not applying measures on the ML/TF prevention equivalent to measures set out by the 3rd AML/CFT Directive, CDD and enhanced due diligence, too. In case of unusual transaction detected by reporting entity, it is obliged to report this to the FIU without undue delay. Also, the Methodological Guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist in its part E points out to the source materials, which can be used as a useful tool to recognize those countries& territories, which do not apply AML/CFT prevention properly. All FATF and MONEYVAL statements regarding countries &territories, which present a higher risk because of their deficient preventive AML/CFT regimes are published at the Slovak FIU web site in English and Slovak with clarification for all reporting entities.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Special Recommendation II (Criminalise terrorist financing)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Introduce an independent, autonomous offence of FT which explicitly addresses all the requirements of SR.II and the IN.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Slovak Republic is ready to introduce autonomous criminal offence of financing terrorist acts and terrorist groups, which takes into account all requirements of special recommendation II and IN. The relevant amendments of the criminal Code (Act No. 300/2005 Coll.) are currently being prepared and are expected to be submitted onto legislative procedure in September 2007.
Measures taken to implement the recommendations since the adoption of	Currently there is no autonomous offence of financing terrorist acts and terrorist groups. Concerning the relevant draft legislation, please, see the answer to the R1.

[3] i.e. part of Recommendation 16.

the first progress report	
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Special Recommendation IV (Suspicious transaction reporting) I. Regarding Financial Institutions	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*The financing of terrorism reporting obligation needs explicitly clarifying in the law to ensure that subject entities report where they suspect or have reasonable grounds to suspect that funds are linked or related to, or are to be used for terrorism, terrorist acts or terrorist organisations.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Financial institutions are obliged to pay special attention to business operations where there is reasonable assumption that: a) a customer or a beneficiary owner is a person against who international sanctions according to a special regulation are executed or a person who may be in relation to a person against who international sanctions connected with financing of terrorism are executed, b) its subject matter is or is to be a thing or a service which may be related to a thing or a service against which international sanctions connected with financing of terrorism are executed. The obliged entity is required to report the above mentioned kind of business operations and attempt to do so to FIU without delay.
Measures taken to implement the recommendations since the adoption of the first progress report	The term „financing of terrorism" was implemented into the legal system of the Slovak Republic through Section 3 „Terrorist financing" of the AML/CFT Law. It was not being defined in domestic legal order before the above cited law came into force. AML/CFT Law differs from the previous one by listing by example 10 unusual transactions (Section 4 „Unusual Transaction" para 2) that have been included in the AML/CFT Law upon the analysis of approx. 5,000 UTRs received by the FIU. These unusual transactions are not being subject to any threshold limit of the transactions and they include the transactions related to tax matters as well. It is a sample list of unusual transactions where 2 unusual transactions defined in this provision directly relate to terrorism financing. The FIU received 13 UTRs regarding the financing of terrorism since the new AML/CFT Law entered into force. The substance of the unusual transaction relating to terrorism financing is the fact, that customer or a beneficial owner is a person against who the international sanctions are applied or a person who can be in a relationship to the person against whom the international sanctions are applied, or an unusual transaction where there is a reasonable ground to expect that its object is or should be a thing or service which would relate to a thing or service against which the international sanctions are applied.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means"	

and other relevant initiatives)	

Special Recommendation IV (Suspicious transaction reporting) II. Regarding DNFBP	
Recommendation of the MONEYVAL Report	*The financing of terrorism reporting obligation needs explicitly clarifying in the law to ensure that subject entities report where they suspect or have reasonable grounds to suspect that funds are linked or related to, or are to be used for terrorism, terrorist acts or terrorist organisations.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The obligation mentioned in connection with financial institutions are obliged for DNFBP.
Measures taken to implement the recommendations since the adoption of the first progress report	As already clarified, the AML/CFT Law covers also DFNBP´s (in Section 5 as reporting entities) and thus, the obligation to report unusual transaction, which indicates financing of terrorism could be involved, belongs to other obligations, which have to be complied with by DFNBPs.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

3. Other Recommendations

In the last report the following FATF recommendations were rated as "partially compliant" (PC) or "non compliant" NC (see also Appendix 1). Please, specify for each one which measures, if any, have been taken to improve the situation and implement the suggestions for improvements contained in the evaluation report.

Recommendation 2 (Mental element and corporate liability)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Satisfy themselves that all the language of article 6(1) (a) (b) of Palermo Convention and article 3(1)(b) and (c) of the Vienna Convention on the physical and the mental aspects of the ML offence are covered in article 252.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	All the language of article 6 (1) (a) (b) of Palermo Convention and article 3 (1) (b) and (c) of the Vienna Convention on the physical and the mental aspects of the money laundering offence are covered now in the provision of Art. 233 of the Criminal Code (see Annex...) excluding intention to help another person. This shortcoming of the legal regulation as well as the problems with translation of the relevant terms into English language will be eliminated by the amendments of the Criminal Code, which are currently being prepared
Measures taken to implement the recommendations since the adoption of the first progress report	Currently there is no criminal liability of legal persons regulated under the Criminal Code. For more information, please, see the answer to the R1.
Recommendation of the MONEYVAL Report	*Consider ensuring in guidance or legislation that knowledge can be inferred from objective factual circumstances*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Guidance that knowledge can be inferred from objective factual circumstances is dealt with in the criminal law of the Slovak Republic by regulation of assessment of evidence by the law enforcement agencies. There is no need for further regulation.
Measures taken to implement the recommendations since the adoption of the first progress report	No special guidance has been issued, however, according to one of the crucial principles embedded in the Slovak Criminal Procedure Code is that of independent assessment of evidence, which has been legally collected (Section 2) by the law enforcement agencies and judges. Also for these purposes, final court decisions are available and comments to the Criminal Code and Criminal Procedure Code are frequently used, too.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 3 (Confiscation and provisional measures)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	Ensure that the legal regime for seizure and freezing covers all indirect proceeds, substitutes etc which may be liable to confiscation in due course.
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Legal regime for seizure and freezing of all indirect proceeds, substitutes, etc., which may be liable to confiscation during the course of criminal proceedings, was established by their definitions as stated in: - Art. 55 par. 4, section 73 par. 1 c), d) of the Criminal Code (Act No. 140/1961 Coll.) effective until 31 December 2005, currently Art. 60 par. 4, Art. 83 par. 1 d), e) of the Criminal Code (Act No. 300/2005 Coll.) effective since 1 January 2006 (see Annex 3) - and in Art. 47, Art. 78 – 85b, Art. 348, Art. 408 e) and Art. 443 of the Code of Criminal Procedure (Act No. 141/1961 Coll.) effective until 31. December 2005, currently Art. 89 – 98, Art. 426, Art. 515 par. 2 e) and Art. 551 of the Code of Criminal Procedure (act No. 301/2005 Coll.) effective since 1 January 2006. Improvements of the regulation will by provided by the amendments of the Code of Criminal Procedure to by submitted into legislative procedure in September 2007.
Measures taken to implement the recommendations since the adoption of the first progress report	As to the legislative development in the matter, please, see the answer to R1.
Recommendation of the MONEYVAL Report	*Clear legal provisions for confiscation from third parties.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Confiscation from third parties had been regulated in Art. 73 par. 1 c), d) of the Criminal Code (Act No. 140/1961 Coll.) effective until 31 December 2005, currently Art. 83 par. 1 d), e) of the Criminal Code (Act No. 300/2005 Coll.) effective since 1 January 2006. Improvements of the regulation will be provided by the amendments of the Criminal Code to be submitted into legislative procedure in September 2007.
Measures taken to implement the recommendations since the adoption of the first progress report	No changes as yet.
Recommendation of the MONEYVAL Report	*Establish a culture in the prosecution and judiciary which seeks routinely to apply provisional measures and confiscation in major proceeds-generating cases.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Slovak authorities consider the realization of this recommendation as continuous process in order to improve current situation.
Measures taken to implement the recommendations since the adoption of the first progress report	The relevant seminars and trainings for judges and prosecutors can be provided after the adoption of the new legislation.

Recommendation of the MONEYVAL Report	*Keep accurate statistical data.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Slovak authorities consider the realization of this recommendation as continuous process in order to improve current situation.
Measures taken to implement the recommendations since the adoption of the first progress report	Since1st September 2008 the new AML/CFT Law is in force; thus Section 27, which determines the data to be kept and submitted by public authorities to the FIU for the purposes of maintaining the overall statistical information to be included into the annual report of the FIU, which should reflect the general picture of ML/TF situation both in the preventive and repressive side, is applicable (first collection of such data will take place to the end of 2009).
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 6 (Politically Exposed Persons)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Put in place by Law, regulation or other enforceable means rules regarding PEPs covering criteria 6.1 to 6.4 of the Methodology in the whole financial sector.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The new draft AML/CFT Act contains a definition of PEPs (non-residents, including their close relatives and those, who co-operate with them) and also another obligation to conduct enhanced due diligence in case of such a person; including the approval of management, determination of the origin of property and financial funds and on-going detailed monitoring of such accounts).
Measures taken to implement the recommendations since the adoption of the first progress report	There is a definition of PEPs (non-residents, including their close relatives and those, who co-operates with them) in Section 6 „Politically Exposed Person" of the AML/CFT Law. Section 12 „Enhanced Due Diligence" of the cited law imposes the obligation to conduct enhanced due diligence regarding such person, including obtaining approval from a senior management member before establishing a business relationship with a politically exposed person, performing measures to detect the origin of a property and origin of the funds connected with transaction and ongoing and detailed monitoring of the business relationship. According to the transitional provisions (Section 36 para 1) of the AML/CFT Law, the CDD and enhanced CDD measures shall be performed to the end of 2009 also towards existing clients.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 7 (Correspondent banking)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Implement by law, regulation or other enforceable means guidance on cross-border correspondent relationships in accordance with Recommendation 7.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The new draft AML/CFT law contains in this regard: - a provision requiring financial institutions to conduct enhanced due diligence in case of cross-border correspondent relationships, when it is related to countries, which are not the EU member states, - a provision prohibiting to enter into or continue in such a relationship with a shell bank or other credit institution, which is maintaining such correspondent relationships or a credit institution, which is not complying with preventive regime comparable to the requirements laid down by the Slovak preventive regime.
Measures taken to implement the recommendations since the adoption of the first progress report	Pursuant to the AML/CFT Law (Section 24) the credit institutions are obliged to perform CDD and enhanced due diligence (Section 12 para 2 letter b) as well in the case of cross-border correspondent banking relationship with a credit institution from other than a Member State to the following extent: 1. collecting information about a respondent credit institution for the purpose of determining the nature of its business and determining its reputation and efficiency of supervision from publicly available information, 2. assessing control mechanisms of a respondent credit institution in the area of the prevention and detection of legalization and terrorist financing, 3. obtaining approval from a senior management member before establishing a new correspondent banking relationship, 4. ascertaining the respondent credit institution's authorizations to perform its activities, 5. where concerning payable-through account, ascertaining whether a respondent credit institution has verified the identification of a customer and performed customer due diligence on the customer having a direct access to the respondent credit institution's account and whether the respondent credit institution is able to provide relevant customer due diligence data upon request, Member State credit or financial institution is a credit institution or a financial institution, which operates in the territory of an EU Member State or other state party to the European Economic Area Treaty according to the AML/CFT Law. Based on Section 24 „Special Provisions relating to Credit and Financial Institutions" para 1 of the AML/CFT Law a credit institution shall also be prohibited from entering into a correspondent banking relationship or continuing in it with a shell bank or a credit institution that is known to have entered into a correspondent banking relationship with a shell bank or with a credit institution which does not perform measures against legalization and against terrorist financing equivalent to the obligations laid down by the 3rd AML/CFT Directive. In addition, a credit institution and a financial institution shall be obliged to refuse to establish a business relationship, to carry out a particular transaction or a type of transaction that maintains the customer's anonymity under Section 24 para 2 of the cited law.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other	

enforceable means" and other relevant initiatives)	

Recommendation 8 (New technologies & non-face-to-face business)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Put in place by Law, regulation or other enforceable means procedures to prevent the misuse of technological developments and non face to face relationships.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The new draft AML/CFT Act contains a provision requiring the obliged entities to pay special attention to all products, business transactions and new technologies, which could be more vulnerable to ML or TF risk or could bear less transparent characteristics and moreover, they have to apply adequate measures to prevent the misuse of such products, business transactions and new technologies for the purposes of ML and TF; these preventive measures have to be included into the internal programme, which has to be issued by the obliged entities in accordance to the draft AML/CFT Act within the determined timeframe of end March 2008.
Measures taken to implement the recommendations since the adoption of the first progress report	All the reporting entities are obliged to pay special attention: a) to all complex, unusually large transactions and all transactions of unusual nature which have no apparent economic purpose or visible lawful purpose while obliged entity is obliged to examine the purpose of those transactions to the most possible extent and b) to any risk of legalization or terrorist financing that may arise from a type of transaction, a particular transaction or new technological procedures while carrying out transactions that may support anonymity and is obliged to take appropriate measures, if needed to prevent their use for the purposes of legalization and terrorist financing, under Section 14 „Detection of an Unusual Transaction" para 2 of the AML/CFT Law. Moreover, according to Section 24 para 2 of the AML/CFT Law credit and financial institutions are prohibited from entering into business relationship or to perform any business deal on anonymous basis. In particular, Section 10 „Customer Due Diligence" para 6 of the AML/CFT Law clearly defines a duty for all the reporting entities to verify identification of the customer being a natural person and identification of each person acting on behalf of the customer being a legal entity before establishing the business relationship or carrying out the transaction, in their physical presence. If this condition is not met the reporting entities are obliged to carry out beyond CDD also enhanced due diligence.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 11 (Unusual transactions)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL	*Recommendation 11 should be transposed and financial institutions should be required by law or regulation or other enforceable means to examine the*

Report	*background and purpose of all complex, unusual large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basic of draft of the new AML/CFT Act the obliged entity shall pay special attention to all complex, unusually large or unusually patterned transactions as well as to all transactions without any apparent economic or lawful purpose. This is one of the basic obligations which the obliged entities are required to follow without exception. All the information gained have to be available in written form to FIU.
Measures taken to implement the recommendations since the adoption of the first progress report	Section 14 para 2 of the AML/CFT Law clearly determine that all the reporting entities are obliged to pay special attention: a) to all complex, unusually large transactions and all transactions of unusual nature which have no apparent economic purpose or visible lawful purpose while obliged entity is obliged to examine the purpose of those transactions to the most possible extent and b) to any risk of legalization or terrorist financing that may arise from a type of transaction, a particular transaction or new technological procedures while carrying out transactions that may support anonymity and is obliged to take appropriate measures, if needed to prevent their use for the purposes of legalization and terrorist financing. This is one of the basic obligations, which the reporting entities are required to follow without any exception. All the information collected by reporting entities has to be available in a written form to the FIU and to the Supervision over the Financial Market Division of the National Bank of Slovakia.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 12 (DNFBP)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Information campaign and outreach required to DNFBP to explain obligations.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	So far pending legal framework which will assure providing systematic education of obliged entities and publishing information about trends and typologies in money laundering and financing of terrorism is a part of the draft of the new AML/CFT Act. After the new AML/CFT Act comes into effect, this obligation for FIU will directly result from the law. So far the mentioned information have been provided to obliged entities when controls or trainings of the obliged entities were carried out.
Measures taken to implement the recommendations since the adoption of the first progress report	Through the new AML/CFT Law an adequate legal basis for information providing to all the reporting entities including DNFBP´s has been set up. The FIU addressed in writing all the associations, chambers and professions of the reporting entities to notify them about its website establishment. The FIU has requested these organizations and profession associations to provide e-mail contacts, to which it regularly send the necessary information on how to properly apply the AML/CFT Law in a day-to-day practice, and also other important information relating to ML/TF. Those organizations will subsequently inform their members whereby an effective communication between the FIU and reporting entities is enabled. The

	reporting entities are systematically informed also using other ways, particularly through training courses conducted by the FIU as well as within the frame of performance of supervisory inspection (on-site control) in a concrete reporting entity.
Recommendation of the MONEYVAL Report	*Implementation of Rec. 6 (PEPs) required for DNFBP.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The new draft AML/CFT Act contains a definition of PEPs (non-residents, including their close relatives and those, who co-operate with them) and also another obligation to conduct enhanced due diligence in case of such a person; including the approval of management, determination of the origin of property and financial funds and on-going detailed monitoring of such accounts).
Measures taken to implement the recommendations since the adoption of the first progress report	All DNFBP´s are obliged to apply provisions related to identification and verification of PEPs, starting with the definition of PEPs (non-residents, including their close relatives and those, who co-operates with them) in Section 6 „Politically Exposed Person“ of the AML/CFT Law; continuing with Section 12 „Enhanced Due Diligence“, which imposes the obligation to conduct enhanced due diligence regarding such person, including obtaining approval from a senior management member before establishing a business relationship with a politically exposed person, performing measures to detect the origin of a property and origin of the funds connected with transaction and ongoing and detailed monitoring of the business relationship.
Recommendation of the MONEYVAL Report	*Clear guidance re emerging technological developments required.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Please see Rec. 8
Measures taken to implement the recommendations since the adoption of the first progress report	All the reporting entities are obliged to pay special attention to all complex, unusually large transactions and all transactions of unusual nature which have no apparent economic purpose or visible lawful purpose while obliged entity is obliged to examine the purpose of those transactions to the most possible extent and any risk of legalization or terrorist financing that may arise from a type of transaction, a particular transaction or new technological procedures while carrying out transactions that may support anonymity and is obliged to take appropriate measures, if needed to prevent their use for the purposes of legalization and terrorist financing under Section 14 „Detection of an Unusual Transaction“ para 2 of the AML/CFT Law.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 15 (Internal controls, compliance and audit)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Recommendation 11 should be transposed and financial institutions should be required by law or regulation or other enforceable means to examine the background and purpose of all complex, unusual large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	This has been answered in comments to Rec. 11
Measures taken to implement the recommendations since the adoption of the first progress report	This has been answered in comments to R11. R.15 has been rectified since the 3rd MER (following Summary of factors underlying rating) after the AML/CFT Law entered into force, because the requirement for on-going training of employees is embedded in law (Section 20 para 2 letter j) and the requirement to designate the AML/CFT Compliance Officer is also contained in Section 20 para 2 letter h). In the Methodological guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist financing in part B there are more detailed supervisory expectations towards the position of a Compliance Officer the range of his duties, his reporting lines, etc.
Recommendation of the MONEYVAL Report	*Screening procedures to ensure high standards when hiring employees need requiring by enforceable means.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	There was no change in this issue; meaning the acceptance policy towards new employees of obliged entities remains unregulated. As a matter of fact, financial institutions generally require before a new employee is hired to submit a clear criminal record, this policy is commonly determined by their internal procedures.
Measures taken to implement the recommendations since the adoption of the first progress report	No changes since the 1st progress report; however, in Methodological Guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist in its part 3 there is a recommendation in this regard (and as mentioned, banks and financial institutions are well aware of the risks which could be posed by own employees with criminal background).
Recommendation of the MONEYVAL Report	*The requirement of a designation of a compliance officer at management level needs to be covered by enforceable means and it would assist to delineate his / her functions from internal audit and ensure he/she can act independently, and greater clarification of the compliance officer's powers and role is needed*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of the draft of the new AML/CFT Act the obliged entity is required to establish "Compliance Officer" responsible for protection against money laundering and financing of terrorism. Compliance Officer reports unusual transactions to FIU and co-operates with foreign FIUs. On the basis of internal regulations the obliged entity shall define position of Compliance Officer and shall guarantee all his competences and powers to perform duties specified by the law.
Measures taken to implement the recommendations	All the reporting entities are obliged to make in writing their own activity programme aimed at the prevention of legalization and terrorist financing. It must

since the adoption of the first progress report	be composed of: - overview of the forms of unusual transactions, according to the scope of business of the reporting entity, - way of performing customer due diligence, - a method of risk assessment and risk management, - a procedure applied while evaluating whether the transaction being prepared or carried out is unusual, - a procedure applied from the moment of detecting an unusual transaction to its immediate reporting to the FIU including procedure and responsibility of employees evaluating the unusual transaction, - a procedure applied while postponing an unusual transaction, - a procedure applied for the keeping of data, - **appointment of a person who is liable for the prevention of legalization and terrorist financing and provides reporting of unusual transactions and ongoing contact with the FIU**, - the manner of ensuring the protection of employees who detect unusual transactions, - the content and schedule for special training of employees who may, in the course of performance of their occupation, come into contact with an unusual transaction, - the manner of performing control of compliance with the programme and obligations of the obliged entity under the AML/CFT Law. Moreover, in Methodological Guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist in its part B more specific expectations of both supervisory authority and the FIU towards the position of AML/CFT Compliance Officer are outlined. The AML/CFT CO is a crucial element in the preventive system of each reporting entity; while the organization of implementation of all the requirements requested by the AML/CFT Law against ML/TF is concentrated under his authority.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 16 (DNFBP)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Greater clarification of the position of compliance officers at management level (in so far as relevant to DNFBP) should be provided and internal systems and policies need developing.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of the draft of the new AML/CFT Act the obliged entity is required to establish "Compliance Officer" responsible for protection against money laundering and financing of terrorism. Compliance Officer reports unusual transactions to FIU and co-operates with foreign FIUs. On the basis of internal regulations the obliged entity shall define position of Compliance Officer and shall guarantee all his competences and powers to perform duties specified by the law.
Measures taken to implement the	All the reporting entities including DNFBP´s are obliged to prepare in writing and

recommendations since the adoption of the first progress report	update their own activity programme (Section 20 of the AML/CFT Law) aimed at the prevention of legalization and terrorist financing. This own activity programme must obtain, inter alia, an appointment of a person who is liable for the prevention of legalization and terrorist financing and provides reporting of unusual transactions and ongoing contact with the FIU. On the basis of internal regulations the reporting entity shall define position of compliance officer and shall guarantee all his/her competences and powers to perform duties specified by the AML/CFT Law.
Recommendation of the MONEYVAL Report	*The issue of potential risks that may arise having business relationships and transactions with persons from countries which do not or insufficiently apply the FATF recommendations needs to be addressed in regard of the DNFBP.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of the draft of the new AML/CFT Act, DNFBP are obliged to pay special attention and apply enhanced customer due diligence measures towards customers from countries not applying the FATF recommendations. DNFBP carry out enhanced customer due diligence measures in dependence on the risk of money laundering and financing of terrorism. In connection with suspicion of money laundering and financing of terrorism, the obliged entity shall report unusual transactions to FIU. This obligation does not apply to: a) lawyers and notaries in case the information has been obtained during or in connection with ➢ processing of legal analysis, ➢ advocacy of a customer in criminal procedure, ➢ pleading of a customer on trial, ➢ providing with legal advice connected with the above mentioned activities. b) auditors, accountants and tax advisers acting as independent legal professionals or in case they acquire information in connection with providing legal advice in connection with activities mentioned under letter a).
Measures taken to implement the recommendations since the adoption of the first progress report	Considering a risk-based approach defined in Section 10 „Customer Due Diligence“ para 4 of the AML/CFT Law all the reporting entities (including DFNBPs) are obliged to apply, in case of business relationships and of businesses with the clients, who are from countries not applying measures on the ML/TF prevention equivalent to measures set out by the 3rd AML Directive, CDD and enhanced due diligence, too. In case of unusual transaction detected by reporting entity, there is a clear obligation to report this to the FIU without undue delay. If the reporting entities are not able to perform CDD; in such cases they have to refuse to establish a business relationship, terminate a business relationship or refuse to carry out a particular transaction pursuant to Section 15 „Refusal of Establishment of a Business Relationship, Termination of a Business Relationship or Refusal of Carrying out Transaction“ of the AML/CFT Law and to report such refusal without undue delay to the FIU based on Section 17 „Unusual Transaction Reporting“ of the cited law.
Recommendation of the MONEYVAL Report	*Paying special attention to all complex, unusual large transactions needs applying to DNFBP by law, regulation or other enforceable means.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basic of draft of the new AML/CFT Act the obliged entity shall pay special attention to all complex, unusually large or unusually patterned transactions as well as to all transactions without any apparent economic or lawful purpose. This is one of the basic obligations which the obliged entities are required to follow without exception. All the information gained have to be available in written form to FIU.
Measures taken to	All the reporting entities are obliged to pay special attention to all complex,

implement the recommendations since the adoption of the first progress report	unusually large transactions and all transactions of unusual nature which have no apparent economic purpose or visible lawful purpose while obliged entity is obliged to examine the purpose of those transactions to the most possible extent under Section 14 „Detection of an Unusual Transaction“ para 2 of the AML/CFT Law. This is one of the basic obligations, which the reporting entities are required to follow without any exception. All the information collected by reporting entities has to be available in a written form to the FIU.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 17 (Sanctions)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*A general power to sanction for CFT issues is required across the whole financial sector.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The new legal framework defines sanctions to guarantee their adequacy and sufficient preventive effect for infringement of duties given by the law connected with prevention of money laundering and financing of terrorism.
Measures taken to implement the recommendations since the adoption of the first progress report	The AML/CFT Law regulates in its part 6 administrative offences and measures. This part of the cited law guarantees adequate and sufficient preventive effect for infringement of duties given by the AML/CFT Law connected with prevention of money laundering and financing of terrorism. Sanctions include the financial fines as well as filing the initiative to the competent authority in order to revoke a license for the conduct of business of a reporting entity. Control of compliance to obligations of obliged entities laid down by the AML/CFT Law shall be performed by the Financial Intelligence Unit by Section 29, para 1 and 2. According to para 3; also the NBS and the Ministry of Finance are empowered to check the compliance of those reporting entities, which under the scope of their supervision and control. This control may also be performed with a person who has ceased to be obliged entity to the extent of obligations that arose from law at the time of its being an obliged entity.
	All AML/CFT obligations which under the Methodology should be required by law, regulation or other enforceable means should be capable of being sanctioned.
	On the basis of the draft of the new AML/CFT Act, administrative offences and its sanctioning are classified in terms of their power to influence purpose of the law. All infringements of duty specified for the obliged entity concerning prevention of AML/CFT are possible to be sanctioned on the basis of the new legal framework.
Measures taken to implement the recommendations since the adoption of the first progress report	On the basis of the AML/CFT Law (Sections 32, 33, 34) administrative offences and its sanctioning are classified in terms of their ability to undermine the main purpose of this preventive law. All violations of AML/CFT Law are enforceable on the basis of the new legal framework. Thus, financial fines may be imposed depending on concrete violation in the range starting from 3 333 € through 66 666 € up to 333 333 €. The FIU is obliged by the AML/CFT law in case a revocation of an authorization for serious non-compliance

	comes into regard to inform in written respective licensing authority (e.g. the NBS and the MoF) about such a situation and it is the licensing authority, who is then obliged to take appropriate measures and inform back the FIU. In fact, this has never been the case as yet
Recommendation of the MONEYVAL Report	*Greater clarification of roles in supervision is required between the FIU and prudential supervisors to avoid double sanctioning.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	In fact, since the MoU between the NBS and the Ministry of Interior (signed to the end of 2002; revised twice since then) is in force there is no case of double sanctioning. Operational meetings held at least twice a year are used to avoid such a situation. The new draft AML/CFT law provides clearly for sanctioning the non-compliance of the whole scope of the preventive law for the FIU towards all obliged entities and in case of financial market participants, also for the NBS; in case of casinos for the Ministry of Finance. The requirement for the NBS and the Ministry of Finance to inform the FIU about planned on-site inspections in financial institutions and casinos, as well as the outcome of such inspections and recommended remedial actions is also contained in the draft preventive law. Moreover, there is a provision, which foresees joint inspections of the FIU with either the NBS or the MoF; if counterparts agree on it. The FIU is obliged by the draft AML/CFT law in case a revocation of an authorization for serious non-compliance comes into regard to inform in written respective licensing authority (e. g. the NBS, the MoF, etc.) about such a situation and it is the licensing authority, who is then obliged to take appropriate measures and inform back the FIU.
Measures taken to implement the recommendations since the adoption of the first progress report	Double sanctioning and difference in approaches at applying the AML/CFT Law in practice is eliminated by virtue of the provision of Section 29 para 4 of the cited law. Based on that provision supervisory bodies will notify the FIU before the planned on-site control takes place and the result of the control and measures taken after its executing are also to be communicated to the FIU. If supervisory body finds out an unusual transaction or other circumstances/facts that could be linked to ML/TF, it shall report that to the FIU without undue delay. Moreover, there is a provision in Section 29, para. 5, which foresees joint inspections of the FIU with either the NBS or the MoF; if counterparts agree on it. Through this process the FIU coordinates supervision as such and sanctioning as well. For this purpose, i.e. in order to coordinate these control activities, there were 3 working meetings of the supervisory bodies of the FIU, National Bank of Slovakia and the Ministry of Finance in 2009. At a national level the „IIGE“ – Interagency Integrated Group of Experts has been established by the FIU late 2008 where regularly (three times a year) experts from the above mentioned state authorities participate and (inter alia) coordinate their control activities.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 19 (Other forms of reporting)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Consider the feasibility of reporting all transactions above a fixed threshold to national central agency.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The feasibility of reporting all transactions above a fixed threshold to FIU is not covered by the new AML/CFT Act.
Measures taken to implement the recommendations since the adoption of the first progress report	For the time being the new AML/CFT Law did not introduce reporting over a fixed threshold even though such possibility has been taken into consideration in the process of drafting the law.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 20 (Other DNFBP and secure transaction techniques)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Consideration should be given to those DNFBP that are at risk of being misused for TF as well as ML.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of the new AML/CFT Act, each enterpriser not covered by the definition of the obliged entity who carries out business in amount at least of 15.000,- EUR in cash, shall be ranked among the obliged entity regardless of whether the transaction is executed in a single operation or in several linked operations.
Measures taken to implement the recommendations since the adoption of the first progress report	The range of reporting entities covers under Section 5 para 1 letters: d) a gambling game operator, e) a postal undertaking, f) a court distrainer, g) an administrator who manages activity within bankruptcy, restructuring proceedings or debt removal proceedings under a special regulation, m) legal entity or a natural person authorized to operate a pawnshop, etc., i.e. those persons, which have been added because of possible misuse for ML/FT purposes. Moreover, pursuant to Section 5 „Reporting entity" para 3 of the AML/CFT Law each entrepreneur not covered by the definition of a reporting entity if carrying out cash transactions in amount of EUR 15,000 at least, regardless of whether the transaction is carried out in a single operation or in several linked transactions, which are or may appear to be connected.
Recommendation of the MONEYVAL Report	*Develop an overarching strategy on the use of modern and secure techniques of money management.*
Measures reported as of 3 July 2007 to implement the	Slovak banking sector at the end of 2006 consisted of 17 banks and 7 foreign banks branches and 10 representation offices of foreign banks. There were also 123 banks

Recommendations of the report.	providing services on cross-border basis. Most of the banks have been owned by banks headquartered in EU MS, in all cases by strong international or at least regional groups. Slovak capital represents only 10,44 % in all banking sector. The decisions taken within large international groups on the level of the group without any specific focus on Slovak market that is the smallest in central Europe were considered by Slovak Authorities as a progressive development by now. In such a constellation Ministry of Finance does not consider that any strategy inciting more modern mass payments would be needed. There is no tradition of cheques and penetration of payment cards evolves steadily. The financial market participants, especially banks, foreign banks branches and e-money institutions (there is no one active beyond banks and cross-border e-money institutions active in the financial market as yet) actively develop the market with various types of credit and debit cards. Statistical data (from the NBS Annual Report 2006) show a steady growth in numbers of issued cards, numbers of clients using them, numbers of ATMs available in country and numbers of POS terminals. As at 31 December 2006, the number of active bank payment cards in circulation stood at 4,475,861, which represents an 11% increase in comparison with 2005. Of the total number, debit cards form 75% and credit cards 25%. Bank customers in Slovakia may use a network of 2,009 ATMs and 22,665 POS payment terminals. In 2006 bank payment card holders made more than 120 million transactions in a total amount of almost SKK 290 billion, which in comparison with 2005 represents an 11% increase in the number of transactions and a 17% increase in the value of transactions. A trend within bank payment card acceptance is the marked growth in the number of POS terminals in comparison with the increase in the number of ATMs. Over 2006 the number of POS terminals rose by 19%, while the number of ATMs rose by 8%. Although ATM cash withdrawals still dominate, the trend is one of continuing and dynamic growth in card payment. The risk of misuse of such products is identified by the banking industry and is commonly discussed in the frame of the Banker´s Association and Slovak Bank Card Association and communicated then accordingly to the clients. The aim of the Authorities is above all to oversee healthy competition on the market and engage in the protection of consumer. Moreover quicker extension of credit cards would be perceived by MoF as too risky due to less experience with this kind of consumer credit from the side of average Slovak consumer. Ministry of Finance also supports healthy development of internet banking that on the other hand also represents higher risk situation. For that reason we included a paragraph in the new AML Act allowing for non-face to face transactions, securing at the same time that adequate due diligence measures are taken (see comment to recommendation 8). We expect a lot more concerning development of new secure transaction techniques across all the EU through introduction of new SEPA (Single European Payments Area) instruments. We expect that cheaper cross border services provided by SEPA will stimulate the use of non cash payments among Slovak consumers home and abroad and will make more attractive especially using of payment cards. Increased competition on cross-border basis will contribute to further penetration of card business into the domestic economy as well.
Measures taken to implement the recommendations since the adoption of the first progress report	At the beginning of 2009 the Slovak banking sector consisted of 16 banks and 10 foreign bank branches. There were also 260 institutions providing services on cross-border basis. Most of the banks have been owned by bank headquartered in EU MS, in all cases by strong international or at least regional groups. Slovak capital

	represented only 8,36% of the total amount of capital in the banking sector. The financial market participants, especially banks, foreign bank branches and e-money institutions actively develop the market with various types of credit and debit cards. Statistical data (NBS Annual Report 2008) show a steady growth in numbers of issued cards, number of clients using it, number of ATMs available in country and number of POS terminals. At the beginning of 2009 the number of active bank payment cards in circulation stood at 5,253,799, which is an increase of 7% in comparison with 2008, Debit cards represented 74% and credit cards 26% of the total amount. The number of ATMs and POS terminals has also recorded an increase. At he beginning of 2009 there were 2277 ATMs and 34841 POS terminals available for Slovak clients, who made over 150 million transactions in a total amount of almost 13 billion euro. Over 2008 the number of ATMs rose by 4,3% and POS terminals by 18%. Although ATM cash withdrawals still dominate, the trend shows a dynamic growth in card payments; especially before the introduction of EURO as a national currency. The risk of misuse of such products has been identified by the banking industry and has commonly been discussed among the Banker´s Association and the Slovak Bank Card Association and communicated to the public. The main aim of the Authorities is to supervise healthy competition on the market and engage activities in the protection of the consumer. SEPA: Secure and efficient payment systems are crucial to modern economies and to the proper functioning of the single market. Even though the euro is the common currency in the euro area since 2002, retail payment markets are still fragmented. Building on the legal framework provided by the Payment Services Directive (2007/64/EC), the Single Euro Payments Area (SEPA) project aims at creating an integrated market for payments in euro throughout the European Union, Iceland, Liechtenstein, Norway and Switzerland. Developed and implemented by the banking sector, the project is strongly supported by the Commission and the European Central Bank/Eurosystem. Significant progress has been made on the road to SEPA since 2002. SEPA credit transfers (SCT) are available since 28 January 2008. Almost 4 500 banks, representing more than 95 % of the SEPA payment volume, now adhere to the SCT scheme. Banks will also be able to start delivering euro direct debit services using the SEPA direct debit (SDD) as of 2 November 2009. For card payments, the European Payments Council (EPC) has developed a SEPA Cards Framework (SCF), which has been in force already since 1 January 2008. In the resolution on SEPA implementation adopted on 9 March 2009, the European Parliament called on the Commission to set a "clear, appropriate and binding end-date, which should be no later than 31 December 2012, for migrating to SEPA instruments, after which all payments in euro must be made using the SEPA standards". The European Central Bank (ECB)/Eurosystem also stated in its 6th SEPA progress report that "setting a realistic, but ambitious end-date for the migration to SCT and SDD is a necessary step in order to reap the benefits of SEPA early". The Slovak banking sector is preparing for compatibility with SEPA. The managing and coordination body of the SEPA project in Slovakia is Committee on SEPA and the basic document for implementation of SEPA payment instruments in Slovakia is the General plan for implementation of SEPA. The members of the committee are representatives of NBS, the Ministry of Finance, State Treasury, Slovak Post, commercial banks, consumer protection associations and the National Union of Employers.

(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 21 (Special attention for higher risk countries)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Financial institutions should be required by law or regulation or other enforceable means to examine the background and purpose of all complex, unusual large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Draft new Law bears in mind that obliged persons have to pay special attention to all complex, unusual large or unusual pattern transactions as well as to all transactions without any apparent economic or lawful purpose. All complex, unusual large or unusual pattern transaction or transactions and all transactions without any apparent economic or lawful purpose are included into the sample list of unusual transactions.
Measures taken to implement the recommendations since the adoption of the first progress report	All the reporting entities are obliged to pay special attention: a) to all complex, unusually large transactions and all transactions of unusual nature which have no apparent economic purpose or visible lawful purpose while obliged entity is obliged to examine the purpose of those transactions to the most possible extent and b) to any risk of legalization or terrorist financing that may arise from a type of transaction, a particular transaction or new technological procedures while carrying out transactions that may support anonymity and is obliged to take appropriate measures, if needed to prevent their use for the purposes of legalization and terrorist financing, under Section 14 „Detection of an Unusual Transaction" para 2 of the AML/CFT Law.
Recommendation of the MONEYVAL Report	*Financial institutions should be required to pay special attention to business relationships and transactions with persons from countries which do not or insufficiently apply the FATF Recommendations.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Draft new Law bears in mind that obliged persons have to pay special attention to clients from countries not applying AML standards equivalent to FATF standards. Transactions with a client from third country not applying standards equivalent to those in force in Slovakia are included into the sample list of unusual business operations. There is no explicit provision about countries, which do not or insufficiently apply the FATF Recommendations in the draft new AML/CFT law; but generally, comments mentioned to Recommendations 7& 8 are applicable also in this issue, meaning the obliged entities have to apply adequate countermeasures to mitigate higher risk or in specific situations even to avoid direct relationship with counterparts from more risky jurisdictions (those, which do not apply a comparable preventive AML/CFT regime) and, in case a certain business transaction or client or product bears more risky features, special measures by obliged entities are to be taken to mitigate the misuse for ML/TF purposes.
Measures taken to implement the	Considering a risk-based approach defined in Section 10 „Customer Due Diligence"

recommendations since the adoption of the first progress report	para 4 of the AML/CFT Law all the reporting entities (including DFNBPs) are obliged to apply, in case of business relationships and of businesses with the clients, who are from countries not applying measures on the ML/TF prevention equivalent to measures set out by the 3rd AML Directive, CDD and enhanced due diligence, too. In case of unusual transaction detected by reporting entity, there is a clear obligation to report this to the FIU without undue delay. If the reporting entities are not able to perform CDD; in such cases they have to refuse to establish a business relationship, terminate a business relationship or refuse to carry out a particular transaction pursuant to Section 15 „Refusal of Establishment of a Business Relationship, Termination of a Business Relationship or Refusal of Carrying out Transaction" of the AML/CFT Law and to report such refusal without undue delay to the FIU based on Section 17 „Unusual Transaction Reporting" of the cited law. All FATF and MONEYVAL statements regarding those countries & territories, which do not enforce AML/CFT countermeasures adequately, are posted on the Slovak FIU web site in order to keep the reporting entities informed.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 22 (Foreign branches and subsidiaries)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*A general obligation is required for financial institutions to ensure their branches and subsidiaries observe AML/CFT measures consistent with Slovakian requirements and the FATF Recommendations to the extent that host country laws and regulations permits.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Such a requirement is contained in the draft AML/CFT law and if the legal framework of a foreign country does not allow the application of a preventive regime equal to the Slovak one (especially with regard to the ID, verification and record keeping requirements), the obliged entity (credit and financial institution) must inform the FIU and also apply additional measures to eliminate greater risk of ML/TF.
Measures taken to implement the recommendations since the adoption of the first progress report	Such requirement is enforceable by Section 24 „Special Provisions relating to Credit and Financial Institutions" para 3 of the AML/CFT Law. If the legal framework of a foreign country does not allow the application of a preventive regime equal to the Slovak's one (especially with regard to the ID, verification and record keeping requirements), the reporting entity (credit and financial institution) has to inform the FIU and also apply additional measures to eliminate greater risk of ML/TF. There is no such case in practice as yet.
Recommendation of the MONEYVAL Report	*Provision should be made for a requirement to pay particular attention to situations where branches and subsidiaries are based in countries that do not or insufficiently apply FATF Recommendations.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	As mentioned above.

Measures taken to implement the recommendations since the adoption of the first progress report	As mentioned above.
Recommendation of the MONEYVAL Report	*Provision should be made that where minimum AML/CFT requirements of the home and host countries differ, branches and subsidiaries in host countries should be required to apply the higher standard to the extent that local (i.e. host country) laws and regulations permit.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	As mentioned above.
Measures taken to implement the recommendations since the adoption of the first progress report	As mentioned above.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 23 (Regulation, supervision and monitoring)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*A general power to supervise for CFT issues is required across the whole financial sector.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	This is addressed in the draft AML/CFT law; supervision is carried out either by the FIU (including the authorisation to conduct on-site control) or by the NBS, which is since January 2006 single supervisory authority in Slovakia or by the Ministry of Finance in case of casinos. Supervision conducted by the FIU: see annexes 5, 6 and 7.
Measures taken to implement the recommendations since the adoption of the first progress report	Supervision of compliance to all obligations determined by the AML/CFT Law is carried out either by the FIU (including the power to conduct on-site controls) under the AML/CFT Law or by the National Bank of Slovakia, which is since January 2006 single supervisory authority over the financial sector, or by the Ministry of Finance in case of gambling operators (Section 29).
Recommendation of the MONEYVAL Report	*More AML/CFT supervision is required across the whole financial sector.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Since the NBS has taken over the responsibility to supervise the whole financial market; the quality of supervision is being brought to the same level in all supervised entities. Starting with the off-site reporting requirements and continuing with supervisory manuals for the conduct of on-site inspections, respective secondary legislation has been amended and internal procedures as well during the time frame from January 2006. In February 2007, a new organisational scheme

	provided for concentration of licensing & enforcement supervisory activities into one department covering all financial market participants, the same principle has been applied by reorganisation of off-site & on-site departments. The main reason was to reach more harmonisation in day-to-day conduct of supervision. As mentioned all supervisory procedures & manuals are reviewed to mirror the basic principle of carrying out risk-based supervision. With the entry into force of the new AML/CFT law (expected December 2007), internal procedures to conduct on-site inspections will be reviewed to include more detailed requirements of the new preventive law for all participants of the financial market. In 2006, 5 on-site inspections with the AML component have been accomplished in the banking market and in 2007, 1 in a bank, 1 in a securities dealer company and 1 in one of the Slovak asset management companies. No financial fine has been imposed in this timeframe; but, corrective measures are always a component of the final protocol as the output of the accomplished on-site inspection; their fulfilment is then in due course subject to the routine follow-up procedures.
Measures taken to implement the recommendations since the adoption of the first progress report	With the entry into force of the new AML/CFT Act in September 2008, internal procedures to conduct on-site inspections were reviewed to include more detailed requirements of the new preventive law for all participants of the financial market. In 2007, together 7 on-site inspections with the AML component have been accomplished in the financial market, 1 in a bank, 3 in securities dealer companies and 3 in asset management companies. No financial fines have been imposed, however, in 2 cases in final protocols for securities dealer companies and in 2 cases for asset management companies, corrective measures to improve the inadequate implementation of AML prevention system have been required (the proper fulfillment of such corrective measures is after the agreed time frame controlled within the follow-up procedure). In 2008, 3 banks have been subjected to on-site inspections with the AML/CFT component; in all cases the final protocol included corrective measures related to the AML/CFT prevention. 1 asset management company has been subjected to the on-site inspection, which included also the AML/CFT area, and the final protocol contained corrective measures. 5 securities dealer companies underwent such on-site inspections; in 4 cases the final protocol included measures to be taken for improvement the prevention system. In insurance companies, 5 on-site inspections have been accomplished with the element of AML/CFT; 4 final protocols incorporated corrective measures. No financial fine has been imposed. In 2009 (up to now), 1 bank has been subjected to the on-site inspection with the AML/CFT component, and, besides the corrective measures contained in the final protocol; a referral has been sent to the FIU regarding non-reporting of unusual transactions found out during the on-site inspection (in line with Section 31 of the AML/CFT Law). 3 securities dealer companies have been visited on-site; 1 final protocol comprised corrective measures to be taken. In insurance sector, 3 on-site inspections have been accomplished; all of them had corrective measures as a requirement in final protocols. No financial fines have been imposed.
Recommendation of the MONEYVAL Report	*Provision should be made to examine the fitness and propriety of owners and significant shareholders of FXs houses.*
Measures reported as of 3 July 2007 to	

implement the Recommendations of the report.	In this area no legislative change has been done.
Measures taken to implement the recommendations since the adoption of the first progress report	The NBS examines fitness & propriety of owners of FXs houses on the base of provisions of the Foreign Exchange Act No 202/1995 Coll. as amended (status as of January 2009; available at the NBS web site www.nbs.sk also in English). According to Section 6, para. 3 of this act natural person applying for a foreign exchange license must meet the following conditions: a) be trustworthy person; b) be at least 18 years old; c) be eligible for legal acts; d) to have full secondary education (comprehensive or technical) e) natural persons through which permitted activities will be conducted must meet the conditions set out in letters a) to d). According to Section 6, para. 4 of the this Act a legal person applying for a foreign exchange license must meet the following conditions: a) the natural persons through which the permitted activity will be conducted, must meet the conditions set out in paragraph 3, letters a) to d); b) the natural person who is a statutory body or a member of a statutory body, must be a trustworthy person. According to Section 6, para. 5 of the mentioned Act a trustworthy person for the purposes of this Act shall be deemed a natural person who has not been convicted of a criminal business-related act or criminal act against property, a criminal act committed in connection with the performance of a managerial function or an intentional criminal act. This fact shall be proved and documented by an excerpt from the criminal register not older than three months, and if this is a foreign national, proved and documented by an analogous confirmation issued by the respective body of the state of his permanent residence or by a body of the state where the person usually resides.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 24 (DNFBP – Regulation, supervision and monitoring)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*More work and resources are required to create an effective risk based system for monitoring and ensuring compliance with AML/CFT throughout the sector and the provision of such sectoral guidance.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Control activities of FIU are focused on DNFBP (see Annex 8) which in terms of their business activities are the most important category by prevention of ML/FT. FIU considers importance of the obliged entity from the point of market covering, risk factors identified from other sources so that control activities be pointed at the area with the highest risk of ML/FT.
Measures taken to implement the	The FIU focuses its control activities on DNFBP´s that are in respect of their business activities the most important category from point of view of the prevention

recommendations since the adoption of the first progress report	of ML/FT. The FIU considers an importance of the reporting entity from the point of market coverage, risk factors identified from other sources, so that control activities be pointed at the area with the highest risk of ML/FT. Supervision over DNFBP´s is also strengthened in the way that all the state authorities carrying out supervision, control, state supervision or state monitoring over the activities of the reporting entities are obliged to report to the FIU without undue delay suspicion on breaching the AML/CFT Law or an unusual transaction, if it is revealed by them during control performance. *Number of controls since the entry into force of the new ML/CFT Law???*
Recommendation of the MONEYVAL Report	*More resources needed for monitoring and ensuring compliance by casinos, and other DNFBP.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The issue of gambling games in the Slovak Republic is covered by the Act No. 171/2005 Coll. on Gambling games and on Amendment and Supplement to some Acts form 16th of March 2005. There are 2 companies in the Slovak Republic which are authorised for operation of casinos : 1. Regency Casinos International, a.s. with 1 operation 2. Casinos Slovakia, a.s. with 6 operations From September 2006 till July 2007 there were together 229 general controls done by State Supervision over casinos of Ministry of Finance of the Slovak Republic (in Regency Casinos Slovakia – 58 general controls and in Casinos Slovakia – 171 general controls). From September 2006 till July 2007 there were 4 tax controls provided in company authorised for operation of casinos – Casinos Slovakia. In Regency Casinos International wasn´t any tax control provided from September 2006 until now.
Measures taken to implement the recommendations since the adoption of the first progress report	There are 3 companies in the SR, which are authorised for operation of casinos : REGENCY CASINOS INTERNATIONAL, a.s. CASINOS SLOVAKIA, a.s. OLYMPIC CASINO SLOVAKIA, s.r.o. In March 2009 there was a training by experts from the Slovak FIU conducted for employees of Ministry of Finance about the measures and obligations under the new AML/CFT Law. Abovementioned training was organized for the purpose to obtain better awareness and knowledge of this law and obligations arising from it. Slovakia is a negligible country in terms of the number of casinos and amount of proceeds of casinos.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 25 (Guidelines and feedback)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Guidance to the financial institutions (and DNFBP) to assist their implementation of the reporting duties on AML/CFT.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The draft of the new AML/CFT Act contains provision with the definition of the unusual transaction supplemented by the list of situations which are typically connected with higher risk of ML/FT and which indicate how to recognize the unusual transaction by all obliged entities while KYC principle is still applied. According to the new legal framework, obligation to provide obliged entities with information about trends and typologies in money laundering and financing of terrorism and the way of recognizing unusual transaction will for FIU directly result from the law. Practical performance of this obligation will be assured in form of trainings for particular sectors of obliged entities and by means of information on a new internet website of the Slovak FIU.
Measures taken to implement the recommendations since the adoption of the first progress report	The National Bank of Slovakia in cooperation with the FIU and the Ministry of Finance issued the Methodological guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist financing. This guidance in part F provides for the details on recognition and reporting of the unusual transactions. Directly in the AML/CFT Law (Section 26 „The Financial Intelligence Unit“) there is an obligation of the FIU to disclose information on the new forms and ways of legalization and terrorist financing and the methods of detection of unusual transactions. Through the new AML/CFT Law a necessary legal basis for information providing to all the reporting entities including DNFBP´s was set up. The FIU addressed in writing all the associations, chambers and professions of the reporting entities to notify them about its website establishment. The FIU has requested these organizations and profession associations to provide e-mail contacts to which it regularly send them the necessary information on how to properly apply the AML/CFT Law in a practice, and also other information relating to ML/TF. Those organizations will subsequently inform their members whereby an effective communication between the FIU and reporting entities is secured. The reporting entities are systematically informed by other ways, particularly through training courses and seminars conducted by the FIU as well as during the supervision performing (on-site control) in the concrete reporting entity. Feedback is provided for as follows: a) general feedback – annual report as well as feedback to each credit institution quarterly and b) specific (case by case) feedback on a request of a reporting entity or based on an initiative of the FIU respectively.
Recommendation of the MONEYVAL Report	*Coordinated and consistent sector-specific guidelines on both AML/ CFT issues should be established to assist financial institutions and DNFBP and adequate and appropriate feedback should be addressed in line with the FATF Best Practices Guidelines.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	This area will be addressed after the entry into force of the new preventive law. As far as the issue of feedback is concerned, there is a provision in the draft AML/CFT law, which obliges the FIU to publish the annual report, and also trends & typologies and to provide specific feedback to the obliged entity on how the

	unusual business report has been dealt with by the FIU.
Measures taken to implement the recommendations since the adoption of the first progress report	As mentioned until now the only sector specific guideline, which has been issued by the National Bank of Slovakia in cooperation with the FIU and the Ministry of Finance after the new AML/CFT Law entered into force is the Methodological guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist financing. Feedback by the FIU is in line with the AML/CFT Law (Section 27) provided as follows: a) general feedback – annual report as well as feedback to each credit institution quarterly and b) specific (case by case) feedback on a request of a reporting entity or based on an initiative of the FIU respectively.
Recommendation of the MONEYVAL Report	*More work and resources are required to create an effective risk based system for monitoring and ensuring compliance with AML/CFT throughout the sector and the provision of such sectoral guidance.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	This area will be addressed after the entry into force of the new preventive law. Comments mentioned to Recommendation 23 are applicable.
Measures taken to implement the recommendations since the adoption of the first progress report	If the new system for ensuring compliance to the newly created legal framework is effective, would be more clear after at least one year – to the end of 2009, when respective bodies within the IIGE – Interagency Integrated Group of Experts, which has been established by the FIU late 2008, where regular meetings take place (three times a year) under the leading of the FIU; will reconsider the situation and propose some correction to the system if it is needed.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	Sectoral guidance is planned to be issued as a step-by-step procedure under the umbrella of the NBS with cooperation of the FIU and the Ministry of Finance as well (for financial institutions).

Recommendation 26 (The FIU)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Undertake more systematic training and provide guidelines and indicators on unusual business activities, particularly on FT.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	So far pending legal framework which will assure providing systematic education of obliged entities and publishing information about trends and typologies in money laundering and financing of terrorism is a part of the draft of the new AML/CFT Act. After the new AML/CFT Act comes into effect, this obligation for FIU will directly result from the law. So far the mentioned information have been provided to obliged entities when controls or trainings of the obliged entities were carried out.
Measures taken to implement the recommendations	The new AML/CFT Law has established a legal basis for information providing to all the reporting entities. The FIU addressed in writing all the associations,

since the adoption of the first progress report	chambers and professions of the reporting entities to notify them of its website establishment. The FIU has requested these associations and profession organizations to provide e-mail contacts to which it regularly send them the necessary information on how to properly apply the AML/CFT Law in a practice, and also other information relating to ML/TF. Those organizations will subsequently inform their members whereby an effective communication between the FIU and reporting entities is secured. The reporting entities are systematically informed by other ways, particularly through training courses and seminars conducted by the FIU as well as during the supervision performing in the appropriate reporting entity. Moreover, the FIU has a duty to disclose information on the new forms and ways of legalization and terrorist financing and the methods of recognizing unusual transactions under Section 26 „The Financial Intelligence Unit" of the AML/CFT Law. This will be done regularly, in the annual report (at the beginning of 2010).
Recommendation of the MONEYVAL Report	*Provide more feedback.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	On the basis of the new AML/CFT Act, FIU shall inform the obliged entity about relevance of a report received from the obliged entity as well as about procedures connected with processing of the report if the processing of the report is not threatened. FIU on the basis of its powers and competences provides law enforcement authorities with information if there is suspicion of committed crime. According to the new preventive law, FIU shall require law enforcement authorities to inform about action taken by and after its processing.
Measures taken to implement the recommendations since the adoption of the first progress report	As already mentioned, the FIU has a duty to disclose information on the new forms and ways of legalization and terrorist financing and the methods of recognizing unusual transactions under Section 26 „The Financial Intelligence Unit" of the AML/CFT Law. This will be done regularly, in the annual report (at the beginning of 2010).
Recommendation of the MONEYVAL Report	*Clarify FT reporting obligations in line with SR.IV.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Stated in SR.IV.
Measures taken to implement the recommendations since the adoption of the first progress report	AML/CFT Law differs from the previous one by listing of examples of 10 unusual transactions (Section 4 „Unusual Transaction" para 2) that have been included in the AML/CFT Law upon the analysis of approx. 5,000 UTRs received by the FIU. These unusual transactions are not being subject to any threshold limit of the transactions and they include the transactions related to tax matters as well. It is a sample list of unusual transactions where 2 unusual transactions defined in this provision directly relate to terrorism financing. The FIU received 13 UTRs regarding the financing of terrorism when the new AML/CFT Law entered into force. The substance of the unusual transaction relating to terrorism financing is the fact, that customer or a beneficial owner is a person against whom the international sanctions are applied or a person whom can be in a relationship to the person against who the international sanctions are applied, or an unusual transaction where there is a reasonable ground to expect that its object is or should be a thing or service, which would relate to a thing or service against which the international

	sanctions are applied.
Recommendation of the MONEYVAL Report	*Revisit the system for requesting delays in transactions under Section 9 AML law.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The system for requesting delays in transactions has not changed. Obliged entity shall delay an unusual transaction in case until FIU receives the reporting on the unusual transaction or obliged entity shall delay unusual transaction if FIU ask for such delay in writing form for 48 hours at the latest (excluding Saturdays or public holidays).Obliged entity also delays unusual transaction after it receives the report of FIU in writing form that the case was submitted to law enforcement authority at most for 24 hours. Number of delays: 2005 – 8, 2006 – 17, 2007 – 2.
Measures taken to implement the recommendations since the adoption of the first progress report	Postponement of an unusual transaction is newly regulated by Section 16 „Postponement of an Unusual Transaction" of the AML/CFT Law. Reporting entity shall be obliged to postpone an unusual transaction if there is a danger that its execution may hamper or substantially impede seizure of proceeds of criminal activity or funds intended to finance terrorism or if so requested by the FIU in writing, until reception of notification from the FIU to carry out the transaction, at maximum 48 hours; after expiration of this period the reporting entity shall be obliged to postpone the unusual transaction on the basis of the FIUs notification that the case has been submitted to law enforcement authorities, at maximum for another 24 hours. The period of postponement of the unusual transaction shall exclude Saturdays and days of rest. Reporting entity shall immediately inform the FIU about postponement of the unusual transaction. This enforceable means is quite well used in practice and is carried out more and more frequently – 7 in 2007, 17 in 2008 and 36 in 2009 (first half a year).
Recommendation of the MONEYVAL Report	*Maintain statistics on outcomes of information transmitted to other bodies by the FIU.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	New AML/CFT Act will solve this problem, with definition of feedback when FIU will dispose with information about disseminated information to other bodies Please see annex 9 on Statistics of information transmitted to other bodies by the FIU.
Measures taken to implement the recommendations since the adoption of the first progress report	The AML/CFT Law (Section 27) has also created for the FIU a legal basis to provide it with necessary statistical data relating to ML/TF and a specific feedback on concrete cases of ML/TF by other involved authorities, such as the Ministry of Justice, General Prosecutor´s Office, the National Bank of Slovakia, the Ministry of Finance.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 29 (Supervisors)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL	*Clearer provision for supervisory authorities to exchange information with other*

Report	*competent authorities enquiring into AML/CFT breaches.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	In fact, since the NBS is a single supervisory authority over the financial market, situation is not so complicated as it was during the 3rd round evaluation; the co-operation with the FIU is on-going as mentioned in comments to Recommendation 17 and another body, which comes into regard in this context, is the MoF, where there are no obstacles in exchanging appropriate information.
Measures taken to implement the recommendations since the adoption of the first progress report	Since the NBS is still the single supervisory authority; comments made in the 1st Progress report are correct. To be more precise, the Central Bank´s right of exchange of information with another authorities is stipulated in Section 3 para. 3 and 6 of the Act No. 747/2004 Coll. on Supervision of the Financial Market (available at the NBS web-site www.nbs.sk in English under Legislation): „As part of cooperation during the performance of supervision of supervised entities, the NBS shall be authorised to disclose and provide information to foreign supervisory authorities, as well as to other public agencies and persons, whose activities relate to supervision of supervised entities, and also to advise them of such shortcomings revealed during the performance of supervision of supervised entities, for the solution and professional review of which they are competent. Where release of secrecy obligation under a separate law is required for such disclosure and provision of information, a written agreement on cooperation and provision of information between the NBS and the competent authority approved by the Bank Board shall also be deemed to be such release of secrecy obligation. The details of providing concurrence in this regard may be laid down in a written agreement on co-operation and provision of information between the NBS and the respective authority, provided that a draft of such agreement is approved on behalf of the NBS by the Bank Board". Section 2 para. 6 of this Act is stipulates special provision according which if, in performing supervision, the NBS establishes any facts indicating that a criminal act has been committed, it shall notify of this forthwith the competent criminal law enforcement authority. If, in performing supervision, the NBS finds a suspicious business operation or a breach of supervised entities' duties in the prevention or detecting of the laundering of proceeds from criminal activities and financing terrorism, it shall immediately inform the FIU. Another body, which comes into regard in this context, is the MoF (as for casinos), where there are no obstacles in exchanging appropriate information. Since December 2002 the MoU between the NBS and the Ministry of Interior (where the Slovak FIU is located) is in place, which was amended twice in 2004 and 2006. Subject of this MoU is cooperation between the NBS and the FIU including the conduct of on-site inspections in supervised entities and exchange of information relevant from the AML/CTF point of view. Realization of this MoU is based on regular meetings of representatives of both authorities and also on operative exchange of information at need. The FIU, the National Bank of Slovakia and the Ministry of Finance as authorities authorized to perform supervision in the area of prevention in ML/TF are directly engaged in the supervision system over the reporting entities. If needed, joint on-site inspections can be organized by the authorities (Section 29 para 5 of the AML/CFT Law). Supervision is also strengthened in the way that all the state authorities carrying out supervision, control, state supervision or state monitoring over the activities of the reporting entities are obliged to report to the FIU without undue delay suspicion on breaching the AML/CFT Law (Section 31) or an unusual transaction, if it is

	revealed by them during performance of a control. Thus, supervision and control activity at a national level are coordinated by the FIU.
Recommendation of the MONEYVAL Report	*NBS should have power to monitor AML/CFT in exchange houses.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	This is addressed by the draft AML/CFT law; as mentioned in comments to recommendations 17&23.
Measures taken to implement the recommendations since the adoption of the first progress report	The AML/CFT Law provides for this specific power in Section 29 para 3 in connection with Section 2, letter n) of the Foreign Exchange Act No. 202/1995 Coll. as amended, as mentioned in comments to recommendations 17 & 23.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 30 (Resources, integrity and training)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*More staff and training for all supervisory authorities and the FIU to adequately perform AML/CFT supervision.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The number of FIU staff dealing with supervision has not changed, since the last evaluation. On the other hand we can say that staff is more experienced. This year has been providing more controls by important players on the financial and non-financial market according to the information analysed from the various sources.
Measures taken to implement the recommendations since the adoption of the first progress report	The NBS on-site inspectors attend seminars aimed at the new preventive law application offered by Slovak educational institutions (since September 2008 when the AML/CFT Law entered into force), but also the FIU has organised for the Central Bank 2 specialised seminars in 2009 with the main topic of the AML/CFT Law and its implementation. The NBS staff also takes part in foreign seminars, which present AML/CFT issues. The FIU staff has been trained twice since the new AML/CFT Law entered into force, by the authors of the law.
Recommendation of the MONEYVAL Report	*More training for the FIU on FT issues required.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	FIU members took part on a number of seminars and workshops where Financing of terrorism issues was the main topic. Further, FIU is in the process of preparing a special seminar in this area with the Europol and has discussed possibility to have a joint training with Hungarian and Polish FIU.
Measures taken to implement the recommendations since the adoption of the first progress report	FIU members took part on a number of seminars and workshops (totally 8 last year) where issues regarding financing of terrorism were the main topic.

Recommendation of the MONEYVAL Report	*Re-assess resourcing of FIU for outreach, training and supervisions.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	FIU has currently four workers which can provide for training activities of the obliged entities and seven workers provide supervision of the obliged entities. FIU staff is since 2004 stable and getting experienced and has regular training within the FIU, about a new trends and typologies obtaining also from foreign information and contacts.
Measures taken to implement the recommendations since the adoption of the first progress report	There are several members of the FIU who are able to lead special training courses towards reporting entities. Department for reporting entities supervision consist of 7 policemen including a chief. Since 2004 the FIU staff is steady and getting experienced and it is regularly trained within the FIU on new trends and typologies in money laundering and terrorism financing.
Recommendation of the MONEYVAL Report	*More relevant law enforcement training and guidance required in money laundering cases (and financing of terrorism).*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Due to the fact that FIU is a part of Bureau of the organized crime has a good co-operation to the laws enforcement staff of this bureau. Every day work proofs that investigators more understand the important of combating money laundering and financing of terrorism. FIU in co-operation with the Police Academy has been preparing a clear guidance to the investigators concerning effective combating of money laundering and financing of terrorism .
Measures taken to implement the recommendations since the adoption of the first progress report	The FIU organized 8 training seminars for investigators in 2009, which were particularly focused on ML/TF, what enhanced the cooperation with bureaux of investigation. In that way the FIU provides to investigation bureaux a technical and methodical help in investigating and detecting of crimes linked to ML/TF. Due to the fact that FIU is a part of Bureau of Combating Organized Crime there is a very close and case-based cooperation with investigators employed by this Bureau. Based on latest experience they began to understand the substance of combating money laundering and financing of terrorism, as the investigators focus their efforts not only on how to investigate a predicate offence, but also on how to trace money laundering.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 31 (National co-operation)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Strategic co-ordination and collective review of the performance of the system as a whole (including analysis, where appropriate, of better statistical information) needs developing in more detail. More detailed statistics are required across the board to assist proper strategic analysis.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	FIU will establish a permanent group consisted of FIU, National Bank of Slovakia, General Prosecution, Ministry of Finance, which will meet regularly and also ad hoc with the other relevant Slovak bodies. Meetings of the permanent group, feedback and more statistical data will help to take decisions on a future developing and to create a reasonable strategic analysis.
Measures taken to implement the recommendations since the adoption of the first progress report	In order to coordinate the prevention, repression and other measures aimed at MF/TF the FIU under the auspices of the Ministry of Interior established in 2008 a working group named „IIGE“ – Interagency Integrated Group of Experts, where the issues on ML/TF are discussed at a national level. In this group all the relevant state authorities are involved – the FIU, the National Bank of Slovakia, the Ministry of Justice, the Ministry of Finance, the General Prosecutor´s Office, the State Secret Service, the Customs Directorate, the Tax Directorate and in case of need the representatives of other bodies too. IIGE currently works with a working plan with identified areas, which should be addressed in the near future (e. g. creation of a central registry of bank accounts, possible introduction of cash transactions limitation by threshold, coordination of the AML/CFT Law enforcement among bodies directly engaged in checking the compliance with the legal provisions, common interpretation and understanding and presentation of the preventive law provisions, etc.). Group meets regularly, at least 3 times a year.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 32 (Statistics)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Complete, precise and detailed statistics should be kept on AML/CFT MLA.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Since 2007 FIU began to keep a detailed statistics within the new analytical software which will help to analyse effectiveness of the measures taken.
Measures taken to implement the recommendations since the adoption of the first progress report	The AML/CFT Law has also created for the FIU a legal basis to provide it with necessary statistical data relating to ML/TF and a specific feedback on concrete cases of ML/TF by other involving authorities, such as Ministry of Justice, General Prosecutor´s Office, National Bank of Slovakia, Ministry of Finance. These specific statistical data will be available by the end of 2009 or at the beginning of 2010 respectively and then it will be published by the FIU in its annual report.

Recommendation of the MONEYVAL Report	*Complete, precise and detailed statistics should be kept on AML/CFT extradition.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	General statistics on all executed cases of mutual legal assistance and extradition (as far as it concerns agenda of the Ministry of Justice) are being kept since 1 January 2007, however they do not cover information on time required to handle them or offences related to requests, nor are focused particularly on money laundering and terrorist financing issues. However for the purpose of satisfying recommendation 32 the Ministry of Justice of the Slovak Republic shall examine all requests for extradition (since 1 August 2007) whether they are related to the criminal offences of money laundering and financing of terrorism. Regarding pre-trial proceedings, General Prosecutor´s Office is able to provide specific AML/CFT statistics on MLA and extradition.
Measures taken to implement the recommendations since the adoption of the first progress report	Since 1 January 2009 the Ministry of Justice is keeping statistics on all executed cases of mutual legal assistance and extradition (as far as it concerns agenda of the Ministry of Justice) including the information on time required to handle them and offences related to requests.
Recommendation of the MONEYVAL Report	*FIUs statistics on response times should be kept.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	New analytical software keeps also response time statistics
Measures taken to implement the recommendations since the adoption of the first progress report	The average response time based on the FIU records, is from 2-4 weeks (for the requests obtained from the foreign counterparts as well as for responses send to abroad).
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 33 (Legal persons – beneficial owners)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Commercial, cooperate and other laws should be reviewed with a view to taking measures to provide adequate transparency with respect to the beneficial ownership.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Since 15 March 2006 there is a requirement in the Act on Banks (Article 93a) stipulating that the banks for the purposes of checking and reviewing the identity of their clients and their proxies require personal data in case the client is a physical person and ascertain ownership structure in case the client is a legal person. In the latter case the bank can ask for identification data including the name, identification number if assigned, the address of registered office, the line of business or other activities, the address of place of business or location of branches and another address of the place of performance of activities, the list of persons constituting the

	statutory body of this legal person and their data, the list of persons constituting the legal person whose share in the registered capital or voting rights of this legal person exceeds 10% and their identification data. In case that legal persons are holding the share there are following requirements: ascertain the name, legal form, headquarters address, identification number and country ISO code, as well as the designation of an official register or another official evidence where the legal person concerned is registered; in the case of natural persons, first name, surname, the address of permanent residence, the address of temporary residence, the birth register number, if assigned, the date of birth, citizenship, the type and number of identity document are required. Described identification procedure was introduced for the purpose of concluding and executing transactions with clients and their proxies. The bank is entitled to verify above data at every single transaction if it deems client risk profile requires that. In the sector of securities and investment services all financial institutions involved in trading and other services related to securities are obliged persons in terms of new draft AML Act – branches of all abovementioned financial institutions. Bratislava Stock Exchange is the only organiser of public securities market in the country. The Act on Stock Exchange Nr.429/2002 Coll. (Art. 18 paragraph 1 (h)) obliges the Stock Exchange to include in the Stock exchange rules also the procedure of fulfilling its obligations according to the AML Act. It is also obliged to create body inspecting monitoring and keeping records regarding all stock exchange trades. Since January 2005 there are new rules in place on the market resulting from 2003/6/EC Market Abuse Directive transposition. As these rules became customary on the market, transparency of operations has increased and possibility of unlawful practices diminished. Also coming into force of MiFID (Directive 2004/39/EC of 21 April 2004 on markets in financial instruments) which has been transposed to national legislation, means very important regulatory development on the securities market. High conduct of business requirements for investment firms will be significant from the point of view of application of “Know Your Customer” rule. As far as bearer shares are concerned they can only have de-materialised book-entry form. All book-entries are registered in the Central Securities Depository on client’s accounts or in registers of CSD members and all accounts must include identification data of the account owner. To be mentioned is the fact, that there have been amendments to the Securities Act, which stepped into force in May 2006 and further, in May 2007 (the unofficial translation into English is annexed), by which the nominee accounts are allowed to be opened by the Central Securities Depository (“CSD”). These accounts are evidential and only the changes in volumes, etc. are registered here (real dealing is being executed on the Stock Exchange). Nominee account may be opened only based on request coming from a member of the CSD. Membership in the only existing CSD in Slovakia is limited to a legally determined scope of entities (a Slovak securities dealer, a foreign securities dealer, NBS, other CSD, or a foreign CSD) and, a prior approval of the NBS (being the supervisory authority for the CSD in Slovakia) with a new member is required. In such a case, if the nominee account is opened (at present, there is only 1 since the introduction of this possibility in the Slovak legal framework for a foreign CSD from EU) and kept and administered by the CSD, the ownership and beneficial ownership is revealed on request of the Slovak CSD in order to be able to for the Slovak CSD to comply with the ID requirements of the existing preventive law, because the CSD is the obliged entity by the Slovak AML/CFT Law. Otherwise, for other proceedings, instead of the

	owner of such account, the member, on whose behalf this account has been opened, is always presented. Activities of CSD are ruled by the Act No.566/2001 Coll. on Securities and Investment Services as amended (further referred to as "the Act") and by the Rules of Conduct. Rules of Conduct of CSD are approved by the regulator (the National Bank of Slovakia) and they are binding on CSD, members of CSD, issuers of book-entry securities registered in the CSD, the stock exchange and other entities requesting the services of the CSD (Rules of Operation, Part I, Art. 4.1). One of the CSD's core activities is the registration of issues of book-entry securities. The central depository currently registers all types of share issues, bond issues (including mortgage bonds), co-operative units and the units of open-end unit funds. What can also be registered in the central depository are the book-entry deposit certificates, treasury bills, coupons etc., as well as all types of immobilised securities. Upon registration of the first issue, the central depository opens for an issuer the issuer's register that contains information on the issuer and on individual securities. An issue is registered in the issuer's register upon the issuance of book-entry securities. At the request of an issuer who has issued registered paper shares, the CSD administers a list of shareholders for the registered paper shares. On this list, the central depository records the changes of shareholders, changes in the shareholders' data and changes in the issuer's identification. The CSD performs the activities of the National Numbering Agency for Slovakia, which means that it assigns, alters and cancels the ISIN codes in compliance with the ISO 6166 Standard. An ISIN code is assigned by the CSD to every issue of book-entry securities. In the system of securities registration, the CSD uses two types of securities accounts. They are the owner's account and the client account of a member. A special type of account is the nominee (or holder's) account of a member – at the time being for 1 foreign central depository from one of the EU member states. The owner's account contains primarily data on the account owner and on securities kept in this account. The account owner is at the same time the owner of securities registered in this account. The members of the central depository open owner's accounts for their clients. Directly in its registration, the central depository opens an owner's account for a member where information is kept on the securities owned by the member. In its registration, the central depository shall open an owner's account also for state authority acting on behalf of the Slovak Republic or for the National Property Fund. For other persons, an owner's account can be open only at a member's request. In a member's client account, the central depository registers data on securities which owners are registered by the member. The member itself does not own the securities kept in its client account; the owners of such securities are recorded in the member's registration. In a nominee (holder's) account of a foreign central depository, the CSD registers data on securities whose owners are registered with the foreign central depository in a registration created in compliance with the law based on which the foreign central depository is founded. Further on, the CSD performs the clearing and settlement of stock exchange and over-the-counter transactions in securities. Nevertheless as far as Slovak capital market is concerned we have to put its importance into the perspective. Despite positive macroeconomic development it

	remains the market with the lowest market capitalisation in the region and one of the weakest in all EU. Market capitalisation of the stock exchange reaches only 30% of GDP, while market capitalisation of stock represents only 10,6 % of the GDP and stock quoted on the stock exchange only 5,2% of GDP. Moreover as a result of very low amount of trades with stocks reaching only 1% of all deals4 Slovak Authorities consider that there are virtually no changes in the ownership of stocks. With respect to obliged persons in the field of securities we can observe that banks and branches of foreign banks account for 95 % share of the securities market. It is highly probable that any higher volume trade with stocks would be on the risk sensitive basis reported by the Stock Exchange as unusual transaction to the FIU. Slovak Republic supports such provisions, which will lead to adequate transparency of ownership within the corporations. Information about shareholders is not available in the Commercial Registry, but this information is at disposal in the Central Securities Depository of the Slovak Republic. Competent Slovak authorities have direct access to the information on beneficial ownership through the connection to the system of Commercial Registry named CORWIN.
Measures taken to implement the recommendations since the adoption of the first progress report	One of the new definitions introduced in the AML/CFT Law is that of a beneficial owner. Section 9 „Other Definitions“ letter b) exactly defines who is a beneficial owner. Article 3 para 6 of the 3rd AML Directive is fully implemented by this definition. Duty to determine a beneficial owner and take appropriate and risk-based measures on his/her verification in order to a reporting entity to obtain enough information to be satisfied who is a beneficial owner, including as to legal entities, asset management on behalf of a third party and trust and similar legal arrangements, taking measures on determination of the ownership structure and management structure of a customer; all these gathering of necessary information form the essential part of CDD. The range of CDD regulates Section 10 „Customer Due Diligence“ para 1 of the AML/CFT Law. By this provision a principle that everyone has to know for whom he is acting (and to declare it transparently as well) and in case of legal entities also who is the owner (i.e. what is the ownership structure and management structure of a customer being a legal entity or a corporation) is directly applied in the Slovak preventive law. As far as bearer shares are concerned they can only have de-materialised book-entry form. All book-entries are registered in the Central Securities Depository on client’s accounts or in registers of CSD members and all accounts must include identification data of the account owner. Nominee accounts (Holder´s accounts): According to the amended legislation, which came into force in November 2007 (amended Act No. 566/2001 Coll., Securities Act, available at the NBS web-site www.nbs.sk in the English version under Legislation), securities holding through nominee accounts (holder´s accounts) is possible. The central depository may open a nominee account for the central depository only or for a foreign legal person with a similar scope of business. The central depository may also open a nominee account for a securities dealer or for a bank authorised to perform the ancillary service of custodianship, and a foreign securities dealer or a foreign bank authorised to perform an ancillary service such as custodianship. The central depository may open more than one nominee account for a single legal person (Section 105a, para 3 of the Act No. 566/2001 Coll.). Beneficial owner data are registered in the internal registers of banks, other CSD-s or security dealers,

	which are reporting entities (in line with Section 5 para 1 of the AML/CFT Law). For operations requiring a statement of information on the owner of a security registered under Act No. 566/2001 Coll., information on the owner of a security recorded in a nominee account shall be replaced with information on the persons (CSD, foreign legal person, securities dealer, foreign securities dealer, or foreign bank) for whom the holder's account was opened, and this fact shall be stated. Where information on securities is recorded in a nominee account, and a disclosure obligation is imposed on the central depository by law, information on the owner of the securities shall be replaced with information on the persons (CSD, foreign legal person, securities dealer, foreign securities dealer, or foreign bank) for whom the holders account was opened, and this fact shall be stated (section 105a,para 9, 10 of the Act No. 566/2001 Coll.).
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation 37 (Dual criminality)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	The FT offence needs extending as the current incrimination could limit extradition possibilities.
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Even the legal regulation of the criminal offence of terrorist financing provided by the Criminal Code (Act No. 140/1961 Coll.) effective until 31 December 2005 could not limit extradition possibilities. However, further improvements were provided by the Criminal Code (Act No. 300/2005Coll.) effective since 1 January 2006 by extending provisions on culpability of preparation for the criminal offence, providing new definition of „terrorist group" and providing definition of „support of" and „activity for" the terrorist group as stated in Art. 129 par. 4, 5, 6. Autonomous offence of FT and other improvements will also be provided by the amendments of the Criminal Code to by submitted into legislative procedure in September 2007.
Measures taken to implement the recommendations since the adoption of the first progress report	Currently there is no autonomous offence of terrorism financing acts and terrorist groups. Nevertheless, the extradition possibilities in respect of dual criminality requirements by the criminal offence of financing terrorism are not considered as limited. The act of terrorism financing can be considered as the criminal offence of supporting of the terrorist group or as the abetting to the criminal offence of terrorism.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	Concerning the relevant draft legislation, please, see the answer to R1.

Recommendation 38 (MLA on confiscation and freezing)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*The FT offence needs extending as the current incrimination could limit extradition possibilities.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Even the legal regulation of the criminal offence of terrorist financing provided by the Criminal Code (Act No. 140/1961 Coll.) effective until 31 December 2005 could not limit confiscation and freezing possibilities. However, further improvements were provided by the Criminal Code (Act No. 300/2005Coll.) effective since 1 January 2006 by extending provisions on culpability of preparation for the criminal offence, providing new definition of „terrorist group" and providing definition of „support of" and „activity for" the terrorist group as stated in Art. 129 par. 4, 5, 6. Autonomous offence of FT and other improvements will also be provided by the amendments of the Criminal Code to by submitted into legislative procedure in September 2007.
Measures taken to implement the recommendations since the adoption of the first progress report	Currently there is no autonomous offence of terrorism financing acts and terrorist groups.
Recommendation of the MONEYVAL Report	*Arrangements or coordination of seizure and confiscation actions with other countries as well as for the sharing of confiscated assets between them should be considered.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Slovak authorities consider the realization of this recommendation as continuous process in order to improve current situation.
Measures taken to implement the recommendations since the adoption of the first progress report	Slovak authorities consider the realization of this recommendation as continuous process.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	Concerning the relevant draft legislation, please, see the answer to R1.

Recommendation SR I (Implement UN instruments)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Provide for adequate TF criminalisation and more guidance and communication mechanisms needed with FIs and DNFBP re UN Resolutions.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Please see Rec. SR III
Measures taken to implement the	The Slovak Republic as the EU member state, follows the European Union

recommendations since the adoption of the first progress report	procedures in this area; thus, as the EU implements UN resolutions into its regulations, which are binding and directly applicable in all member states of the EU, this is also the case for the Slovak Republic. EU regulations are binding in their entirety and directly applicable in all member states what is absolutely in compliance with the Treaty establishing the European Community (Articles 60, 301, 308). It means that EU regulations have direct force of law in the Slovak Republic. All of regulations of the EU (also those requiring freezing of funds and economic resources belonging to persons designated in regulations of the EU concerning restrictive measures) are published on the website of the Official Journal of the EU and on the website of Common Foreign and Security Policy of the EU. There is a free access for all persons to this website to check some new issues in this regard. For the purpose of successful cooperation and effective anti-money laundering and terrorist financing policy, the Ministry of Finance took the initiative measure and sent to banks and branches of foreign banks information about their obligations and commitments arising from specific regulations and decisions of the European Communities concerning restrictive measures of Common Foreign and Security Policy - the freezing of terrorist assets. Ministry of Finance of SR has issued a letter containing guidance to banks and branch offices of foreign banks concerning information about their responsibility regarding national and international law in the field of money laundering and fight against terrorism financing. This issued letter contained also the information about special website of Common Foreign and Security Policy of the EU where all of the Council regulations regarding restrictive measures are published. At the same time, the finance ministry's letter informed the banks and branches of foreign banks on the fact that SR was unable to declare sanctions against the EU's internal terrorists. The Common Position 2001/931/CFSP, as amended by Common Position 2008/586/CFSP made by EU set up a list of natural and legal persons (sanctioned entities) that are associated with terrorism. Persons on the list of the EU Common Position 2001/931/CFSP shall be divided into the external terrorists and to the internal terrorists. Persons who are EU citizens or are domiciled in the EU are therefore known as the EU internal terrorists. Against these EU's internal terrorists financial sanctions could not be applied, because it isn´t allowed by the EU Treaty, which gives the mandate for the implementation of restrictive measures within the common market and financial services only to third countries (Art. 60 and 301 of the EU Treaty), namely the introduction of financial penalties at Community level against its own citizens has no mandate. Given the above, the freezing of terrorist assets to the following persons were in this case anchored at the level of national legislation, in the Government Regulation No. 397/2005 Coll., laying down international sanctions to ensure international peace and security. The ordinance contains the Government's list of sanctioned persons whose activity is confined to the territory of EU Member States or EU nationals. Financial institutions are obliged to freeze immediately all funds and economic assets of the persons included on the list in the Annex to Regulation No. Government. 397/2005 Coll. The Act on Banks No. 483/2001 Coll. (Section 91 para 8) – available at the NBS web-site www.nbs.sk in English under Legislation) stipulates that bank and branch office of a foreign bank shall be obligated to provide the ministry within the deadlines set thereby, with a written list of clients subject to international sanctions imposed according to separate regulation (Act No. 460/2002 Coll.) Provided list must contain account numbers and account balances of these clients.

	The new AML/CFT Law defines in a separate Section (4 para 2) examples of unusual transactions, to which belongs also the indication that the client or beneficial owner is a person designated in regulations of the EU as a sanctioned person to whom restrictive measures should apply. All obliged persons (=reporting entities) are required to report to the financial police about any unusual transaction or the attempt to carry out the unusual transaction without unnecessary delay. The experts from the Slovak central bank, the FIU and the Ministry of Finance participated in the preparation of "Methodological guidance of the supervision department of NBS from 19 December 2008 No. 7/2008 on the protection of banks and branches of foreign banks against money laundering and terrorist financing", which plays a role as a "manual" for banks and branches of foreign banks in applying the provisions of AML/CFT Law. This guidance contains also information about the sanctioning policy of the UNSC linked with the EU legislation and also the link to the official website of the UNSC with a comprehensive overview of all UN resolutions, with the obligations resulting therefrom, and an overview of the main UNSC resolutions in the field of fight against terrorism. That serves all for better awareness and knowledge for financial institutions in the SR on the issue of restrictive measures, which are taken either by transposition of the UNSC sanction resolutions, or by the autonomous sanctions taken by the EU only. Enforcement in the Slovak Republic by means of penalties for non-compliance is provided for by Act No. 460/2002 Coll. on performance of international sanctions providing the international freedom and security as amended by Act No. 127/2005 Coll. (hereinafter Act. No. 460/2002 Coll.) It defines international sanctions as a sum of constraints, commands or prohibitions established for the purpose of maintaining or restoring international peace and security, resulting from specific binding international documents and arrangements. At the same time, specifically defines international sanctions in the field of trade and non-financial services, in the field of financial services, of transport, of the technical infrastructure, of scientific and technical contacts and in the field of cultural and sporting contacts. According to this Act No. 460/2002 Coll. the Slovak authorities (Ministries of the Slovak Republic, Office of industrial ownership of the Slovak Republic) have the power to penalise violations of the EU regulations – Article 10). What means this Act covers the issue of international sanctions, but does not address the application of sanctions in practice. Section No. 10) of this Act contains "administrative offenses", but only for the violation or failure to apply international sanctions. Since the last round of evaluations in MONEYVAL none of the persons covered by the international sanctions, as none of the persons from lists of sanctioned persons in terms of regulations and decisions of the EC and lists of UNSC was a customers of financial institutions in the SR.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	There should be in the foreseeable future new legislation in the SR adopted, which would complete the practical application of restrictive measures – sanctions and which would set a strict division of responsibilities and powers of decision-making in this area between the central government authorities and other bodies.

Recommendation SR III (Freeze and confiscate terrorist assets)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL	*Develop guidance and communication mechanisms with all financial intermediaries and DNFBP and a clear and publicly known procedure for de-listing and*

Report	*unfreezing in appropriate cases in a timely manner.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	European Union implements UN resolutions into its regulations which are binding and directly applicable in all member states of the EU. E.g. Iran´s UN resolution was implemented on the EU level into Council Regulation (EC) No. 423/2007 of 19 April 2007 concerning restrictive measures against Iran. This regulation is binding in its entirety and directly applicable in all member states what is absolutely in compliance with the Treaty establishing the European Community (Articles 60, 301, 308). It means that EU Regulations have direct force of law in Slovak Republic. All of regulations of the EU (also those requiring freezing of funds and economic resources belonging to persons designated in regulations of the EU concerning restrictive measures) are published on the web site of the Official Journal of the EU and on the web site of Common Foreign and Security Policy of the EU. There is a free access for all obliged persons to this web site to check some new issues in this regard. Ministry of Finance of the Slovak Republic has issued a letter containing guidance to banks and branch offices of foreign banks concerning information about their responsibility regarding national and international law in the field of money laundering and fight against terrorism financing. This issued letter contained also the information about special web site of Common Foreign and Security Policy of the EU where all of the Council regulations regarding restrictive measures are published. The Act on Banks No. 483/2001 Coll. stipulates that bank and branch office of a foreign bank shall be obligated to provide the Ministry within the deadlines set thereby, with a written list of clients subject to international sanctions imposed according to separate regulation (Act No. 460/2002 Coll.) Provided list must contain account numbers and account balances of these clients. Accordingly draft new AML Law defines in complex all unusual transactions to which belongs also the assumption that the client or beneficial owner is a person designated in regulations of the EU as a sanctioned person to whom restrictive measures should apply . All of obliged persons are required to report to the financial police about any unusual transaction or the attempt to carry out the unusual transaction without unnecessary delay. Enforcement in the Slovak Republic by means of penalties for non-compliance is provided for by Act No. 460/2002 Coll. on performance of international sanctions providing the international freedom and security as amended by Act No. 127/2005 Coll. According to this Act have the Slovak authorities (Ministries of the Slovak Republic, Office of industrial ownership of the Slovak Republic) the power to penalise violations of the EU regulations – Article 10).
Measures taken to implement the recommendations since the adoption of the first progress report	No changes as yet.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation SR V (International co-operation)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Fully extend the FT offence in line with SR. II and IN.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Slovak Republic is ready to introduce autonomous criminal offence of financing terrorist acts and terrorist groups, which explicitly takes into account all requirements of special recommendation II and IN. The relevant amendments of the Criminal Code (Act No. 300/2005 Coll.) are currently being prepared and are expected to be submitted into legislative procedure in September 2007.
Measures taken to implement the recommendations since the adoption of the first progress report	Currently there is no autonomous offence of terrorism financing acts and terrorist groups.
Recommendation of the MONEYVAL Report	*Slovak authorities should satisfy themselves that the supervisory bodies are exchanging information with foreign counterparts.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The NBS, as an integrated authority supervising whole financial market, exchanges information with foreign counterparts continuously, on the bases of valid memoranda of understanding and also on the bases of written requests of the particular supervisory bodies.
Measures taken to implement the recommendations since the adoption of the first progress report	The NBS cooperates with foreign supervisory authorities since 2006 in a more broad scope as it was reflected in the 3rd MER because based on the Act No 747/2004 Coll. on the Supervision over the Financial Market the Slovak Central Bank is the sole supervisory authority over the whole financial market and is authorized by the virtue of respective provisions (inter alia Section 3 para 3 and 4 of the said law) to exchange the information gained when discharging its supervisory obligations with its foreign supervisory counterparts (recent example from May 2009 is the request of the FSA regarding suspected unauthorized provision of financial services, which has been answered by the NBS in due course). Regularly, when a prudential on-site examination contains the element of AML/CFT prevention regime control in a bank or financial institution, which has a parent company in abroad, the foreign supervisory authority is informed afterwards about major revealed shortcomings (since 2007, 4 such letters has been submitted to foreign supervisory authorities, e.g. Germany, Austria).
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	Concerning the relevant draft legislation related to the autonomous FT offence, please, see the answer to R1.

Recommendation SR VII (Wire transfer rules)	
Rating: Partially Compliant	
Recommendation of the MONEYVAL Report	*Provide in Law or Regulation for the requirement to carry out CDD measures in occasional transfers covered by the Interpretative Note to SR.VII.*

Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Respective EU Regulation (No 1781/2006) is in force since January 2007 in Slovakia; and, in fact this requirement is contained in the draft AML/CFT law as already mentioned in comments to Recommendation 5.
Measures taken to implement the recommendations since the adoption of the first progress report	There is a duty in Section 10 para 3 of the AML/CFT Law to perform an identification of a customer and verification of his/her identification also in case of carrying out a transaction (including occasional one) the amount of which reaches at least EUR 2,000. Within the CDD measures (AML/CFT Law contains the requirement for CDD measures in Section 10 „Customer Due Diligence“ para 2, letter b) and letter d), which clearly define a duty for all the reporting entities to carry out CDD when carrying out an occasional transaction - an occasional transaction outside a business relationship worth at least EUR 15,000) and when there are doubts about the veracity or completeness of customer identification data previously obtained. Moreover, the Act on on the Payment System (Act No 510/2002 Coll. of 19 August 2002 and on Amendments and Supplements to Certain Laws, as amended; available at the NBS web-site www.nbs.sk under Legislation also in English) in its Section 12 “Carrying out of cross-border transfers” para 6 determines the extent of required data as follows: A transfer order for a cross-border transfer shall contain: - the name and account number of the originator; the account number of the originator shall not be required for a cross-border transfer carried out by cash deposit, - the amount of the cross-border transfer and the denomination of the currency, - the name of the account to which the cross-border transfer is to be carried out and the number of the account if known; for a cross-border transfer carried out by cash disbursement, if the beneficiary is a natural person the given name, surname and home, - address of the beneficiary shall be stated; if the beneficiary is a legal person the name and address of the registered office shall be stated, - data enabling the identification of the performing institution of the beneficiary, - the symbols of the foreign currency statistics, by which shall be understood the payment title and other symbols pursuant to a special act or on the basis of a special act, - the place and date of the drawing up of the transfer order, - the signature of the originator identical with the specimen signature maintained at the performing institution of the originator, with the exception of transfers carried out electronically, and, - other information required for the carrying out of the cross-border transfer required under a separate legal provision,11a) or on the basis of a decision of the performing institution of the originator. Cross reference 11a) relates to 11a) Regulation (EC) No. 1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds (OJ L 345 of 8 December 2006)
Recommendation of the MONEYVAL Report	*Ensure that full originator information, including name, address (or other permitted data in lieu of address) is available if requested in respect of domestic wire transfers.*

Measures reported as of 3 July 2007 to implement the Recommendations of the report.	This is obligatory for all financial institutions in line with the mentioned regulation (Art. 6&7), which is directly applicable in Member States.
Measures taken to implement the recommendations since the adoption of the first progress report	The Act on the Payment System (Act No 510/2002 Coll. of 19 August 2002 and on Amendments and Supplements to Certain Laws, as amended; available at the NBS web-site www.nbs.sk under Legislation also in English) in its Section 4 "Carrying out of cross-border transfers" para 4 determines the extent of required data for domestic transfer as follows: a) a banking contact, which shall mean: 1. the account number of the originator and the identification code of the performing institution of the originator for a transfer order for collection shall be stated the account number of the owner and the identification code of the performing institution of the account owner; the account number of the originator shall not be required for a domestic transfer carried out by cash deposit, and 2. the account number of the beneficiary and the identification code of the performing institution of the beneficiary; for a transfer carried out by cash disbursement the account number of the performing institution of the beneficiary shall be stated instead of the account number of the beneficiary. b) the sum to be transferred, c) the currency identification; if a currency identification is not stated, the transfer shall be considered to be a transfer in euros, d) the place and date of the drawing up of the transfer order, and e) the signature of the originator identical with the specimen signature stored at the performing institution of the originator, with the exception of transfers carried out by an electronic means of payment, f) other information for making a transfer as required under a separate legal provision.11a) Cross-reference 11a) relates to Regulation (EC) No.1781/2006 of the European Parliament and of the Council of 15November 2006 on information on the payer accompanying transfers of funds (OJ L345 of 8 December2006). In order to enable more understanding and awareness about the application practise of the EU Regulation N 1781/2006 on the information on the payer accompanying funds transfers to payment service providers of payees throughout the EU; the NBS has published on its web site (both in English and in Slovak) the "Common Understanding Paper", which has been elaborated in October 2008 under the auspices of the Anti Money Laundering Task Force, which has been established in 2006 by 3L3 Committees (CEBS, CESR and CEIOPS) and is composed of competent authorities with the responsibility to supervise payment service providers all over Europe.
Recommendation of the MONEYVAL Report	*The originator's address (or other permitted data in lieu of the address) should accompany all cross-border wire transfers.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	This is obligatory for all financial institutions in line with the mentioned regulation (Art. 4&5), which is directly applicable in Member States.
Measures taken to implement the recommendations since the adoption of	As mentioned above, this is captured under Section 12 para 6 of the Act on Payment System.

the first progress report	
Recommendation of the MONEYVAL Report	*Ensure that financial institutions conduct enhanced scrutiny of (and monitor for) suspicious activity funds transfers which do not contain complete originator information.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	This is obligatory for all financial institutions in line with the mentioned regulation (Art. 9, which requires either to refuse such transfer or ask for complete information), which is directly applicable in Member States.
Measures taken to implement the recommendations since the adoption of the first progress report	According to this obligation, which is in the said regulation (Art. 9), banks and foreign banks branches have adopted internal procedures to handle transfers with incomplete originator information. The NBS in its supervisory activities is the institution authorised to enforce this EU regulation in Slovakia. In the first quarter of 2008, all banks and foreign banks branches have been asked by a letter to provide the overview of "the most failing jurisdictions" in this area (results mirrored the overall EU experience, which has led to a conclusion that this issue has to be dealt with on the level of EU instead of member states). The compliance to this EU Regulation is a component of the complex on-site inspections in banks and foreign banks branches carried out by the NBS supervisory staff.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation SR VIII (Non-profit organisations)	
Rating: Non-Compliant	
Recommendation of the MONEYVAL Report	*Formal analysis required of threats posed by the sector as a whole.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	Formal analysis of the sector as a whole is the part of the preparing National action plan together with the competent authorities within the Ministry of Interior
Measures taken to implement the recommendations since the adoption of the first progress report	Risks analysis regarding NPO´s and their abusing, especially with regard to financing of terrorism, was under consideration at new preventive AML/CFT Law process creating. Due to the situation in the field of terrorism financing in Slovakia (there were no cases of NPO´s abusing for FT, or terrorist attacks in the territory of the Slovak Republic so far), it does not seem that there is an urgent need for such analysis.
Recommendation of the MONEYVAL Report	*Assess adequacy of current legal framework.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	AML/CFT draft Act stated all kind of non profit organisations as an obliged entities and defined who is considered to be a beneficial owner. Additionally stated for non profit organisations to establish and keeps a list of beneficial owners
Measures taken to implement the	The AML/CT Law quite strictly determines in its Section 25 the obligations for the NPO´s (called "Corporations" in the unofficial English translation):

recommendations since the adoption of the first progress report	- keeping a list of beneficial owners, - submit this list to any of the reporting entities and to the FIU, in case of a written requirement from a reporting entity and/or the FIU.
Recommendation of the MONEYVAL Report	*Consider how effective and proportionate oversight can be achieved (including program of verification and direct field audits in particular vulnerable sectors).*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	FIU will have a new competence to supervise duties stated in the new AML/CFT Act also supervise if organisation keeps a list of beneficial owners (duty special for non profit organisations).
Measures taken to implement the recommendations since the adoption of the first progress report	The Slovak FIU is the authority to control the NPO´s for compliance to the AML/CFT Law (Section 25 of the AML/CFT Law).
Recommendation of the MONEYVAL Report	*Consider guidance to FIs on specific risks of this sector.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	As soon as new AML/CFT Act will be in force FIU will create a guidance to FI on specific risks of this sector.
Measures taken to implement the recommendations since the adoption of the first progress report	As yet, there has been no special guidance on the risks inherent in the sector of NPO´s; however, the importance of gathering sufficient data on the NPO before establishing a business relationship by a bank or foreign bank´s branch is underlined in the Methodological guidance of the Financial Market Supervision Unit of the National Bank of Slovakia of 19 December 2008 No. 7/2008 for protection of a bank and branch office of a foreign bank against money laundering and terrorist financing, in part F.
Recommendation of the MONEYVAL Report	*Consider whether further measures need taking in the light of the Best Practices Paper for SR.VIII.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	The practice application of the new AML/CFT Act will be analysed and consider if further measures are necessary
Measures taken to implement the recommendations since the adoption of the first progress report	Practical experience on new duties of the NPO´s and their probable implementation problems and how to handle them, in particular a duty to keep a written list of the beneficial owners, and the new controlling power of the FIU will be a basis for the FIU review after at least one year of the preventive law entering into force.
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

Recommendation SR IX (Cash Couriers)
Rating: Partially Compliant

Recommendation of the MONEYVAL Report	*The requirements of SR IX should be fully considered by the Slovak authorities.*
Measures reported as of 3 July 2007 to implement the Recommendations of the report.	This issue is in Slovak Republic covered by the Act No. 199/2004 Coll. Customs Act concerning amendments and supplements of certain Acts in the wording of later regulations and concerning amendments and supplements of certain Acts as amended by Act No. 672/2006 Coll. as follows : According to the Article 4, (1) ("An obligation to report on the transit of cash pecuniary means") cash pecuniary means entering the territory of the Slovak Republic from a third State or leaving the territory of the Slovak Republic to a third State are subject to customs supervision. And according to the Article 4, (2) a natural person transiting cash pecuniary means according to paragraph 1 in the minimum amount established in a special regulation 3e) shall be obliged to report this fact to the relevant Customs Office in writing. Footnote 3e) means reference to Article 3, (1) of the Regulation of the European Parliament and Council (EC) No. 1889/2005 of 26 October 2005 on the control of cash pecuniary means entering the Community or leaving the Community which determines that a natural person entering or leaving the Community and carrying cash of a value of EUR 10 000 or more shall declare that sum to the competent authorities of the Member State through which he is entering or leaving the Community in accordance with this regulation.
Measures taken to implement the recommendations since the adoption of the first progress report	This issue is in the Slovak Republic fully covered by the Act No. 199/2004 Coll. on Customs Law and on Amendments and Supplements to Some Acts in the wording of later regulations and concerning amendments and supplements of certain Acts as amended by Act No. 672/2006 Coll. as follows : According to Section 4 "An obligation to report on the transit of cash pecuniary means" para 1 cash pecuniary means entering the territory of the Slovak Republic from a third State or leaving the territory of the Slovak Republic to a third State are subject to customs supervision. And according to Section 4 para 2 a natural person transiting cash pecuniary means according to paragraph 1 in the minimum amount established in a special regulation 3e) shall be obliged to report this fact to the relevant Customs Office in writing. Footnote 3e) means reference to Section 3 para 1 of the Regulation of the European Parliament and Council (EC) No. 1889/2005 of 26 October 2005 on the control of cash pecuniary means entering the Community or leaving the Community which determines that a natural person entering or leaving the Community and carrying cash of a value of EUR 10,000 or more shall declare that sum to the competent authorities of the Member State through which he is entering or leaving the Community in accordance with this regulation. The Customs Directorate of the Slovak Republic is the competent authority for the implementation of the Regulation (EC) No. 1889/2005. This "cash control regulation" entered into force in Slovakia on 15th June 2007. As mentioned above, all the passengers entering from or leaving for third countries, who declare an amount over EUR 10,000 or other equivalent currency or easily convertible assets, fill in the prescribed declaration form before a customs official. All those declarations are sent to the FIU pursuant to Section 4 para 4 of the Act No. 199/2004 Coll. on Customs Law and on Amendments and Supplements to Some Acts regardless of a suspicion. As far as the statistics is concerned, there were 11 in 2007 and 35 in 2008 respectively as to the number of cash recordings detected in these years by Customs

	authorities in application of the EU Cash control regulation. 1 report has been obtained in 2009 .
(other) changes since the first progress report (eg draft laws, draft regulations or draft "other enforceable means" and other relevant initiatives)	

4. Specific Questions

- ***In money laundering prosecutions/convictions since the adoption of the report, please specify the predicate offence(s) and whether the case was third Party laundering or own proceeds laundering and in the case of third Party laundering whether it was prosecuted autonomously or together with the predicate offence.***
- Vast majority of the cases reported as prosecuted / convicted were self-money laundering. Perpetrators of predicate offences / mainly economic frauds / were prosecuted in same proceeding as launderers.

- ***Has property been forfeited in any money laundering or other criminal case from third Parties since the adoption of the report?***
- In one case Special Court imposed forfeiture of property of two perpetrators of fraudulent running of so-called non-banking institutions, however regarding property from third parties concrete numbers has not been specifically processed in periodical statistics provided by courts/ Ministry of Justice.

For the 2nd Progress report:
According to the statistical information there was no property been forfeited or confiscated in 2007, 2008 and the first term of 2009 (January, February, March).

- ***Have any steps been taken to strengthen the FIU in the overall Police structure and does it now have explicit competence to deal with reports relating to financing of terrorism and the financing of terrorism issue in supervision?***
- In the new AML/CFT Act there is explicitly defined Financial Intelligence Unit (not Financial Police as is stated in the current AML Act). Besides other functions New AML/CFT Act explicitly specify all competencies concerning receiving, analyzing and disseminating of the information to the competent authorities relating ML and FT. New Act also state for the FIU competencies necessary for supervision of the preventive measures concerning ML as well as FT on the same level.

Additional questions since the 1st progress report

Please set out if you have not already done so the reporting obligation in respect of ML/FT as it is now provided for and supply in English any explanatory guidance given to the obliged entities.

Section 4 „Unusual Transaction“ para 1 and 2 of the AML/CFT Law clearly define what an unusual transaction means; para 2 gives the overview of the most frequently unusual transactions occurred (as examples) for all the reporting entities. These unusual transactions were introduced into the cited law on the basis of the analysis of about 5,000 unusual transactions, which the FIU received in the period from 2001 to 2007. Reporting entities are obliged by the new preventive law to report these unusual transactions as well as to determine other unusual transactions in accordance with their scope of business. The cited provision defines also unusual transactions relating to terrorism financing. The number of UTRs was continuously increasing as of this provision came into force. By comparison of years 2007 and 2008, the recorded increase was15%.

In an effort to provide the reporting entities with other information and necessary clarifications, the FIU arranged 2 meetings in 2009 (1 in 2007 and 2 in 2008) with the Bank Association and 2 meetings with Association of Insurance Companies (2 in 2007, 3 in 2008), which cover the most important reporting entities. Due to a size of the financial market (26 banks and 24 insurance companies were acting in Slovakia in 2008) such mutual meetings appear as an effective way for information on how to apply the AML/CFT Law and also to discuss new trends on money laundering and terrorism financing in the financial market.
The FIU established its own website, where the information on how to properly apply the new preventive AML/CFT Law as well as other information relating to ML/TF is, as needed, made public. There were numerous special trainings for various reporting entities, their chambers and state bodies (5 in 2007, 13 in 2008 and 18 till August 2009) organized by the FIU.

Has the new financing of terrorism offence been adopted? If so, please provide the legislation in English.

No, the new financing of terrorism offence has not been adopted as yet. Please, see the answer to the R1.

Please explain the steps that have been taken since the last progress report was adopted to strengthen the FIU in the overall police structure. How has it been reinforced in terms of personnel?

When the AML/CFT Law came into force the position of the Slovak FIU in the overall police structure has been re-defined (Section 26). It is a central, national agency responsible for receiving, analysing and disseminating to the competent authorities (tax authorities, secret service, customs authorities and particularly law enforcement bodies), disclosures of financial information concerning suspected proceeds of crime and potential financing of terrorism or required by national legislation or regulation in order to combat money laundering and terrorism financing (Egmont definition). It is responsible for prevention and detection of legalization and terrorist financing. The FIU is under budgetary umbrella of the Ministry of Interior and is also one of the departments of the Bureau of Combating Organized Crime. This is regarded to be a clear lawful setting to strengthen the position and independence of the FIU.
Recently the FIU staff has increased about 6 people as an analytical department for IT support has been set up within it.

Please explain, if you have not already done so, what AMLCFT risk assessments have been performed centrally by Governmental bodies and/or regulatory bodies since the adoption of the 1st progress report. What are the main results achieved by the Permanent Coordination Group that was due to be set up at the time of the 1st progress report?

Such AML/CFT analysis has been accomplished only on the FIU level.
Within the working group named „IIGE“ – Interagency Integrated Group of Experts (which, in fact, has after its establishment in 2008 taken on the tasks of the former multi-disciplinary group of experts active last two years), following issues has been considered and discussed:

- creation of a central registry of bank accounts,
- possible introduction of cash transactions limitation by threshold,
- practical problems with the application of provisional measures within the criminal procedure (especially in relation to seizure of financial funds according to Section 95 of the Criminal Procedure Code), with the recommendation of making proposal for amendment in respective legal arrangement),
- final court decisions on ML from abroad in order to better understand the core elements in the court decision-making process, etc.

5. Questions related to the Third Directive (2005/60/EC) and the Implementation Directive (2006/70/EC)[5]

Implementation / Application of the provisions in the Third Directive and the Implementation Directive	
Please indicate whether the Third Directive and the Implementation Directive have been fully implemented / or are fully applied and since when.	The Slovak Republic fully implemented the Third Directive (2005/60/EC) and the Implementation Directive (2006/70/EC), by which the enforcement measures of the Directive 2005/60/ES are determined as regards the term „politically exposed person“ and technical criteria of procedures of simplified due diligence in respect of a customer and exceptions based on a financial activity carrying out occasionally or in a very limited scope, as of 1 September 2008, i.e. when the new AML/CFT Law has entered into force.

Beneficial Owner	
Please indicate whether your legal definition of beneficial owner corresponds to the definition of beneficial owner in the 3rd Directive[6] (please also provide the legal text with your reply)	Definition of a beneficial owner in Section 9 „Other Definitions“ letter b) of the AML/CFT Law fully implements Article 3(6) of the Third AML Directive. <u>Section 9, letter b):</u> beneficial owner means a natural person for the benefit of whom a transaction is being carried out or a natural person who 1. has a direct or indirect interest or their total at least 25 % in the equity capital or in voting rights in a customer being a legal entity - entrepreneur including bearer shares, unless that legal entity is an issuer of securities admitted to trading on a regulated market which is subject to disclosure requirements under a special regulation,37) 2. is entitled to appoint, otherwise constitute or recall a statutory body, majority of members of a statutory body, majority of supervisory board members or other executive body, supervisory body or auditing body of a customer being a legal entity –entrepreneur, 3. in a manner other than those referred to in subsections 1 and 2 controls a customer being a legal entity –entrepreneur, 4. is a founder, a statutory body, a member of a statutory body or other executive body, supervisory body or auditing body of a customer being a corporation or is entitled to appoint, otherwise constitute or recall those bodies, 5. is a beneficiary of at least 25% of funds supplied by a corporation, provided the future beneficiaries of those funds are designated or 6. ranks among those persons for whose benefit a corporation is established or operates, unless the future beneficiaries of funds of the corporation are designated,

Risk-Based Approach	
Please indicate the extent to which financial institutions have been permitted to use a risk-based approach to discharging certain of their AML/CFT obligations.	Reporting entity shall determine the extent of customer due diligence with adequacy to the risk of legalization or terrorist financing. The risk of legalization or terrorist financing shall be considered by the reporting entity with regard to the customer, type of transaction, business relationship or a particular transaction. When controlled, the reporting entities are also obliged to prove that the extent of customer due diligence performed is adequate, depending on the risk of legalization or terrorist financing.

[5] For relevant legal texts from the EU standards see Appendix II

[6] Please see Article 3(6) of the 3rd Directive reproduced in Appendix II

	Measures chosen on the basis of a risk identified the reporting entities may pursuant to the AML/CFT Law and in the frame of CDD be applied particularly with regard to verification of data on a beneficial owner, then at determining of the origin of the funds and at updating documents, data and information, which they already have about a client. The reporting entities apply risk-based approach at enhanced due diligence and in situations that they consider as more risky. Afterwards they are obliged to take measures on elimination of higher risk to a satisfactory level and in case of a control they are obliged to prove such adequacy.

Politically Exposed Persons	
Please indicate whether criteria for identifying PEPs in accordance with the provisions in the Third Directive and the Implementation Directive[7] are provided for in your domestic legislation (please also provide the legal text with your reply).	Definition of PEPs in Section 6 „Politically Exposed Person" of the AML/CFT Law means full implementation of Article 3(8) of the Third AML/CFT Directive as well as Article 2 of the Commission Directive 2006/70/EC. Section 6: Politically Exposed Person (1) Politically exposed person shall be for the purposes of this Act understood a natural person who is entrusted with a prominent public function and not having permanent residence in the Slovak Republic during performance of his function and during one year after termination of performance of a prominent public office. (2) Prominent public office shall mean: a) head of state, prime minister, deputy prime minister, minister, head of a government agency, state secretary or a similar deputy of a minister, b) member of Parliament, c) judge of the supreme court, judge of the constitutional court or other high-level judicial bodies the decisions of which are not subject to further appeal, except for special cases, d) member of the court of auditors or of the central bank board, e) ambassador, chargé d'affaires, f) high-rank military officer, g) member of executive body, supervisory body or auditing body of a state enterprise or a state-owned company or h) a person holding a similar post in the institutions of the European Union or international organizations. (3) Politically exposed person shall for the purposes of this Act also be understood a natural person who is a) the spouse or a person equivalent to a status of the spouse of the person referred to in subsection 1, b) a child, son-in law or daughter-in law of a person referred to in subsection 1 or a person having a status similar to that of son-in law or daughter-in law of a person referred to in subsection 1 or c) a parent of a person referred to in subsection 1. (4) Politically exposed person shall for the purposes of this Act also be understood a natural person known to be beneficial owner of a) the same customer or to be otherwise in control of the same customer, as a person referred to in subsection 1, or runs a common business with a person referred to in subsection 1 or b) a customer established for the benefit of a person referred to in subsection 1.

[7] Please see Article 3(8) of the 3rd Directive and Article 2 of Commission Directive 2006/70/EC reproduced in Appendix II.

"Tipping off"	
Please indicate whether the prohibition is limited to the transaction report or also covers ongoing ML or TF investigations.	Obligation of keeping secrecy against third persons pursuant to Section 18 „Obligation of Keeping Secrecy about a Reported Unusual Transaction" para 1 of the AML/CFT Law is connected to the reported unusual transaction and further measures done by the FIU and law enforcement bodies as well.
With respect to the prohibition of "tipping off" please indicate whether there are circumstances where the prohibition is lifted and, if so, the details of such circumstances.	This issues are regulated by Section 18 paras 6-11 (obliged entity=reporting entity). For better understanding, the text of said provision is as follows: Section 18: Obligation of Keeping Secrecy about a Reported Unusual Transaction (1) Obliged entity, employee of obliged entity, as well as person acting on behalf of obliged entity on the basis of another contractual relationship, shall be obliged to keep secret about reported unusual transaction and measures being taken by the Financial Intelligence Unit in relation to third persons including persons to whom such information relates. Obligation of keeping secrecy shall also apply to the performance of other duties by obliged entity under Section 17, subsection 5 and Section 21. (2) Employees of the National Bank of Slovakia and of the Ministry of Finance of the Slovak Republic (hereinafter referred to as the "Ministry") shall be obliged to keep secret about the facts they have learned during the conduct of control under Section 29 in relation to third persons including persons to whom such information concerns. (3) Obligation of keeping secrecy of persons referred to in subsections 1 and 2 shall also remain after the termination of employment, similar labour relationship or another contractual relationship. (4) Obligation of keeping secrecy shall be kept by any person who, in the course of performance of tasks of the Financial Intelligence Unit or in relation to them, becomes aware of information obtained under this Act. (5) Obligation of keeping secrecy may not be invoked by the obliged entity towards the National Bank of Slovakia and the Ministry during the conduct of supervision and control under Section 29. (6) The Financial Intelligence Unit shall relieve the obliged entity of the obligation of keeping secrecy if it concerns proceedings before a) law enforcement authorities, b) a civil court, c) an authority authorized under a special regulation45) to decide on a initiative for revocation of a licence for the conduct of business or other independent profitable activity under Section 34. (7) The Financial Intelligence Unit shall relieve the obliged entity of the obligation of keeping secrecy if it concerns proceedings regarding compensation for damage under Section 35 and proceedings before an administrative authority deciding upon an appeal against a decision rendered within the administrative procedure for a breach of the obligation laid down by this Act provided it is necessary for those proceedings and it shall not hinder the processing of the unusual transaction. (8) Provided that the disclosed information is used exclusively for the purposes of the prevention of legalization or terrorist financing, the obligation of keeping secrecy under subsection 1 shall not apply to the sharing of information between a) credit institutions or financial institutions operating in the territory of a Member State or in the territory of a third country which imposes on them obligations in the

	area of the prevention and detection of legalization and terrorist financing equivalent to the obligation laid down by this Act, and belonging to the same financial conglomerate,46) b) obliged entities under Section 5, subsection 1, letter h) and j) which operate in the territory of a Member State or in the territory of a third country which imposes on them obligations in the area of the prevention and detection of legalization and terrorist financing equivalent to the obligation laid down by this Act, provided they perform their activity as employees within the same legal entity or group of legal entities sharing common ownership, management or compliance control, c) between credit institutions, financial institutions, obliged entities under Section 5, subsection 1, letter h) and j) in cases related to the same customer and the same transaction involving two or more institutions or persons, provided that they operate in the territory of a Member State or in the territory of a third country which imposes on them obligations in the area of the prevention and detection of legalization and terrorist financing equivalent the obligation laid down by this Act, and they are obliged entities of the same type and are subject to equivalent measures for complying with obligation of keeping secrecy and personal data protection. (9) Information under subsection 8 may be exchanged between obliged entities even without the consent of the persons concerned. (10) Provided the obliged entity under Section 5, subsection 1, letter h) to j) acts with the intention to prevent a customer from committing illegal act, this action shall not be deemed a breach of the obligation of keeping secrecy under subsection 1. (11) The State authorities under Section 26, subsection 3 shall be obliged to keep secret about information and documentation provided to them under Section 26, subsection 3.

"Corporate liability"	
Please indicate whether corporate liability can be applied where an infringement is committed for the benefit of that legal person by a person who occupies a leading position within that legal person.	Not yet, for more information, please, see the answer to the R1.
Can corporate liability be applied where the infringement is committed for the benefit of that legal person as a result of lack of supervision or control by persons who occupy a leading position within that legal person.	n. a.

DNFBPs	
Please specify whether the obligations apply to all natural and legal persons trading in all goods where payments are made in cash in an amount of € 15 000 or over.	The Slovak Republic has adopted legislation in accordance with Article 5 of the Third AML Directive. In this context, in Section 5 „Obliged Entity“ para 3 of the AML/CFT Law it is stated that reporting entity shall for the purposes of the AML/CFT Law also mean an entrepreneur if carrying out cash transactions in amount of EUR 15,000 at least, regardless of whether the transaction is carried out in a single operation or in several linked transactions which are or may appear to be connected. Thus, the Slovak legal provision is not limited only to entrepreneurs dealing with goods, but captures also other entrepreneurs.

6. Statistics

Money Laundering and Financing of terrorism cases

a) Statistics provided in the first progress report

2004 (for comparison purposes)												
	Investigations		Prosecutions		Convictions (final)		Proceeds frozen		Proceeds seized		Proceeds confiscated	
	cases	persons	cases	persons	cases	persons	cases	amount (in EUR)	cases	amount (in EUR)	cases	amount (in EUR)
ML	108	1		0		13						
FT												

2005 (for comparison purposes)												
	Investigations		Prosecutions		Convictions (final)		Proceeds frozen		Proceeds seized		Proceeds confiscated	
	cases	persons	cases	persons	cases	persons	cases	amount (in EUR)	cases	amount (in EUR)	cases	amount (in EUR)
ML	106	72		35		9						
FT												

2006 (for comparison purposes)						
	Investigations	Prosecutions	Convictions (final)	Proceeds frozen	Proceeds seized	Proceeds confiscated

	cases	persons	cases	persons	cases	persons	cases	amount (in EUR)	cases	amount (in EUR)	cases	amount (in EUR)
ML	60	55		37		10						
FT												

2007 (1 January – 1 July) (for comparison purposes)												
	Investigations		**Prosecutions**		**Convictions (final)**		**Proceeds frozen**		**Proceeds seized**		**Proceeds confiscated**	
	cases	**persons**	**cases**	**persons**	**cases**	**persons**	**cases**	**amount (in EUR)**	**cases**	**amount (in EUR)**	**cases**	**amount (in EUR)**
ML	31	23		14		5						
FT												

b) Please complete, to the fullest extent possible, the following tables since the adoption of the first progress report.

2007 (2 July - 31 December)												
	Investigations		**Prosecutions**		**Convictions (final)**		**Proceeds frozen**		**Proceeds seized**		**Proceeds confiscated**	
	cases	**Persons**	**cases**	**persons**	**cases**	**persons**	**cases**	**amount** (in EUR)	**cases**	**amount** (in EUR)	**cases**	**amount** (in EUR)
ML	46	36		18		8						
FT	1	1										

2008												
	Investigations		**Prosecutions**		**Convictions (final)**		**Proceeds frozen**		**Proceeds seized**		**Proceeds confiscated**	
	cases	**Persons**	**cases**	**persons**	**cases**	**persons**	**cases**	**amount** (in EUR)	**cases**	**amount** (in EUR)	**cases**	**amount** (in EUR)
ML	87	35		18		10						
FT	3	2		1								

2009 (to date)						
	Investigations	**Prosecutions**	**Convictions (final)**	**Proceeds frozen**	**Proceeds seized**	**Proceeds confiscated**

	cases	Persons	cases	persons	cases	persons	cases	amount (in EUR)	cases	amount (in EUR)	cases	amount (in EUR)
ML	20	15		7		1						
FT	1	1							24	5,770,425		

7. STR/CTR

a) Statistics provided in the first progress report

2004 (for comparison purposes)											
Statistical Information on reports received by the FIU								**Judicial proceedings**			
Monitoring entities, e.g.	**transactions above threshold**	**suspicious transactions**		**cases opened by FIU**		**notifications to law enforcement/ prosecutors**		**indictments**		**convictions**	
		ML	**FT**	**ML**	**FT**	**ML**	**FT**	**ML**	**FT**	**ML**	**FT**
commercial banks		724	0								
insurance companies		67	0								
notaries		0	0								
currency exchange		0	0								
broker companies		0	0								
securities' registrars		3	0								
lawyers		0	0	818	0	N/A					
accountants/auditors		0	0								
company service providers		1	0								
bookmaker´s		1	0								
customs		20	0								
leasing		2	0								
Total		**818**	**0**								

2005											
Statistical Information on reports received by the FIU								**Judicial proceedings**			
Monitoring entities, e.g.	**transactions above threshold**	**suspicious transactions**		**cases opened by FIU**		**notifications to law enforcement/ prosecutors**		**indictments**		**convictions**	
		ML	**FT**	**ML**	**FT**	**ML**	**FT**	**ML**	**FT**	**ML**	**FT**
commercial banks		1084	15								
insurance companies		129	0								
notaries		0	0								
currency exchange		1	0								
broker companies		0	0								
securities' registrars		0	0								
lawyers		0	0								
accountants/auditors		0	0								
company service providers		0	0	1258	15	16	0				
bookmaker´s		2	0								
car dealers		37	0								
casino		2	0								
high value goods dealer		1	0								
customs		1	0								
executor		1	0								
Total		**1258**	**15**								

2006											
Statistical Information on reports received by the FIU								**Judicial proceedings**			
Monitoring entities, e.g.	**transactions above threshold**	**suspicious transactions**		**cases opened by FIU**		**notifications to law enforcement/ prosecutors**		**indictments**		**convictions**	
		ML	**FT**	**ML**	**FT**	**ML**	**FT**	**ML**	**FT**	**ML**	**FT**
commercial banks		1313	14	1556	14	12	0				
insurance companies		151	0								
notaries		0	0								
currency exchange		1	0								
broker companies		30	0								
securities' registrars		4	0								
lawyers		1	0								
accountants/auditors		0	0								
company service providers		0	0								

car dealers		53	0								
bookmaker´s		1	0								
post office		2	0								
executor		1	0								
Total		**1556**	**14**								

2007 (1 January – 1 July 2007)											
Statistical Information on reports received by the FIU								**Judicial proceedings**			
Monitoring entities, e.g.	**transactions above threshold**	**suspicious transactions**		**cases opened by FIU**		**notifications to law enforcement/ prosecutors**		**indictments**		**convictions**	
		ML	**FT**	**ML**	**FT**	**ML**	**FT**	**ML**	**FT**	**ML**	**FT**
commercial banks		776	5								
insurance companies		136	0								
notaries		0	0								
currency exchange		0	0								
broker companies		2	0								
securities' registrars		0	0	944	5	8					
lawyers		0	0								
accountants/auditors		0	0								
company service providers		0	0								
post office		1	0								
car dealers		29	0								
Total		**944**	**5**								

b) Please complete statistics since the adoption of the 1st progress report

2007															
Statistical Information on reports received by the FIU								**Judicial proceedings**							
Monitoring entities, e.g.	**reports about transactions above threshold**	**reports about suspicious transactions**		**cases opened by FIU**		**notifications to law enforcement/ prosecutors**		**indictments**				**convictions**			
								ML		**FT**		**ML**		**FT**	
		ML	**FT**	**ML**	**FT**	**ML**	**FT**	**cases**	**persons**	**cases**	**persons**	**cases**	**persons**	**cases**	**persons**
commercial banks			9	1936	9	1									
insurance companies															
notaries															
currency exchange															
broker companies															

securities' registrars															
lawyers															
accountants/auditors															
company service providers															
Total		**1936**	**9**												

2008															
Statistical Information on reports received by the FIU								**Judicial proceedings**							
Monitoring entities, e.g.	**reports about transactions above threshold**	**reports about suspicious transactions**		**cases opened by FIU**		**notifications to law enforcement/ prosecutors**		**indictments**				**convictions**			
								ML		**FT**		**ML**		**FT**	
		ML	**FT**	**ML**	**FT**	**ML**	**FT**	**cases**	**persons**	**cases**	**persons**	**cases**	**persons**	**cases**	**persons**
commercial banks		1926	16												
insurance companies		261													
notaries		5													
currency exchange		0													
broker companies		0													
securities' registrars		7													
lawyers		0				17 (directly submitted to the investigation process)									
accountants/auditors		1		2258	16										
company service providers		0													
postal services		4													
financial regulators		1													
car dealerships		49													
executors		2													
commercial companies		2													
Total		**2258**	**16**												

2009 (1 January – 30 June)															
Statistical Information on reports received by the FIU								**Judicial proceedings**							
Monitoring entities, e.g.	**reports about transactions above threshold**	**reports about suspicious transactions**		**cases opened by FIU**		**notifications to law enforcement/ prosecutors**		**indictments**				**convictions**			
								ML		**FT**		**ML**		**FT**	
		ML	**FT**	**ML**	**FT**	**ML**	**FT**	**cases**	**persons**	**cases**	**persons**	**cases**	**persons**	**cases**	**persons**
commercial banks		1186	21	1303	21	13 (directly submitted to the investigation process)									
insurance companies		58													
notaries		0													
currency exchange		0[8]													
broker companies		0													
securities' registrars		15													
lawyers		0													
accountants/auditors		1													
company service providers		0													
postal services		3													
gambling game operator		3													
car dealerships		27													
Administrator who manages activity within bankruptcy		1													
legal entity authorized to operate an auction hall		1													
commercial companies		8													
Total		**1303**	**21**												

[8] Following the adoption of the euro on 1 January 2009, the number of active foreign exchange license holders has reduced from 1,158 as at September 2008 to 1,241 in December 2008. A large part foreign exchange license holders are hotels.

c) AML/CFT sanctions imposed by supervisory authorities.

Please complete a table (as beneath) for administrative sanctions imposed for AML/CFT infringements in respect of each type of the supervised entity in the financial sector (eg, banks, insurance, securities etc).
If similar information is available in respect of supervised DNFBP, please provide an additional table (or tables), also with information as to the types of AML/CFT infringements for which sanctions were imposed.
Please adapt the tables, as necessary, also to indicate any criminal sanctions imposed on the initiative of supervisory authorities and for what types of infringement.

Administrative Sanctions imposed by the FIU – Financial sector/DNFBPs

	2004 for comparison	**2005 for comparison**	**2006**	**2007**	**2008**	**2009 (to date)**
Number of controls undertaken			Not available	12/35	9/37	8/8
Number of AML/CFT violations identified by the supervisor			Not available	10/24	10/28	2/2
Type of measure/sanction*						
Written warnings			Not available	0/0	0/0	0/0
Fines			Not available	8/22	7/22	1/2
Removal of manager/compliance officer			N/A	0/0	0/0	0/0
Withdrawal of license			N/A	0/0	0/0	0/0
Other**						
Total amount of fines (EUR)			Not available	11,286/ 24,066	34,711/ 29,804	1,000/ 1,150
Number of sanctions taken to the court (where applicable)			Not available	0/1	0/1	0/0
Number of final court orders			Not available	Not available	Not available	Not available
Average time for finalising a court order			Not available	3-6 years	3-6 years	3-6 years

APPENDIX I - Recommended Action Plan to Improve the AML / CFT System

FATF 40+9 Recommendations	Recommended Action (listed in order of priority)
1. General	The maintenance of meaningful and comprehensive statistics on AML/CFT performance, and for strategic analysis of Slovakia's AML/CFT vulnerabilities.
2. Legal System and Related Institutional Measures	
Criminalisation of Money Laundering (R.1 and 2)	• Satisfy themselves that all the language of article 6(1) (a) (b) of Palermo Convention and article 3(1)(b) and (c) of the Vienna Convention on the physical and the mental aspects of the ML offence are covered in article 252. • Ensure FT in all its forms is a predicate to the ML offence • Ensure conspiracy to commit ML involving two persons is covered not only in cases involving organised crime • Consider ensuring in guidance or legislation that knowledge can be inferred from objective factual circumstances • More emphasis should be place on the third party laundering and clarifying the evidence required to establish the underlying predicate in autonomous ML prosecutions • Keep more detailed statistics covering the nature of ML investigations, prosecutions, convictions and sentences including the details of predicate offences and whether prosecutions were brought autonomously
Criminalisation of Terrorist Financing (SR.II)	• Introduce an independent, autonomous offence of FT which explicitly addresses all the requirements of SR.II and the IN.
Confiscation, freezing and seizing of proceeds of crime (R.3)	• Ensure that the legal regime for seizure and freezing covers all indirect proceeds, substitutes etc which may be liable to confiscation in due course. • Clear legal provisions for confiscation from third parties • Establish a culture in the prosecution and judiciary which seeks routinely to apply provisional measures and confiscation in major proceeds-generating cases • Keep accurate statistical data
Freezing of funds used for terrorist financing (SR.III)	• Develop guidance and communication mechanisms with all financial intermediaries and DNFBP and a clear and publicly known procedure for de-listing and unfreezing in appropriate cases in a timely manner
The Financial Intelligence Unit and its functions (R.26, 30 and 32)	• Undertake more systematic training and provide guidelines and indicators on unusual business activities, particularly on FT • Provide more feedback • Re-assess resourcing of FIU for outreach, training and

	supervisions • Clarify FT reporting obligations in line with SR.IV • Revisit the system for requesting delays in transactions under Section 9 AML law • Maintain statistics on outcomes of information transmitted to other bodies by the FIU • More training for the FIU on FT issues required.
Law enforcement, prosecution and other competent authorities (R.27, 28, 30 and 32)	• More relevant law enforcement training and guidance required in money laundering cases (and financing of terrorism) • More policy and practical guidance needed to ensure proactive financial investigation in major proceeds-generating crimes • More coordination needed to join up the law enforcement effort.
3. Preventive Measures– Financial Institutions	
Risk of money laundering or financing of terrorism	• Articulate the national policy on risk of ML/CFT(in light of 3rd EU directive) and improve and enhance guidance notes across the whole financial sector.
Financial institution secrecy or confidentiality (R.4)	• Clearer provision for supervisory authorities to exchange information with other competent authorities enquiring into AML/CFT breaches.
Customer due diligence, including enhanced or reduced measures (R.5, R.7)	• It would be preferable for the AML Law to cover identification at account opening or establishing business relations across all reporting entities. • Provide reference in insurance and securities laws or regulations to the requirement to undertake CDD measures when establishing business relations. • Cover in Law or Regulation the requirement for CDD measures when carrying out occasional wire transfers (which fully include the verification process) and in cases of doubts regarding the veracity or adequacy of previously obtained customer identification data; • Provide in Law or Regulation for the requirement to carry out CDD measures in occasional transfers covered by the Interpretative Note to SR.VII; • Provide in the insurance and the securities laws guidance on which documents are reliable independent documents for verification of identification for natural persons; • Promulgate enforceable guidance on how the verification process should apply to legal persons (especially non-resident legal persons); • Clarify the timing of verification across the whole of the financial sector; • The definition of beneficial owner as set out in the FATF Recommendations in respect of ultimate control of the

	customer and the natural persons who exercise ultimate effective control over legal persons or arrangements should be provided for in Law or Regulation; • Review the notion of ongoing due diligence comprehensively in all financial sector laws or regulations; • The requirement for enhanced due diligence, in respect of a higher risk customers, needs to be incorporated in enforceable guidance across the whole financial sector; • Review and ensure that the practice of making an STR where CDD cannot be completed satisfactorily is provided for and is effectively operating; • Enforceable guidance to all financial institutions covering the policy on application of CDD measures to existing customers could be refined. • Implement by law, regulation or other enforceable means guidance on cross-border correspondent relationships in accordance with Recommendation 7.
(R.6)	• Put in place by Law, regulation or other enforceable means rules regarding PEPs covering criteria 6.1 to 6.4 of the Methodology in the whole financial sector.
(R.8)	• Put in place by Law, regulation or other enforceable means procedures to prevent the misuse of technological developments and non face to face relationships
(R.9)	• Ensure that supervision covers the requirements of Recommendation 9 across relevant parts of the financial sector.
Record keeping and wire transfer rules (R.10 and SR.VII)	• Consider providing a legal basis for keeping transaction records and identification data for longer than five years if necessary when properly required to do so in specific cases by a competent authority; • Consider harmonizing the period of retention of identification data between the Act on Banks and the AML Law (i.e. at least five years following the termination of the account or business relationship); • Clarify in the AML Law or in Decree that identification data should be retained to include account files and business correspondence; • Clarify in the AML Law that customer identification data (as well as transaction records) should be available on a timely basis to a competent authority in specific cases upon proper authority (which should include the Police generally and not just the Financial Police); • Ensure that full originator information, including name, address (or other permitted data in lieu of address) is available if requested in respect of domestic wire transfers; • The originator's address (or other permitted data in lieu of the address) should accompany all cross-border wire transfers; • Ensure that financial institutions conduct enhanced scrutiny of (and monitor for) suspicious activity funds transfers

	which do not contain complete originator information.
Monitoring of transactions and relationships (R.11 and 21)	• Recommendation 11 should be transposed and financial institutions should be required by law or regulation or other enforceable means to examine the background and purpose of all complex, unusual large transactions or unusual patterns of transactions that have no apparent or visible economic or lawful purpose.
Suspicious transaction reports and other reporting (R.13 and 14, 19, 25 and SR.IV and SR.IX)	• Clear guidance on unusual business activities needs providing to all the financial sector (which includes guidance on personal transactions) • AML Law should provide for attempted transactions • The financing of terrorism reporting obligation needs explicitly clarifying in the law to ensure that subject entities report where they suspect or have reasonable grounds to suspect that funds are linked or related to, or are to be used for terrorism, terrorist acts or terrorist organisations. • Article 12 of the AML law needs clarifying to clearly cover all civil and criminal liability for bona fide reports • The reporting duty should cover the NBS in respect of its commercial activities
Internal controls, compliance, audit and foreign branches (R.15 and 22)	• More enforceable guidance on the content of on-going employee training programs required • Screening procedures to ensure high standards when hiring employees need requiring by enforceable means • The requirement of a designation of a compliance officer at management level needs to be covered by enforceable means and it would assist to delineate his / her functions from internal audit and ensure he/she can act independently, and greater clarification of the compliance officer's powers and role is needed • A general obligation is required for financial institutions to ensure their branches and subsidiaries observe AML/CFT measures consistent with Slovakian requirements and the FATF Recommendations to the extent that host country laws and regulations permits; • Provision should be made for a requirement to pay particular attention to situations where branches and subsidiaries are based in countries that do not or insufficiently apply FATF Recommendations; • Provision should be made that where minimum AML/CFT requirements of the home and host countries differ, branches and subsidiaries in host countries should be required to apply the higher standard to the extent that local (i.e. host country) laws and regulations permit**.**
The supervisory and oversight system – competent authorities and SROs Roles, functions, duties and powers (including sanctions)	• A general power to supervise and to sanction for CFT issues is required across the whole financial sector • NBS should have power to monitor AML/CFT in exchange houses • Greater clarification of roles in supervision is required

(R.17, 23, 29 and 30)	between the FIU and prudential supervisors to avoid double sanctioning • More staff and training for all supervisory authorities and the FIU to adequately perform AML/CFT supervision
Shell banks (R.18)	• Provision should be made by law, regulation or other enforceable means prohibiting financial institutions entering or continuing correspondent relationships with shell banks. FIs should be obliged to satisfy themselves that a respondent financial institution does not permit its accounts to be used by shell banks.
Financial institutions – market entry and ownership/control (R.23)	• Provision should be made to examine the fitness and propriety of owners and significant shareholders of FXs houses.
Ongoing supervision and monitoring (R23, 29)	• All AML/CFT obligations which under the Methodology should be required by law, regulation or other enforceable means should be capable of being sanctioned. • More AML/CFT supervision is required across the whole financial sector.
AML/CFT Guidelines (R.25)	• Coordinated and consistent sector-specific guidelines on both AML/ CFT issues should be established to assist financial institutions and DNFBP and adequate and appropriate feedback should be addressed in line with the FATF Best Practices Guidelines.
Money or value transfer services (SR.VI)	• Those licensed to provide money or value transfer services should have guidance on the kind of information regarding transactions that should be recorded as a minimum. Money exchange companies should be required to examine the purpose of complex, unusual, large transactions or patterns of transactions.
4. Preventive Measures – Designated Non-Financial Businesses and Professions	
Customer due diligence and record-keeping (R.12)	• All requirements in relation to full identification of beneficial ownership and additional identification/KYC rules should apply to DNFBP especially regarding higher risk activities. • CDD should be required by real estate dealers, lawyers, notaries and other independent legal professionals and accountants in the circumstances set out in Recommendation 12. • Implementation of Rec. 6 (PEPs) required for DNFBP. • Clear guidance re emerging technological developments required (Rec. 8). • All essential criteria marked with an asterisk in Rec. 10 should be covered for DNFBP by law or regulation. • Information campaign and outreach required to DNFBP to explain obligations.
Monitoring of transactions and relationships (R.12 and 16)	• Rec. 11 – paying special attention to all complex, unusual large transactions needs applying to DNFBP by law,

	regulation or other enforceable means.
(R.13)	• Reporting obligations needs explaining in guidance, particularly on FT. • The issue of potential risks that may arise having business relationships and transactions with persons from countries which do not or insufficiently apply the FATF recommendations needs to be addressed in regard of the DNFBP.
(R.14)	• Safe harbour provisions should cover both criminal and civil liability in respect of DNFBP employees.
Internal controls, compliance and audit (R.16)	• Greater clarification of the position of compliance officers at management level (in so far as relevant to DNFBP) should be provided and internal systems and policies need developing
Regulation, supervision and monitoring (R.17, 24-25)	• More work and resources are required to create an effective risk based system for monitoring and ensuring compliance with AML/CFT throughout the sector and the provision of such sectoral guidance.
Other designated non-financial businesses and professions (R.20)	• Consideration should be given to those DNFBP that are at risk of being misused for TF as well as ML. • Develop an overarching strategy on the use of modern and secure techniques of money management.
5. Legal Persons and Arrangements and Non-profit Organisations	
Legal Persons–Access to beneficial ownership and control information (R.33)	• Commercial, cooperate and other laws should be reviewed with a view to taking measures to provide adequate transparency with respect to the beneficial ownership.
Legal Arrangements–Access to beneficial ownership and control information (R.34)	No recommendation.
Non-profit organisations (SR.VIII)	• Formal analysis required of threats posed by the sector as a whole • Assess adequacy of current legal framework • Consider how effective and proportionate oversight can be achieved (including program of verification and direct field audits in particular vulnerable sectors) • Consider guidance to FIs on specific risks of this sector • Consider whether further measures need taking in the light of the Best Practices Paper for SR.VIII
6. National and International Co-operation	
National Co-operation and Co-ordination (R.31)	• Strategic co-ordination and collective review of the performance of the system as a whole (including analysis, where appropriate, of better statistical information) needs developing in more detail. More detailed statistics are required across the board to assist proper strategic

	analysis.
The Conventions and UN Special Resolutions (R.35 and SR.I)	• Provide for adequate TF criminalisation and more guidance and communication mechanisms needed with FIs and DNFBP re UN Resolutions.
Mutual Legal Assistance (R.32, 36-38, SR.V)	• Fully extent the FT offence in line with SR. II and IN • Complete, precise and detailed statistics should be kept on AML/CFT MLA.
Extradition (R.32, 37 and 39, and SR.V)	• The FT offence needs extending as the current incrimination could limit extradition possibilities • Complete, precise and detailed statistics should be kept on AML/CFT extradition
Other forms of co-operation (R.32)	• FIUs statistics on response times should be kept • Slovak authorities should satisfy themselves that the supervisory bodies are exchanging information with foreign counterparts.

APPENDIX II

Excerpt from Directive 2005/60/EC of the European Parliament and of the Council, formally adopted 20 September 2005, on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing

Article 3 (6) of EU AML/CFT Directive 2005/60/EC (3rd Directive):

(6) "beneficial owner" means the natural person(s) who ultimately owns or controls the customer and/or the natural person on whose behalf a transaction or activity is being conducted. The beneficial owner shall at least include:

(a) in the case of corporate entities:

(i) the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership or control over a sufficient percentage of the shares or voting rights in that legal entity, including through bearer share holdings, other than a company listed on a regulated market that is subject to disclosure requirements consistent with Community legislation or subject to equivalent international standards; a percentage of 25 % plus one share shall be deemed sufficient to meet this criterion;
(ii) the natural person(s) who otherwise exercises control over the management of a legal entity:

(b) in the case of legal entities, such as foundations, and legal arrangements, such as trusts, which administer and distribute funds:

(i) where the future beneficiaries have already been determined, the natural person(s) who is the beneficiary of 25 % or more of the property of a legal arrangement or entity;
(ii) where the individuals that benefit from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;
(iii) the natural person(s) who exercises control over 25 % or more of the property of a legal arrangement or entity;

Article 3 (8) of the EU AML/CFT Directive 2005/60EC (3rd Directive):

(8) "politically exposed persons" means natural persons who are or have been entrusted with prominent public functions and immediate family members, or persons known to be close associates, of such persons;

Excerpt from Commission directive 2006/70/EC of 1 August 2006 laying down implementing measures for Directive 2005/60/EC of the European Parliament and of the Council as regards the definition of 'politically exposed person' and the technical criteria for simplified customer due diligence procedures and for exemption on grounds of a financial activity conducted on an occasional or very limited basis.

Article 2 of Commission Directive 2006/70/EC (Implementation Directive):

Article 2
Politically exposed persons

1. For the purposes of Article 3(8) of Directive 2005/60/EC, "natural persons who are or have been entrusted with prominent public functions" shall include the following:
(a) heads of State, heads of government, ministers and deputy or assistant ministers;
(b) members of parliaments;

(c) members of supreme courts, of constitutional courts or of other high-level judicial bodies whose decisions are not subject to further appeal, except in exceptional circumstances;
(d) members of courts of auditors or of the boards of central banks;
(e) ambassadors, chargés d'affaires and high-ranking officers in the armed forces;
(f) members of the administrative, management or supervisory bodies of State-owned enterprises.
None of the categories set out in points (a) to (f) of the first subparagraph shall be understood as covering middle ranking or more junior officials.
The categories set out in points (a) to (e) of the first subparagraph shall, where applicable, include positions at Community and international level.

2. For the purposes of Article 3(8) of Directive 2005/60/EC, "immediate family members" shall include the following:
(a) the spouse;
(b) any partner considered by national law as equivalent to the spouse;
(c) the children and their spouses or partners;
(d) the parents.

3. For the purposes of Article 3(8) of Directive 2005/60/EC, "persons known to be close associates" shall include the following:
(a) any natural person who is known to have joint beneficial ownership of legal entities or legal arrangements, or any other close business relations, with a person referred to in paragraph 1;
(b) any natural person who has sole beneficial ownership of a legal entity or legal arrangement which is known to have been set up for the benefit de facto of the person referred to in paragraph 1.

4. Without prejudice to the application, on a risk-sensitive basis, of enhanced customer due diligence measures, where a person has ceased to be entrusted with a prominent public function within the meaning of paragraph 1 of this Article for a period of at least one year, institutions and persons referred to in Article 2(1) of Directive 2005/60/EC shall not be obliged to consider such a person as politically exposed.

APPENDIX III – Annexes submitted with the first progress report

ANNEX 1

Organization and management of a securities dealer
Article 71

(1) A securities dealer shall, in its articles of association, regulate relations and cooperation between its board of directors, supervisory board, managerial employees and employees responsible for internal control. A securities dealer shall also in its articles of association assign and regulate powers and responsibilities in regard to the prevention of money laundering.
(2) A securities dealer, or a foreign securities dealer in respect of its branch, shall draft and comply with the operational rules that regulate the following:
a) the execution of transactions in investment instruments by members of the board of directors, members of the supervisory board, and employees of the securities dealer, mainly in order to avoid any conflict of interest with a customer;
b) an effective system of internal control appropriate to the character and nature of the investment services;
c) the information system.
(3) The organizational structure and management system of a securities dealer or the branch of a foreign securities dealer shall ensure the proper and safe performance of the investment services specified in its investment services licence. The organizational structure and management system of a securities dealer or the branch of a foreign securities dealer shall include an employee or employees responsible for the conduct of internal control.
(4) For the purposes of this Act, 'internal control' means control of compliance with laws and other generally binding regulations and with the internal management directives and operational procedures of the securities dealer or the branch of a foreign securities dealer, which is performed by one or more employees of the securities dealer or the branch of a foreign securities dealer, or by other persons on a contractual basis.
(5) A securities dealer shall give the National Bank of Slovakia prior written notice of any draft amendment to its articles of association. Without undue delay, after any such amendment has been made, the securities dealer shall provide the National Bank of Slovakia with an officially certified copy of its applicable articles of association. A securities dealer or the branch of a foreign securities dealer shall submit its organizational structure to the National Bank of Slovakia without undue delay after any amendment thereto.
(6) The supervisory board of a securities dealer may require the employee responsible for internal control to inspect the securities dealer within terms of reference drafted by the supervisory board.
(7) Where the employee, who is responsible for internal control, has identified a breach by the securities dealer, or the branch of a foreign securities dealer, of its obligations arising under generally binding legal regulations, and this breach could affect the proper performance of activities by the securities dealer or the branch of a foreign securities dealer, that employee shall notify the supervisory board and the National Bank of Slovakia of this breach without undue delay.
(8) Not later than 31 March of each calendar year, the employee responsible for internal control shall submit to the National Bank of Slovakia a report on his activities of the previous year and on any measures taken to rectify shortcomings which he identified in the operation of the securities dealer or the branch of a foreign securities dealer, and an inspection plan for the current calendar year.
(9) The employee responsible for internal control may not be a member of either the board of directors of the securities dealer or its supervisory board.

Article 73
Rules for securities dealers in dealings with customers

(9) A securities dealer shall request proof of identity in each transaction that it makes with a customer, and the customer shall comply with every such request. A securities dealer shall refuse to perform any transaction in which the customer remains anonymous.

(10) For the purposes of paragraph (9), the identity of a customer may be established either with an identity document, or with the customer's signature provided that the customer is personally known to the securities dealer and that his signature undoubtedly matches the signature he gave in a specimen signature deposited with the securities dealer, the signing of which was accompanied by the customer establishing his identity with an identity document. In the case of a transaction executed through technical equipment, identity shall be established with a personal identification number or similar code which was assigned to the customer by the securities dealer or the branch of a foreign securities dealer, together with authentication information agreed between the securities dealer or the branch of the foreign securities dealer and the customer, or with an electronic signature in accordance with a separate law.

CENTRAL DEPOSITORY

Article 99

(1) A central depository is a joint stock company which has its registered office in the territory of the Slovak Republic and is governed by the respective provisions of the Commercial Code, unless otherwise provided by this Act. A central depository may not be transformed.

(2) A central depository shall have share capital of at least SKK 250 million.

(3) A central depository shall:

a) register book-entry securities and immobilized securities in issuers' registers, except for securities registered in the Central Register of Short-Term Securities maintained by the National Bank of Slovakia (Article 10(4)) and except for book-entry shares in open-end mutual funds registered with the depository of an open-end mutual fund;
b) register owners of book-entry securities in owners' accounts, and information on securities held in members' customer accounts, to the extent provided for in this Act;
c) register changes in owners' accounts to the extent provided for in this Act and changes to members' customer accounts;
d) register information on book-entry securities and immobilized securities to the extent provided for in this Act;
e) assign, change and cancel ISIN numbers;
f) provide services to members of the central depository, issuers of securities, the stock exchange, and foreign stock exchanges, in relation to the activities mentioned in subparagraphs (a) to (e) and paragraph (4);
g) ensure and organize a data processing system for the maintenance of registers referred to in subparagraphs (a) to (d) and Article 104(2)(a) to (c);
h) ensure the clearing and settlement of stock exchange transactions in investment instruments and the clearing and settlement of transactions in investment instruments at the customer's request; to ensure clearing and settlement of such transactions means to organize and operate a system of clearing and settlement for transactions in investment instruments (hereinafter referred to as the 'settlement system') for at least three participants in the settlement system;
i) keep lists of shareholders for registered paper shares;
j) register other information as required by this Act or a separate law,
k) open and maintain holder´s accounts for central depository.

(4) In addition to performing the activities mentioned in paragraph (3), a central depository may:

a) ensure the redemption of the nominal value of securities and the payment of yields on securities after their maturity, as well as other related activities at the issuer's request;
b) keep custody of and administer one or more investment instruments on the basis of a contract under Article 39 or Article 41;
c) offer safe deposit boxes;
d) extend credits or loans to customers for the purpose of making transactions in investment instruments, without prejudice to the provisions of a separate law;[15]

e) establish a customer account with one or more other central depositories, or with central depositories which have their registered office outside the territory of the Slovak Republic, and provide related services;
f) ensure other activities related to the activities of a central depository as defined in this Act,
g) open and maintain holder´s accounts for central depository and provide related services.

(5) A central depository may perform the activities mentioned in paragraph (4) only if they are stated in the licence for the incorporation and operation of that central depository. The licence to perform activities mentioned in paragraph (3)(e) may be granted to only one central depository. The provision of paragraph (3)(e) shall not apply to a central depository if the licence for the incorporation and operation of that central depository does not state the activities mentioned in paragraph (3)(e).

(6) A natural or legal person other than a central depository as defined in this Act may not provide the services mentioned in paragraph (3), unless otherwise provided by this Act.

(7) A central depository shall perform the activities stated in the licence for its incorporation and operation for a fee, unless otherwise provided by this Act.

(8) A central depository is entitled to any documents necessary for the performance of its activities and may refuse to perform a service for which such documents have not been provided. Any expense related to the non-provision of such documents, their late or incomplete provision, or their provision in a form other than that requested, shall be borne by whomever is required to provide the documents.

(9) The business name of a central depository shall include the designation 'central securities depository'. No other natural or legal person may use the designation 'central securities depository' in its business name.

(10) Unless otherwise provided by this Act or a separate law, a central depository may only be established by the Ministry, the National Property fund of the Slovak Republic, the National Bank of Slovakia, a bank, a securities dealer, an insurance company, an asset management company, another central depository, a stock exchange, or a legal person with a similar scope of business which has its registered office in another country.

(11) A central depository shall issue registered book-entry shares, and the form or type of these shares may not be changed. A central depository may not issue preference or employee shares.[90]

(12) Only a legal person which is eligible to establish a central depository may hold shares in a central depository.

(13) The organization and management of a central depository and its operational rules in relation to customers shall be subject to the provisions of Article 71 and Article 73(9) and (10).

(14) For each transaction with a consideration of at least EUR 15,000, a central depository shall establish the ownership of the funds used by the customer in the transaction; this does not apply to instructions to register the transfer of book-entry securities in accordance with Articles 24 and 25, or instructions given by members or a stock exchange to clear and settle transactions in other investment instruments. For the purposes of this provision, the ownership of funds shall be established by the customer making a binding written declaration in which he states whether he himself owns the funds and whether the transaction is to be executed on his own account. If the funds are owned by another person, or if the transaction is to be performed on the account of another person, the customer shall state in the declaration the forename, surname, birth registration number or date of birth, and address of permanent residence of that natural person, or the business name, registered office and identification number, if assigned, of that legal person. In such case, the customer shall provide the central depository with the other person's written consent to use his or its funds in the respective transaction or to execute the transaction on his or its account. If the customer has failed to comply with his obligations under this paragraph, the central depository shall refuse to execute the transaction in question.

(15) Participants in the settlement system mentioned in paragraph (3)(h) shall comprise the central depository, its members, and other legal persons stipulated in the operational rules.

(16) The National Bank of Slovakia shall provide regional courts and the Supreme Court of the Slovak Republic with a list of central depositories and other participants in settlement systems. The National Bank of Slovakia shall inform the Commission of the central depositories and other settlement system participants to the extent laid down by legally binding acts of the European Communities and the European Union governing payment systems and securities settlement systems.

Article 104
Member

(1) Any of the following may be a member:

a) a securities dealer authorized to provide investment services in accordance with Article 6(2)(a)(b) or (d), and thereby to use a customer's funds or investment instruments;
b) a foreign securities dealer licensed under Article 54 which is authorized to provide investment services in the territory of the Slovak Republic to the extent provided for in Article 6(2)(a), (b), or (d), and thereby to use a customer's funds or investment instruments;
c) a foreign securities dealer in accordance with Article 65;
d) the National Bank of Slovakia;
e) another central depository;
f) a foreign central depository.

(2) A member shall perform the following activities:

a) register owners of book-entry securities and changes thereof, as well as other information relating to such owners;
b) register the information referred to in Article 99(3)(d) in owners' accounts;
c) instruct the central depository to record debit or credit entries in the member's customer account;
d) instruct the central depository and another member to register a transfer in accordance with Article 22 and 23;
e) issue other instructions to the central depository, other than orders mentioned in subparagraphs (c) and (d) for the clearing and settlement of transactions in investment instruments.

(3) A member shall perform the activities mentioned in paragraph (2) within the data processing system that the central depository operates under the conditions stipulated in this Act and under the operational rules.

(4) A member may only issue an order to transfer a book-entry security, or to clear and settle transactions in investment instruments, through a natural person of integrity who knows how to issue such an order, is familiar with the operational rules, and whose qualification to issue orders is evidenced in the manner laid down in the operational rules.

(5) A central depository may request a member to provide information that the central depository requires for the fulfilment of its obligations arising under this Act. If so requested by the central depository, a member shall supply the information without undue delay. The central depository shall not make entries in an owner´s account maintained by a member; this does not apply to the registration of a suspension of the right of use pertaining to an entire issue in accordance with Article 28(5), nor to entries in owners' accounts maintained by the member in regard to:

a) the issuance of book-entry securities under Article 13;
b) the conversion of securities under Article 16(3) and Article 17(2);
c) a change in the particulars of book-entry securities under Article 12;
d) the termination of securities under Article 14(4).

(6) A member may request the central depository to provide information necessary for the fulfilment of the member's obligations arising under this Act. If so requested by a member, the central depository shall provide the information without undue delay.

(7) If the National Bank of Slovakia revokes a member's investment services licence, the entity concerned shall cease to be a member once the National Bank of Slovakia has notified the central depository of this fact.

(8) The central depository shall grant membership on the basis of an application. The grant of membership by the central depository shall be conditional on the prior approval of the National Bank of Slovakia under Article 70(1)(g) and on demonstrating that the operational rules under Article 103(2)(f) and (h) have been met. The issuance of prior approval by the National Bank of Slovakia under Article 70(1)(g) shall not be required for the entities mentioned in paragraph (1)(d) to (f).

(9) If a member fails to observe the operational rules, the central depository may suspend or revoke its membership. The central depository may suspend the membership of a member in the central depository for a period not exceeding one year. If the central depository revokes or suspends membership, it shall notify the National Bank of Slovakia of this fact without undue delay.

Article 105a
Holder's account

(1) A holder's account is a member's account in which the central depository records information on securities whose owners are registered with the member. A holder's account is not an account in the meaning of Article 105 or 106. Information on the owner of a security shall be maintained in a register established in accordance with the same legal system under which was founded the foreign legal person for whom the holder's account has been opened. This shall be without prejudice to obligations of securities owners as laid down in Article 113, or other obligations arising under this Act or a separate law.
(2) A holder's account shall include:
a) the number of the holder's account, and the date when it was opened;
b) the business name or name, identification number, and registered office of the member for whom the holder's account was established;
c) information on individual securities, in particular:
    1. the class of the security, further details pertaining to its fungibility, ISIN number, and other particulars of the security;
    2. the number of units of securities in the respective issue, and their share in that issue;
    3. other information about the security, information on the registration of the right of use under Article 28(3)(e) and (f);
d) the date and time of the respective accounting entry in the holder's account.

(3) A central depository may only open a holder's account for a member that is a foreign central depository or a foreign legal person with a similar scope of business.
(4) A central depository shall open a holder's account on the basis of a written application made by the member in accordance with the operational rules.
(5) After opening a holder's account, the central depository shall notify the member of the number of this account without undue delay.
(6) Legal relations between the member on whose application the holder's account was opened and the central depository shall be governed by this Act and the Commercial Code.
(7) A statement of a holder's account shall be delivered by the central depository to the member following every credit or debit entry recorded in the account, unless otherwise agreed, or at the member's request.
(8) A statement of a holder's account issued after the recording of a credit or debit entry in the holder's account shall include information on the securities that the change concerns, both before and after the change was recorded, indicating the number of units of securities broken down by class, issuer, and issue, including their share in the relevant issue. A holder's account statement issued at the request of the member shall state the number of units of securities broken down by class, issuer and issue, including their share in the relevant issue.
(9) For operations requiring a statement of information on the owner of a security registered under this Act, information on the owner of a security recorded in a holder's account shall be replaced with information on the member for whom the holder's account was opened, and this fact shall be stated.
(10) Where information on securities is recorded in a holder's account, and a disclosure obligation is imposed on the central depository by law, information on the owner of the securities shall be replaced with information on the member for whom the holders account was opened, and this fact shall be stated.

Article 109
Classified information

(1) A central depository and member shall keep confidential any information registered by the central depository under Article Section 99(3)(a) to (d), or by the member under Article 104(2), (a) to (c), unless otherwise provided in this Act.
(2) Except for information provided in fulfilment of the disclosure obligation under Articles 105, 107 and 108, a central depository or member shall disclose information only if required to do so by this Act or by a separate regulation, and only to persons who prove to the central depository or member that the person to whom the information pertains authorized them to acquire this information.

Article 110

(1) A central depository shall disclose classified information as defined in Article 109(1) to the following:

a) a legal person exercising supervision for the purposes set out in a separate law;[20]
b) a court for the purposes of civil court proceedings;[91]
c) the criminal law enforcement authorities for the purposes of a criminal prosecution;[92]
d) the National Bank of Slovakia for the purposes of its supervisory activities;[93]
e) the criminal police service and the financial police service of the Police Force for the performance of duties laid down by a separate law;[94]
f) a tax authority or customs authority for the purposes of tax proceedings[95] or customs proceedings involving a customer of a central depository or member;
g) the Ministry for the performance of an inspection under a separate regulation;[96]
h) a central government body for the enforcement of a decision under a separate law;[97]
i) the assignee where a claim is assigned under Article 110a;
j) the National Security Office for the purposes of security screening under a separate regulation;[97a]
k) Military Intelligence in regard to the performance of its duties under a separate law.[97b]

(2) For the purposes mentioned in paragraph (1) and Article 107(8), a central depository may obtain necessary information from a member's records held in an owner's account.

(3) A central depository or member shall only provide information under paragraph (1) at the written request of an eligible entity, which includes details that allow the requested information to be identified. The eligible entity may only use such information for the purposes stated in its request.

(4) For providing information under paragraph (1)(b), the central depository or member are entitled to the reimbursement of expenses.

(5) The provision of paragraph (1) shall be without prejudice to the obligation to prevent or disclose a criminal offence imposed by a separate law.

ANNEX 2

Article 93a of the Act on Banks

(1) For the purposes of ascertaining, reviewing and checking the identity of clients and their proxies, for the purposes of concluding and executing transactions with the clients and for other purposes listed in paragraph 3, the clients and their proxies, shall be obligated, any time a transaction occurs, at request from a bank and branch office of a foreign bank:

a) to provide:

1. if concerned is a natural person, including a natural person representing a legal person, the personal data concerning the identity on the scope of the first name, surname, the address of permanent residence, the address of temporary residence, the birth register number, if assigned, the date of birth, citizenship, the type and number of identity document, and if concerned is a natural person who is a business person, to also supply the address of place of business, the line of business, the designation of an official register or another official records in which he is entered, and the number of entry in this register or records,

2. if concerned is a legal person, the identification data on the scope of the name, identification number, if assigned, the address of registered office, the line of business or other activities, the address of place of business or location of branches and another address of the place of performance of activities, as well as the list of persons constituting the statutory body of this legal person and the data on them on the scope prescribed by the first point, the list of persons constituting this legal person whose share in the registered capital or voting rights of this legal person exceeds 10% and their identification data; in the case of legal persons, on the scope of the name, legal form, headquarters address, identification number and country ISO code; in the case of natural persons, on the scope described in the first point, as well as the designation of an official register or another official records in which the legal person concerned is entered, and the number of entry in this register or records,

3. contact telephone number, fax number and e-mail address, if any,

4. documents and data proving and documenting:
4a. the client's ability to discharge his obligations from a transaction,
4b. a security required in respect of the obligations from the transaction,
4c. authorisation to representation, where a proxy is involved,
4d. the fulfilment of other requirements and conditions for the conclusion and execution of a transaction stipulated by this Act and by separate regulations or agreed with a bank or branch office of a foreign bank;
b) to enable it to obtain through copying, scanning or other recording:
1. the personal data concerning the identity from an identity document on the scope of the degree, first name, surname at birth, the birth register number, the date of birth, the place and district of birth, the address of permanent residence, the address of temporary residence, citizenship, any record of restriction of the capacity to legal acts, the type and number of an identity document, the issuing body, the issue date and the validity period of the identity document, and
2. other data from documents proving and documenting the data subject to letter a).

(2) For the purposes of ascertaining, reviewing and checking the identity of clients and their proxies, for the purposes of preparing, concluding and executing transactions with the clients and for other purposes listed in paragraph 3, a bank and branch office of a foreign bank shall be entitled, any time a transaction occurs, to request from the client and his proxy the data on the scope pursuant to paragraph 1 and to obtain it repeatedly at each transaction in the manner specified in paragraph 1, letter b). The client and his proxy shall be obligated to satisfy each such request from the bank and branch office of a foreign bank.

(3) For the purposes of ascertaining, reviewing and checking the identity of clients and their proxies, for the purposes of concluding and executing transactions between a bank and branch office of a foreign bank and their clients, for the purposes of protection and enforcement of the rights of the bank and branch office of a foreign bank against their clients, for the purposes of documenting the operations of the bank and branch office of a foreign bank, for the purposes of performing supervision over banks and branch offices of foreign banks and over their operations and with a view to performing the tasks and duties of banks and branch offices of foreign banks hereunder or according to separate regulations, a bank and branch office of a foreign bank shall be entitled, even without consent from and advising of the persons concerned, to ascertain, acquire, record, store, use or otherwise process the personal data and other data on the scope prescribed by paragraph 1, Article 91, paragraph 1, Article 38, paragraph 3 and Article 92a; in so doing, the bank or branch office of a foreign bank shall be entitled, either by automated or non-automated means, to make copies of identity documents and process birth register numbers and other data and documents on the scope prescribed by paragraph 1, Article 91, paragraph 1, Article 38, paragraph 3 and Article 92a.

(4) A bank and branch office of a foreign bank shall be obligated, even without consent from and advising of the persons concerned, to make available and provide the data subject to paragraphs 1 to 3, Article 91, paragraph 1, Article 38, paragraph 3 and Article 92a for processing to other persons determined by law only subject to the conditions stipulated by this Act or a separate law and to the National Bank of Slovakia for the purposes of maintaining the register of bank loans and guarantees and performing the authority, supervision and activities pursuant to this Act and separate laws. For the purposes prescribed by paragraph 3, the National Bank of Slovakia shall be entitled to process and make available and provide to banks and branch offices of foreign banks from its information system the data subject to paragraphs 1 to 3, Article 91, paragraph 1, and Article 92a that is entered in the register of bank loans and guarantees.

(5) A bank and branch office of a foreign bank shall be entitled, even without consent from and advising of the persons concerned, to make available and provide the data subject to paragraphs 1 to 3, Article 91, paragraph 1, Article 38, paragraph 3 and Article 92a from its information system only to persons and bodies to whom it is obligated by law to provide or to whom it is entitled according to the law to provide information protected by bank secrecy, but just on the scope prescribed for the provision of information protected by bank secrecy.

(6) A bank and branch office of a foreign bank may make available and provide abroad the data subject to paragraphs 1 to 3, Article 91, paragraph 1, Article 38, paragraph 3 and Article 92a only subject to the conditions stipulated by a separate law88i or where so stipulated by an international treaty binding on the Slovak Republic and taking precedence over the laws of the Slovak Republic.
(7) The premises of a bank, branch of a foreign bank and the National Bank of Slovakia, and ATM machines and currency exchange machines not located in the premises of a bank or branch of a foreign bank, may be monitored by video or audio recordings even where there is no notice that the area is under surveillance; the recordings may be used to reveal crimes, detect and search for their perpetrators, and especially for the purposes of anti-money laundering, uncovering illegal financial operations, judicial proceedings, criminal proceedings, misdemeanour proceedings, and supervision of the discharge of the obligations imposed by law on banks and the branches of foreign banks. Any such video or audio recordings made by a bank, branch of a foreign bank or the National Bank of Slovakia shall be handed over without delay to the authority mentioned in Article 91(4)(b), (g) and (o), if it so requests. If a recording is not used for these purposes, then it shall be destroyed by whoever made it not later than 12 months after its making.
(8) A bank may process the personal data of customers and other relevant persons for the purpose of assessing risks related to a planned transaction between the customer and the bank in the scope defined in paragraph 1(a). The prior approval issued by the National Bank of Slovakia under Article 33 shall include a decision of the National Bank of Slovakia on whether the processed personal data set out by the bank in its application for prior approval corresponds to the purpose of their processing in terms of the scope, content and method of processing or use, whether they are compatible with the given purpose of processing, whether they are essential to achieving this purpose or whether they are out of date in time and subject matter terms in relation to this purpose.

ANNEX 3

Criminal Code

Section 10

Minor offence/Misdemeanour

(1) Minor offence means
   a) criminal offence committed by negligence
   b) intentional criminal act liable to a sentence of deprivation of liberty with maximum term not exceeding five years pursuant to a separate part of this Act
(2) If a seriousness/gravity of an act is insignificant with regard taken to way/manner of commission, consequences, circumstances, degree of fault and perpetrator's motive, such act is not considered as minor offence.

Section 11

Crime

(1) Intentional criminal act that is liable to a sentence of deprivation of liberty with maximum term exceeding five years pursuant to a separate part of this Act is crime.
(2) Any act is also considered as crime if within more rigorously qualified facts of a minor offence committed intentionally, the maximum sentence is defined exceeding five years.
(3) Crime is considered extremely serious if it is liable to a sentence of deprivation of liberty with minimum term at least ten years pursuant to this Act.

Section 13

Preparation of a crime

(1) Following acting is considered as preparation of a crime: intentional organization of a crime, provision or adaptation of means or tools to commit it, conspiracy, joining with others, abetting,

ordering a crime, aiding or any other intentional creation of conditions for commission of a crime provided that no attempt neither completion of crime happened.

(2) Preparation of a crime is punishable pursuant to severity of sentence imposed for a crime to the commission of which such preparation has been directed.

(3) Punishability of preparation of a crime expires/ceases to exist if a perpetrator
   a) voluntarily refrains from acting directed towards commission of a crime and he/she removes the danger arising of preparation done to an interest protected by this Act, or
   b) has reported to the law enforcement body or to the Police the preparation of a crime and he/she has done it in due time in order to permit removal of a danger arising from such preparation to an interest protected by this Act; a soldier may report to his/her superior and a person serving a sentence or a person in custody may report to a member of Prison and judicial guard.

(4) Punishability of a perpetrator for other crime already committed by such acting is not affected by the provision of the par. 3.

Sentence of forfeiture of property

Section 58

(1) Court may impose sentence of forfeiture of property with regard taken to circumstances of a criminal offence committed as well as to the situation of a perpetrator if a court is imposing life sentence or unconditional sentence of deprivation of liberty for extremely serious crime through commission of which the perpetrator obtained or attempted to obtain extensive property benefit or by which the perpetrator has caused extensive damage.

(2) Without meeting the conditions stated in the par. 1, a court may impose sentence of forfeiture of property while sentencing a perpetrator of commission of criminal offence of illicit manufacturing of narcotic or psychotropic substances, poisons, precursors, possession thereof or trafficking therein pursuant to the Section 172, par. 2, 3 or 4, or of criminal offence of money laundering pursuant to the Section 233, criminal offence of establishing, plotting and supporting criminal group pursuant to the Section 296, criminal offence of receiving bribe pursuant to the Section 328, par. 2 or 3, or Section 329, par. 2 or 3 provided that it is proved that the perpetrator had obtained from unlawful income such property or its part.

Section 59

(1) Sentence of forfeiture of property affects the entire property owned by the convict or that part of it which is defined by the court; forfeiture of property does not apply to the means or things that are necessaries of life of a convict or of the persons subject to the convict's duty to support pursuant to the law. This sentence may not be imposed if it obstructs the possibility of compensation of damages caused by criminal offence.

(2) State is owner of the property forfeited unless a court decides otherwise upon promulgated international treaty by which the Slovak Republic is bound.

(3) Community property of spouses terminates upon valid court's decision on forfeiture of property.

Section 60

Forfeiture of a thing

(1) Court shall impose sentence of forfeiture of a thing that
   a) was used to commit a criminal offence
   b) was designated to commit a criminal offence
   c) has been obtained by the offender as result of criminal offence or as reward for it
   d) has been obtained by the offender in exchange for a thing stated under the par. c).

(2) If a thing stated under par (1) is unreachable or unidentifiable, or it is mixed together with the offender's property or with another's property obtained in accordance with the law, then a court may impose forfeiture of a thing with the value corresponding with the value of that thing.

(3) Unreachable thing means a thing that had been destroyed, damaged, lost, stolen, made impossible for use, consumed, hidden, transferred to another person with the aim of excluding such thing

from the power of the law enforcement bodies, or a thing removed in any other manner or expenditures saved.

(4) A thing pursuant to the par. (1) means also income obtained from criminal offence as well as profit, interests and any proceeds of such incomes or things.

(5) Court may impose sentence of forfeiture of a thing only if such things belongs to the perpetrator.

(6) State is owner of a thing forfeited unless decided otherwise by the court upon promulgated international treaty by which the Slovak Republic is bound.

(7) Provision of the par 1 shall not apply if

a) a claim has arisen for damages to the injured party and forfeiture of a thing would be made impossible if a thing was forfeited
b) value of a thing manifestly does not correspond with the seriousness of a minor offence, or
c) court has decided on absolute discharge (release without imposing punishment) of the defendant.

Section 125

(1)Small damage means damage exceeding the amount 8000,- Sk. Larger scope of damage means an amount reaching at least ten multiples of such amount. Significant damage means hundred multiple of such amount. Significant damage means an amount reaching at least five multiples of such a sum. These criteria shall apply also to define an amount of profit, value of a thing and extent of a criminal act.

(3) If this Act requires in its separate part that as for the basic qualified facts/body of a crime, the causing of damage should be defined as property consequence of a criminal offence but, it does not state the amount of it, than it shall be supposed that the damage caused should be at least small.

Section 140

Special motive

Special motive means commission of a crime:

a) to (purchase) order
b) by revenge/vengeance
c) with the intent of hiding or facilitating another criminal act
d) upon national, ethnical or racial hatred or upon hatred for colour of skin, or
e) on sexual motive.

Legalization of the proceeds from crime/money laundering

Section 233

(1) Any one shall be imposed sentence of deprivation of liberty within the term of two up to five years, who with the intention to conceal the existence of proceed from crime or of a thing obtained by crime, to conceal the designation or use for commission of crime of such thing or proceed, to obstruct the securing thereof for the purposes of criminal proceedings or the forfeiture or seizure thereof

a) shall transfer income or property generated from criminal activity to himself or to another, lends, borrows, makes bank transfer or transfer in foreign bank branch, imports, exports, transports, relocates, rents or otherwise procures for himself or for another, or

b) shall keep income or property generated from criminal activity in his possession, hides, uses, consumes, destroys, alters, damages it.

(2) Any one shall be imposed sentence of deprivation of liberty within the term of three up to eight years who commits the crime provided for in the par. 1

a) for special motive, or
b) and obtains major profit for himself or for another.

(3) The perpetrator shall be imposed sentence of deprivation of liberty within the term of seven to twelve years if he commits a crime described in the par. 1

a) as public officer
b) and he obtains major profit thereof or
c) he commits it in more serious manner of acting.

(4) The offender shall be imposed sentence of deprivation of liberty within the term of twelve up to twenty years if he commits the crime described in the par. 1

a) and he obtains significant profit for himself or for another
b) in relation with the things generated/originating from trafficking in narcotic, psychotropic, nuclear or high risk chemical substances, weapons and people or from any other extremely serious crime or
c) as member of dangerous group.

Section 234

(1) Any one shall be imposed the sentence of deprivation of liberty within the term of two up to eight years, who in breach of his duty resulting from his employment, vocation, position or function fails to announce or to report

a) facts indicating that another person has committed a criminal offence of legalization of proceeds from crime pursuant to the Section 233, or
b) unusual business operation.

(3) The act described in the par. 1 is not punishable if the perpetrator could not announce or report without putting at risk of criminal prosecution himself or a person close to him.

Code of Criminal Procedure

Section 95

Seizure of financial means

(1) If the facts found indicate that the financial means on bank account or in foreign bank branch or any other financial means are designated to commit a crime, or have been used to commit a crime or are generated from criminal activity, the presiding judge or prosecutor within preliminary proceedings may issue an order to seize financial means.

(2) If a case is urgent, prosecutor may issue an order pursuant to the par. 1 even prior to the commencement of criminal prosecution. A judge for preliminary proceedings has to confirm such order within 48 hours otherwise the order ceases to be valid.

(3) The order has to be issued in writing and it has to be motivated. The amount in respective currency shall be stated in it that the order applies on. Any disposal shall be prohibited in the order as for the financial means seized up to the amount of seizure unless presiding judge or prosecutor within preliminary proceedings decides otherwise.

(4) Seizure shall not apply to the financial means that represent necessities for life for the accused or for the persons subject to his duty to support pursuant to the law.

(5) If seizure of financial means for the purposes of criminal proceedings is not necessary any more, the seizure shall be cancelled. If it is not necessary as for the amount stated, seizure shall be limited. Presiding judge or prosecutor within preliminary proceedings shall decide on and issue the order to cancel or to limit the seizure.

(6) The order issued pursuant to the par. 1 or 2 shall always be delivered to the bank, foreign bank branch or to any legal entity or natural person which/who can dispose with the financial means, and after execution of the order, it shall also be delivered to the owner of the financial means. Owner of the financial means has the right to request for cancellation of such seizure; request shall be motivated.

(8)If seizure of financial means is necessary in the course of criminal proceedings to secure the injured party's claims for damages, the procedure shall be followed accordingly pursuant to the par. 1 to 6.

Section 96

Seizure of registered securities

(1) If facts found indicate that a registered security is designated to commit a crime, or has been used to commit a crime or has been generated from criminal activity, the presiding judge or prosecutor within preliminary proceedings may issue the order to register suspension of the right to dispose with a security.

(2) If a matter is urgent, the order pursuant to the par. 1 may also be issued by a prosecutor even before the commencement of criminal prosecution. Judge for preliminary proceedings shall confirm such order within 48 hours otherwise the order ceases to be valid.

(3) The order shall be delivered to the person responsible for registration of registered securities and, after the execution of the order it shall also be delivered to the owner of the securities. Owner of the registered security has the right to request for cancellation of the seizure; his request shall be motivated.

(4) If seizure of the registered security is not necessary any more for the purposes for criminal proceedings, the presiding judge or the prosecutor within preliminary proceedings shall immediately issue the order to cancel suspension of the right to dispose with the security.

(5) The order issued pursuant to the par. 1 and 2 shall be in writing and it shall be motivated.

(6) If there is a need to seize the registered security within criminal proceedings for the purpose of securing the injured person's claims for damages, the procedure shall be followed accordingly pursuant to the par. 1 to 5.

Section 129

Group of persons and organization

(4) For the purposes of this Act, terrorist group means a structured group of at least three individuals which does exist for certain period of time with the objective of committing terror crime or criminal act of terrorism.

(5) Activity carried out in favor of a terrorist group or of criminal group means intentional participation in such a group or any other intentional acting for the purpose of
   a) maintaining the existence of a such group or
   b) committing by such group of criminal acts mentioned in the par. 3 or 4.

(6) Supporting criminal group or terrorist group means intentional acting consisting in providing means, services, cooperation or creating any other conditions for the purpose of
   a) the establishing or maintaining existence of such group, or
   b) committing by such a group of criminal acts mentioned in the par. 3 or 4.

Section 297

Establishing, plotting and supporting of a terrorist group

Any one shall be sentenced to deprivation of liberty within the term of eight up to fifteen years who establishes or plots a terrorist group, is a member of it or is acting in its favor or is supporting it.

ANNEX 4

Section 129

Group of persons and organization

(7) For the purposes of this Act, terrorist group means a structured group of at least three individuals which does exist for certain period of time with the objective of committing terror crime or criminal act of terrorism.

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   a) maintaining the existence of a such group or
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   a) the establishing or maintaining existence of such group, or
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Section 297

Establishing, plotting and supporting of a terrorist group

Any one shall be sentenced to deprivation of liberty within the term of eight up to fifteen years who establishes or plots a terrorist group, is a member of it or is acting in its favor or is supporting it.

ANNEX 5 - Results of the controls of the obliged entities in 2007

	Number of onside controls	Number of completed controls	Total number of controls in progress	Number of started administration procedures	Number of imposed sanctions	Total amount of imposed sanctions	Number of opinions to expositions	Decision of appeal authority	Total amount of payed sanctions	Number of incentives sent to other authority	Number of incentives to criminal prosecution
Jan	7	11	41	7	2	20000	2	0	30000	0	0
Feb	0	1	40	0	9	290000	0	4	0	0	0
Mar	3	9	34	1	0	0	1	1	365000	0	0
Apr	5	7	32	5	1	10000	3	0	161000	1	0
May	5	7	30	3	5	190000	0	1	50000	0	1
Jun	3	3	30	1	3	270000	3	1	41000	1	0
Jul											
Aug											
Sep											
Oct											
Nov											
Dec											
Total	23	38	28	17	20	780000	9	7	647000	2	1

ANNEX 6 - Results of the controls of the obliged entities in 2006

Period	Number of onside controls	Results of the controls of the obliged entities in 2005				
		Number of controls without shortcomings	Number of controls where sanctions were imposed	Total amount of imposed sanctions in the administration procedure in SKK	Number of controls where incentive for impose sanction were sent to other authority	Number of controls where criminal prosecution was initiated
Jan.	7	2	0	0	0	0
Feb.	12	3	2	515000	0	0
Mar.	10	3	0	0	0	0
Apr.	8	3	7	350000	1	0
May	11	1	2	220000	1	1
Jun.	8	2	2	320000	0	2
Jul.	11	9	4	590000	0	0
Aug.	5	2	5	250000	1	0
Sep.	8	0	4	330000	0	0
Oct.	4	0	5	1055000	1	0
Nov.	9	2	2	500000	2	0
Dec.	4	3	2	70000	0	0
TOTAL	**97**	**30**	**35**	**4200000**	**6**	**3**

ANNEX 7 - Results of the controls of the obliged entities in 2005

Period	Number of onside controls	Results of the controls of the obliged entities in 2006				
		Number of controls without shortcomings	Number of controls where sanctions were imposed	Total amount of imposed sanctions in the administration procedure in SKK	Number of controls where incentive for impose sanction were sent to other authority	Number of controls where criminal prosecution was initiated
Jan.	3	1	4	120000	1	0
Feb.	11	0	9	455000	0	0
Mar.	8	2	3	10000	0	0
Apr.	7	0	5	120000	0	0
May	11	0	0	0	0	0
Jun.	6	0	4	90000	0	0
Jul.	7	1	4	105000	0	0
Aug.	5	0	2	145000	0	0
Sep.	5	0	6	190000	0	0
Oct.	5	0	3	50000	0	0
Nov.	10	2	3	520000	0	0
Dec.	2	1	5	90000	0	0
TOTAL	**80**	**7**	**48**	**1895000**	**1**	**0**

ANNEX 8

Number of AML/CFT supervisions provided by the FIU

Year 2005	**Year 2006**	**Year 2007**
Bank – 5	Bank - 1	Bank - 1
Real-estate agency - 18	Real-estate agency - 21	Real-estate agency - 2
Leasing - 15	Leasing - 14	Leasing - 6
Lottery and other games - 2	Lottery and other games - 9	Lottery and other games - 2
Loan provider - 7	Loan provider - 3	Loan provider - 6
Executor - 4	Executor - 2	Executor - 2
Advocate - 4	Advocate - 5	High value goods dealer - 2
Exchange office - 9	Exchange office - 3	Notary for auctions - 2
Other obliged entities - 33	Other obliged entities - 22	

ANNEX 9

Statistics of information transmitted to other bodies by the FIU

	Information for Criminal prosecution	Information for other bodies of Bureau of Organised crime	Information for other parts of Police Corps	Information for Tax Authorities	Information for foreign FIUs
2004	N/A	85	40	105	21
2005	10	271	60	204	33
2006	10	118	125	305	63
30 Jun 2007	8	129	80	232	46

APPENDIX IV-Annexes to the 2nd Written Progress Report of the Slovak Republic

(unofficial English translations)

1. Act No 297/2008 Coll. – the AML/CFT preventive law
2. Selected provisions of the Act No 300/2005 Coll. (Criminal Code) and of the Act No 301/2005 Coll. (Criminal Procedure Code)
3. Selected provisions of the Act No 510/2002 Coll. on the Payment System
4. Selected provisions of the Act No 566/2001 Coll. on Securities and Investment Services (The Securities Act)
5. Methodological guidance No. 7/2008

ANNEX No 1

Link to the text is
http://www.minv.sk/swift_data/source/policia/finpol/297_2008en.pdf

ANNEX No 2

Criminal Code 300/2005 Z.z.
Section 10
Minor offence/Misdemeanour

(3) Minor offence means
   a) criminal offence committed by negligence or
   b) intentional criminal act liable to a sentence of deprivation of liberty with maximum term not exceeding five years pursuant to a separate part of this Act
(4) If a seriousness/gravity of an act is insignificant with regard taken to way/manner of commission, consequences, circumstances, degree of fault and perpetrator's motive, such act is not considered as minor offence.

Section 11
Crime

(4) Intentional criminal act that is liable to a sentence of deprivation of liberty with maximum term exceeding five years pursuant to a separate part of this Act is crime.
(5) Any act is also considered as crime if within more rigorously qualified facts of a minor offence committed intentionally, the maximum sentence is defined exceeding five years.
(6) Crime is considered extremely serious if it is liable to a sentence of deprivation of liberty with minimum term at least ten years pursuant to this Act.

Section 13
Preparation of a crime

(5) Following acting is considered as preparation of a crime: intentional organization of a crime, provision or adaptation of means or tools to commit it, conspiracy, joining with others, abetting, ordering a crime, aiding or any other intentional creation of conditions for commission of a crime provided that no attempt neither completion of crime happened.
(6) Preparation of a crime is punishable pursuant to severity of sentence imposed for a crime to the commission of which such preparation has been directed.
(7) Punishability of preparation of a crime expires/ceases to exist if a perpetrator
   a) voluntarily refrains from acting directed towards commission of a crime and he/she removes the danger arising of preparation done to an interest protected by this Act, or

has reported to the law enforcement body or to the Police the preparation of a crime and he/she has done it in due time in order to permit removal of a danger arising from such preparation to an interest protected by this Act; a soldier may report to his/her superior and a person serving a sentence or a person in custody may report to a member of Prison and judicial guard.

(8) Punishability of a perpetrator for other crime already committed by such acting is not affected by the provision of the par. 3.

Sentence of forfeiture of property
Section 58

(4) Court may impose sentence of forfeiture of property with regard taken to circumstances of a criminal offence committed as well as to the situation of a perpetrator if a court is imposing life sentence or unconditional sentence of deprivation of liberty for extremely serious crime through commission of which the perpetrator obtained or attempted to obtain extensive property benefit or by which the perpetrator has caused extensive damage.

(5) Without meeting the conditions stated in the par. 1, a court may impose sentence of forfeiture of property while sentencing a perpetrator of commission of criminal offence of illicit manufacturing of narcotic or psychotropic substances, poisons, precursors, possession thereof or trafficking therein pursuant to the Section 172, par. 2, 3 or 4, or of criminal offence of money laundering pursuant to the Section 233, criminal offence of establishing, plotting and supporting criminal group pursuant to the Section 296, criminal offence of establishing, plotting and supporting terrorist group pursuant to the Section 297, criminal offence of receiving bribe pursuant to the Section 328, par. 2 or 3, or Section 329, par. 2 or 3 provided that it is proved that the perpetrator had obtained from unlawful income such property or its part.

Section 59

(4) Sentence of forfeiture of property affects the entire property owned by the convict or that part of it which is defined by the court; forfeiture of property does not apply to the means or things that are necessaries of life of a convict or of the persons subject to the convict's duty to support pursuant to the law. This sentence may not be imposed if it obstructs the possibility of compensation of damages caused by criminal offence.

(5) State is owner of the property forfeited unless a court decides otherwise upon promulgated international treaty by which the Slovak Republic is bound.

(6) Community property of spouses terminates upon valid court's decision on forfeiture of property.

Section 60
Forfeiture of a thing

(8) Court shall impose sentence of forfeiture of a thing that
   e) was used to commit a criminal offence
   f) was designated to commit a criminal offence
   g) has been obtained by the offender as result of criminal offence or as reward for it
   h) has been obtained by the offender in exchange for a thing stated under the par. c).

(9) If a thing stated under par (1) is unreachable or unidentifiable, or it is mixed together with the offender's property or with another's property obtained in accordance with the law, then a court may impose forfeiture of a thing with the value corresponding with the value of that thing.

(10)Unreachable thing means a thing that had been destroyed, damaged, lost, stolen, made impossible for use, consumed, hidden, transferred to another person with the aim of excluding such thing from the power of the law enforcement bodies, or a thing removed in any other manner or expenditures saved.

(11)A thing pursuant to the par. (1) means also income obtained from criminal offence as well as profit, interests and any proceeds of such incomes or things.

(12)Court may impose sentence of forfeiture of a thing only if such things belongs to the perpetrator.
(13)State is owner of a thing forfeited unless decided otherwise by the court upon promulgated international treaty by which the Slovak Republic is bound.
(14)Provision of the par 1 shall not apply if

a) a claim has arisen for damages to the injured party and forfeiture of a thing would be made impossible if a thing was forfeited
b) value of a thing manifestly does not correspond with the seriousness of a minor offence, or
c) the court has waived the punishment of the perpetrator.

Damage
Section 124

(1) For the purposes of this Act, damage shall mean harm to property or actual loss of assets or prejudice to the rights of the victim or other harm, which has a causal relationship with the criminal offence irrespective of whether the harm has been caused to a thing or to the rights. For the purposes of this Act, damage shall also mean benefits gained in causal relationship with the criminal offence.

(2) Damage within the meaning of paragraph 1 shall also mean the loss of profit to which the victim, considering the circumstances and his personal situation, would otherwise be entitled or could reasonably expect to obtain.

(3) In case of criminal offences against the environment, damage shall mean the combined environmental harm and property damage; property damage shall also comprise the costs of restoring the environment to its original state. In case of the criminal offence of illegal handling of waste pursuant to Section 302, the scope of the offence shall be determined on the basis of customary price charged at the time and place of the offence for the collection, transport, export, import, recycling, disposal or dumping of waste, and the price charged for the removal of waste from the site that is not designated for dumping.

Section 125

(1) Small damage shall mean the damage amounting to more than 266 €. Larger damage shall mean the damage which is at least ten times higher than the aforesaid amount. Substantial damage shall mean the damage which is at least one hundred times higher than the aforesaid amount. Large-scale damage shall mean the damage which is at least five hundred times higher than the aforesaid amount. These aspects shall be also used to determine the amount of benefit, the value of a thing, and the scope of the offence.

(2) Where the Special Part of this Act requires that the basic elements of the criminal offence include infliction of damage as a property consequence of the criminal offence without specifying its amount, such damage shall be understood as at least a small damage

Section 129
Group of persons and organization

(1) For the purposes of this Act, a group of persons shall mean at least three persons.
(2) For the purposes of this Act, an organized group shall mean a conspiracy of at least three persons for the purpose of commission of a criminal act; within such group there exist certain level of distribution (division) of tasks between members of that group the activity of which is planned and coordinated in the way improving the probability of successful commission of a crime.
(3) For the purposes of this Act, criminal group shall mean structured group of at least three persons existing for certain period of time and acting in co-ordinate way with the aim of committing one or several crimes, or the crime of money laundering pursuant the Section 233 or one of the corruption crimes pursuant to the Chapter eight, third Volume, the Separate part; that group commits crimes in order to directly or indirectly obtain financial profit or other advantage.

(4) For the purposes of this Act, a terrorist group shall mean organized/structured group of at least three persons which exists for certain period of time and has the aim to commit criminal act of terror or criminal act of terrorism.

(5) Acting in favor of a criminal group or terrorist group shall mean intentional participation in such a group or any other intentional acting for the purpose of

a) maintaining the existence of such group or
b) commission by such a group of criminal acts as provided for in the par. 3 or 4.

(6) Supporting a criminal group or a terrorist group shall mean intentional acting consisting of providing means, services, cooperation or creating other conditions for the purpose of

a) establishing or maintaining the existence of such a group or,
b) commission by such a group of criminal acts as provided for in the par. 3 or 4.

Thing
Section 130

(1) For the purposes of this Act, a thing shall mean

a) a movable or immovable thing, dwelling or non-residential premises, or animals, unless the relevant provisions of this Act provide otherwise,
b) a controllable force of nature or energy, or
c) a security paper irrespective of its form.

(2) Intangible information, computer data or video recording on a technical medium shall also be considered as things.

(3) For the purposes of this Act, an entrusted thing shall mean a thing owned by another person, which the offender is authorised to use under a contract, or which the offender has in his possession in order to perform certain tasks as instructed by the owner of the thing, with the obligation to use it only for agreed purposes or return it to the owner under agreed conditions.

(4) For the purposes of this Act, misappropriation of a thing shall mean divesting the owner or other person who has legal possession of the thing of the right to dispose with that thing without consent and with the intent to dispose with it as with one's own.

(5) For the purposes of this Act, addictive substances shall mean alcohol, narcotics, psychotropic substances and other substances capable of exerting adverse effects on one's mental state and self-control or recognition abilities, or on one's social conduct.

(6) For the purposes of this Act, means of public transport shall mean the things with the capacity to transport at least nine persons.

Section 134
Constitutional system and crisis situation

(1) For the purposes of this Act, constitutional system shall mean a democratic system of fundamental rights and freedoms guaranteed by means of appropriate structure and operation/functioning of authorities of the state power, territorial self-governance as well as political parties and movements that are regulated in the Constitution of the Slovak Republic.
(2) For the purposes of this Act, crisis situation shall mean
    a) state of distress
    b) emergency state
    c) belligerence or
    d) war

Section 139
Protected person

(1) A protected person shall mean
a) a child

b) a pregnant woman
c) a close person/a next of kin
d) a person that has to rely on somebody
e) an elderly person
f) a sick person
g) a person enjoying protection pursuant to international law
h) a public official or a person who fulfills his/her obligations imposed on the basis of a law, or
i) a witness, expert witness, interpreter or translator.

(2) The provision of the paragraph 1 shall not apply of a criminal act has not been committed in relation to a position, status or age of a protected person.

Section 140
Special motive

Special motive means commission of a crime
a) to (purchase) order
b) by revenge/vengeance
c) with the intent of hiding or facilitating another criminal act
d) upon national, ethnical or racial hatred or upon hatred for colour of skin, or
e) on sexual motive.

Section 141
A dangerous association

A dangerous association shall mean
a) a criminal group or
b) a terrorist group.

Legalization of the proceeds from crime/money laundering
Section 233

(1) Any one shall be imposed sentence of deprivation of liberty within the term of two up to five years, who with the intention to conceal the existence of proceed from crime or of a thing obtained by crime, to conceal the designation or use for commission of crime of such thing or proceed, to obstruct the securing thereof for the purposes of criminal proceedings or the forfeiture or seizure thereof
a) shall transfer income or property generated from criminal activity to himself or to another, lends, borrows, makes bank transfer or transfer in foreign bank branch, imports, exports, transports, relocates, rents or otherwise procures for himself or for another, or
b) shall keep income or property generated from criminal activity in his possession, hides, uses, consumes, destroys, alters, damages it.

(2) Any one shall be imposed sentence of deprivation of liberty within the term of three up to eight years who commits the crime provided for in the par. 1
a) for special motive, or
b) and obtains larger profit for himself or for another.

(3) The perpetrator shall be imposed sentence of deprivation of liberty within the term of seven to twelve years if he commits a crime described in the par. 1
d) as public officer
e) and he obtains substantial profit thereof or
f) he commits it in more serious manner of acting.

(4) The offender shall be imposed sentence of deprivation of liberty within the term of twelve up to twenty years if he commits the crime described in the par. 1
d) and he obtains large scale profit for himself or for another

e) in relation with the things generated/originating from trafficking in narcotic, psychotropic, nuclear or high risk chemical substances, weapons and people or from any other extremely serious crime or
f) as member of dangerous group.

Section 234
(1) Any one shall be imposed the sentence of deprivation of liberty within the term of two up to eight years, who in breach of his duty resulting from his employment, vocation, position or function fails to announce or to report
c) facts indicating that another person has committed a criminal offence of legalization of proceeds from crime pursuant to the Section 233, or
d) unusual business operation.
(6) The act described in the par. 1 is not punishable if the perpetrator could not announce or report without putting at risk of criminal prosecution himself or a person close to him.

Section 297
Establishing. masterminding and supporting a terrorist group
Any person who establishes or masterminds a terrorist group, is a member of this group, operates for or supports this group. shall be punished by imprisonment for a term of eight to fifteen years.

Section 419
Terrorism
(1) Any person who, with the intention to seriously intimidate the population, to seriously destabilize or destroy the constitutional, political, economic or social order of the country or of an international organization, or to force a government of a country or an international organization to do something or to refrain from doing something, threatens to commit or has committed a crime imperilling the life, health of people or their personal freedom or a property, or unduly produces, gains, owns, holds, transports, delivers or in other way uses explosive, nuclear, biological or chemical weapons, or conducts illicit research and development of such weapons or weapons banned by law or by international treaty, shall be liable to a term of imprisonment of twenty to twenty-five years or to imprisonment for life.
(2) The offender shall be punished by life imprisonment through the commission of the offence referred to in paragraph 1
a) and causes grievous bodily harm to several persons or death to several persons,
b) against protected person,
c) against armed forces or armed corps,
d) as a member of the dangerous group, or
e) in a crisis situation.

<u>Code of Criminal Procedure 301/2005 Z.z.</u>
Section 95
Seizure of financial means
(1) If the facts found indicate that the financial means on bank account or in foreign bank branch or any other financial means are designated to commit a crime, or have been used to commit a crime or are generated from criminal activity, the presiding judge or prosecutor within preliminary proceedings may issue an order to seize financial means.
(2) If a case is urgent, prosecutor may issue an order pursuant to the par. 1 even prior to the commencement of criminal prosecution. A judge for preliminary proceedings has to confirm such order within 48 hours otherwise the order ceases to be valid.
(3) The order has to be issued in writing and it has to be motivated. The amount in respective currency shall be stated in it that the order applies on. Any disposal shall be prohibited in the order as for the

financial means seized up to the amount of seizure unless presiding judge or prosecutor within preliminary proceedings decides otherwise.
(4) Seizure shall not apply to the financial means that represent necessities for life for the accused or for the persons subject to his duty to support pursuant to the law.
(5) If seizure of financial means for the purposes of criminal proceedings is not necessary any more, the seizure shall be cancelled. If it is not necessary as for the amount stated, seizure shall be limited. Presiding judge or prosecutor within preliminary proceedings shall decide on and issue the order to cancel or to limit the seizure.
(6) The order issued pursuant to the par. 1 or 2 shall always be delivered to the bank, foreign bank branch or to any legal entity or natural person which/who can dispose with the financial means, and after execution of the order, it shall also be delivered to the owner of the financial means. Owner of the financial means has the right to request for cancellation of such seizure; request shall be motivated.
(7)If seizure of financial means is necessary in the course of criminal proceedings to secure the injured party's claims for damages, the procedure shall be followed accordingly pursuant to the par. 1 to 6.

Section 96
Seizure of registered securities
(1) If facts found indicate that a registered security is designated to commit a crime, or has been used to commit a crime or has been generated from criminal activity, the presiding judge or prosecutor within preliminary proceedings may issue the order to register suspension of the right to dispose with a security.
(2) If a matter is urgent, the order pursuant to the par. 1 may also be issued by a prosecutor even before the commencement of criminal prosecution. Judge for preliminary proceedings shall confirm such order within 48 hours otherwise the order ceases to be valid.
(3) The order shall be delivered to the person responsible for registration of registered securities and, after the execution of the order it shall also be delivered to the owner of the securities. Owner of the registered security has the right to request for cancellation of the seizure; his request shall be motivated.
(4) If seizure of the registered security is not necessary any more for the purposes for criminal proceedings, the presiding judge or the prosecutor within preliminary proceedings shall immediately issue the order to cancel suspension of the right to dispose with the security.
(5) The order issued pursuant to the par. 1 and 2 shall be in writing and it shall be motivated.
(6) If there is a need to seize the registered security within criminal proceedings for the purpose of securing the injured person's claims for damages, the procedure shall be followed accordingly pursuant to the par. 1 to 5.

ANNEX No 3

ARTICLE 4
Conditions for the Carrying Out of a Transfer Order
(4)**A transfer order for domestic transfer** shall contain:
a) a banking contact, which shall mean:
1. the account number of the originator and the identification code of the performing institution of the originator for a transfer order for collection shall be stated the account number of the owner and the identification code of the performing institution of the account owner; the account number of the originator shall not be required for a domestic transfer carried out by cash deposit, and
2. the account number of the beneficiary and the identification code of the performing institution of the beneficiary; for a transfer carried out by cash disbursement the account number of the performing institution of the beneficiary shall be stated instead of the account number of the beneficiary.
b) the sum to be transferred,
c) the currency identification; if a currency identification is not stated, the transfer shall be considered to be a transfer in euros,
d) the place and date of the drawing up of the transfer order, and

e) the signature of the originator identical with the specimen signature stored at the performing institution of the originator, with the exception of transfers carried out by an electronic means of payment.

f) other information for making a transfer as required under a separate legal provision.11a)

CARRYING OUT OF CROSS-BORDER TRANSFERS
ARTICLE 12
Cross-Border Transfer

(6) **A transfer order for a cross-border transfer** shall contain:
a) the name and account number of the originator, the account number of the originator shall not be required for a cross-border transfer carried out by cash deposit,
b) the amount of the cross-border transfer and the denomination of the currency,
c) the name of the account to which the cross-border transfer is to be carried out and the number of the account if known; for a cross-border transfer carried out by cash disbursement, if the beneficiary is a natural person the given name, surname and home address of the beneficiary shall be stated; if the beneficiary is a legal person the name and address of the registered office shall be stated,
d) data enabling the identification of the performing institution of the beneficiary,
e) the symbols of the foreign currency statistics, by which shall be understood the payment title and other symbols pursuant to a special act or on the basis of a special act,

f) the place and date of the drawing up of the transfer order,
g) the signature of the originator identical with the specimen signature maintained at the performing institution of the originator, with the exception of transfers carried out electronically, and
h) other information required for the carrying out of the cross-border transfer required under a separate legal provision,11a) or on the basis of a decision of the performing institution of the originator.
11a) Regulation (EC) No.1781/2006 of the European Parliament and of the Council of 15 November 2006 on information on the payer accompanying transfers of funds (OJ L345 of 8 December 2006)

Annex No 4

ARTICLE 105a
Holder's account

(3) The central depository may open a holder's account for the central depository only or for a foreign legal person with a similar scope of business. The central depository may also open a holder's account for a securities dealer or for a bank authorised to perform the ancillary service of custodianship, and a foreign securities dealer or a foreign bank authorised to perform an ancillary service such as custodianship. The central depository may open more than one holder's account for a single person.
(9) For operations requiring a statement of information on the owner of a security registered under this Act, information on the owner of a security recorded in a holder's account shall be replaced with information on the person mentioned in paragraph (3) for whom the holder's account was opened, and this fact shall be stated.
(10) Where information on securities is recorded in a holder's account, and a disclosure obligation is imposed on the central depository by law, information on the owner of the securities shall be replaced with information on the person mentioned in paragraph (3) for whom the holders account was opened, and this fact shall be stated.

Annex No 5

Link to the text is
http://www.nbs.sk/_img/Documents/LEGA/angmetodko.pdf