

COUNCIL OF EUROPE



CONSEIL DE L'EUROPE

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**MONEYVAL(2013)35**

**COMMITTEE OF EXPERTS  
ON THE EVALUATION OF ANTI-MONEY LAUNDERING MEASURES  
AND THE FINANCING OF TERRORISM**

**MONEYVAL**

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**43<sup>rd</sup> PLENARY MEETING**  
**Strasbourg, 9-13 December 2013**

**MEETING REPORT**

Memorandum prepared by the MONEYVAL Secretariat

The Committee of Experts on the evaluation of anti-money laundering measures and the financing of terrorism (MONEYVAL) held its 43<sup>rd</sup> plenary meeting from 9 to 13 December 2013 in Strasbourg under the chairmanship of Mr. Anton BARTOLO (Malta).

## **Day 1: Monday 9 December 2013**

### **Agenda item 1 - Opening of the Plenary Meeting by Jan Kleijssen, Director of Information Society and Action against Crime**

- 1 Mr Anton Bartolo, Chairman of MONEYVAL, welcomed all participants to the meeting. The Director of Information Society and Action against Crime, Jan Kleijssen, welcomed Mr. Vladimir NECHAEV, former chairman of MONEYVAL and current FATF President, and made the following opening points:
  - He noted that the FATF's ongoing preparations of the first on-site evaluation visit under the 4th round methodology. He informed the Plenary that MONEYVAL would finalise its 4th round follow-up assessments in 2014, and that the 5th round would be expected to start shortly after. In this context, he recalled the invitation sent to the membership inviting for volunteers for the 5th round evaluation.
  - He acknowledged that the role played by the Council of Europe through MONEYVAL in the global AML/CFT network. He welcomed the invitation made by the FATF to a member of the MONEYVAL and COP to CETS 198 Secretariat, to participate in 4th round assessment conducted by FATF in Belgium, given the benefits of the joint collaboration between FATF, MONEYVAL and the Conference of the Parties to CETS 198. Additionally, he noted that the Executive Secretary to MONEYVAL would contribute as one of the three external reviewers to the first 4th round evaluation of the FATF (Spain).
  - A number of additional items in the agenda of the Plenary were also touched upon such as the revised MONEYVAL Statute, amending the issue of voting rights and eligibility to stand for elections; the MONEYVAL new rules of procedure; and the procedures related to tax compliance programmes (VTC).

### **Agenda item 2 - Adoption of the Agenda**

- 2 The Committee adopted the agenda as it appears in Appendix I. The final list of participants appears in Appendix II.

### **Agenda item 3 - Information from the Chairman**

#### **3.1 Chairman's correspondence**

- 3 The Plenary noted the correspondence of the Chairman with the authorities of Bosnia and Herzegovina under the compliance enhancing procedures.

#### **3.2 Bureau Meeting (14-15 November 2013)**

- 4 The Plenary heard an update from the Chairman on the outcomes of the Bureau meeting of 14-15 November 2013. The issues discussed included notably: the revision of MONEYVAL's rules of procedures, the process for MONEYVAL States and territories to exit the 4th round follow-up, various aspects related to the implementation of MONEYVAL's 5th round, the procedures to review VTC programmes implemented by MONEYVAL States and territories; the training of evaluators, the FATF activities to which MONEYVAL should contribute as a priority in the forthcoming period. Specific proposals have been prepared for discussion by the Plenary at this meeting.

### **Agenda item 4 - Information from the Secretariat**

#### **4.1 Revised MONEYVAL statute**

- 5 The Executive Secretary informed the Plenary that the Committee of Ministers has adopted revisions to the Statute and that voting rights have been granted to Israel, the Holy See (one vote each) and to the three Crown Dependencies (one collective vote to for the three crown dependencies). Delegates of all States and territories have now become eligible for a mandate on the Bureau.

#### **4.2 Information regarding elections**

- 6 The Executive Secretary informed the Plenary that the terms of the current Chairman and Vice-Chairman expire at the end of 2013 as they were appointed at the 41st plenary meeting in April 2013 to serve until the end of Mr Nechaev's mandate in December 2013. The term of one of the Bureau members would also expire as he had served for two consecutive terms. An explanation of the election procedures to elect the Chairman, the Vice-Chairman and the Bureau members was provided and delegations were invited to submit proposals in writing to the Secretariat by December 9 for the Chair and Vice-Chair and by December 11 for bureau members.

#### **4.3 Agenda of evaluations and meetings in 2014**

- 7 The Plenary took note of the proposed agenda of evaluations and meetings for 2014.

#### **4.4 Training for the 4<sup>th</sup> Round**

- 8 The Secretariat informed the Plenary about the Training Seminar of Evaluators that was held in Strasbourg in November 2013.. 36 experts were trained from 27 jurisdictions that are evaluated by MONEYVAL. It was recalled that the experts trained during this seminar should make themselves available to take part in the upcoming assessments and that the Heads of delegations should support this process.

#### **4.5 and 4.6 Participation in FATF meetings and other forums**

- 9 The Plenary heard a report from the Secretariat concerning the outcome of the joint Egmont Group/FATF/FSRBs meeting and the joint FATF/MENAFATF typologies meeting held, respectively, on 1 December and from 2 to 4 December 2013 in Doha, Qatar. The first meeting aimed to bring together representatives from various fora in order to discuss important items in relation to Egmont Group activities in the future, including the new strategic plan and the roles of Egmont Regional representatives, the FATF and FSRBs and national risk assessments. As concerns the second meeting, four typologies topics were discussed in parallel sessions, notably: the abuse of non-profit organizations for TF purposes; financial flows linked to the illicit production and trafficking of Afghan drugs; ML through physical transportation of cash; and ML and TF risk and vulnerabilities. Moneyval participated in the sessions of the typology on "ML through physical transportation of cash".

#### **Agenda item 5- Intervention of Mr Vladimir Nechaev, President of the Financial Action Task Force (FATF)**

- 10 In his address to MONEYVAL, the FATF President stressed the crucial role that MONEYVAL plays in the global AML/CFT network and noted that "*MONEYVAL is an indispensable partner of the FATF in promoting the global network of the AML/CFT*". He praised in particular its strong political framework as a Council of Europe body, its high quality mutual evaluation process and its consistent and accurate interpretation of the FATF standards in the European region. He then informed the plenary about the FATF's main objectives under the Russian presidency, including, beginning in a successful manner the 4th round evaluation process under the new FATF methodology and the new FATF mutual evaluation process and procedures; focusing on effectiveness and working on the national risk assessments, reinforcing the global AML/CFT network and continuing to cooperate with the FATF working groups (ICRG and GNCG). He also drew the Plenary's attention to breakaway territories of self-declared or partially declared States and to parts of States where central authorities have limited or no control, which de facto are not subject to any monitoring process. He noted the FATF's approach on this issue and the importance of the role played by the Egmont Group in this connection.

## **Agenda item 6 - Report from FATF Secretariat on processes and procedures for FATF's 4th round**

- 11 The FATF representative informed the plenary about the FATF's 4th round process and procedures. He summarised the reasons for launching the new process, including the need for new standards and a new methodology and the general feeling amongst member States that the quality and consistency of the assessments should be improved. He provided some information on the new aspects of the procedures including: the requirement that the Secretariat draft an assessment of technical compliance before the onsite visit and the assessment of the effectiveness during the on-site; the need for more Secretariat staff for each on-site mission; a new approach to the consistency and quality review, which will involve external reviewers; and a new follow up procedure containing a regular follow-up every 2,5 years and an enhanced follow-up procedure.
- 12 The Chairman opened the floor for questions and comments. Questions were raised by Cyprus, Romania, Albania and the Russian Federation in relation to the longer time frame foreseen for the preparation of reports in the fifth round and the related difficulties that it can create if legislation is amended in this timeframe, on the scope of the exposed review mechanism, and the external review processes. Clarifications were provided in this respect by the FATF representative and MONEYVAL's Executive Secretary.

## **Agenda item 7 - ICRG Process update from the Co-chair of the Europe/Eurasia Regional Review Group (ERRG)**

- 13 Mr Anton Bartolo, MONEYVAL's Chairman and Co-chair of the ERRG reported on the outcomes of the meeting held in Paris in October 2013, where the progress reports of four jurisdictions, including Albania, as a MONEYVAL member State, were examined. The FATF concluded in October that Albania has taken steps towards improving its AML/CFT regime, including by bringing into force new legislation enhancing the regime for freezing terrorist assets. However, Albania should continue to work on implementing its action plan to address these deficiencies, including by: (1) addressing the remaining issues in its terrorist asset-freezing regime; and (2) enhancing the framework for international co-operation related to terrorist financing. Therefore, Albania remained listed in the document "Improving Global AML/CFT Compliance: on-going process". Mr Bartolo informed the Plenary that other jurisdictions had also made some progress (Tajikistan, Kyrgyzstan, Turkey), though there are still some outstanding issues which need to be addressed and which warrant that they also remain included in the compliance document. He therefore encouraged Albania to continue work so as to be in a position to report improvements at the next ERRG meeting.

## **Agenda item 8 – Timetable for MONEYVAL's 5<sup>th</sup> round – Bureau proposals**

- 14 The Executive Secretary informed the Plenary about the timetable envisaged for MONEYVAL's 5th round. He noted that the Secretariat is planning to start the 5th round assessment process in the second half of 2015, and that evaluated jurisdictions would be required to provide the relevant material to complete the technical compliance segment at least 6 to 8 months before the on-site visit. Letters have been sent to all heads of delegations inviting them to volunteer in putting forward nominations for countries which will be assessed in the first years of the 5<sup>th</sup> round.

## **Agenda item 9- Revision of MONEYVAL's Rules of Procedure**

### **9.1 Revision of Rules of the Procedure for the 4<sup>th</sup> round**

- 15 The Secretariat introduced the proposed revisions to the Rules of Procedure for the 4<sup>th</sup> round of evaluations, highlighting the most important changes and novelties as well as those changes which reflected existing practices. These related in particular to: a new structure of the presentation of the rules, new provisions related to the organisation of MONEYVAL generally, revisions to the compliance enhancing procedures and the applicable steps, the introduction of a mechanism to act in exceptional circumstances, changes to the confidentiality requirements, clarifications related to the evaluation procedures and monitoring of progress. The text of the procedures was adopted with minor amendments aimed at clarifying further the processes.

*Decision taken*

- 16 The Plenary adopted the revisions to the Rules of Procedure and decided that those should apply as of the next plenary meeting. The revised text would be made public on MONEYVAL's website.

**9.2 Rules of the Procedure for the 5<sup>th</sup> round - issues**

- 17 The Plenary heard an update from the Secretariat on the issues that would need to be addressed in the context of the Rules of procedure for the 5<sup>th</sup> round. As proposed by the Bureau, a draft text of procedures would be presented for comments and discussion to all delegations at the next Plenary meeting, together with detailed templates for use in the evaluation process. It was indicated that these procedures would very much follow the procedures adopted by the FATF for the new round, with changes mainly aimed at reflecting MONEYVAL's specificities and best practices.

**Agenda item 10 – Tax Amnesties and Voluntary Tax Compliance Schemes**

**10.1 MONEYVAL procedures**

- 18 The Secretariat introduced the proposed text of procedures related to the implementation of voluntary tax compliance programmes and AML/CFT requirements by States and Territories evaluated by MONEYVAL.

*Decision taken*

- 19 The Plenary adopted the procedures and decided that those should apply starting with the end of this Plenary meeting. States and territories were invited to notify the Secretariat in accordance with the procedures when a VTC programme is being adopted by the Government.

**10.2 Hungary**

- 20 The Secretariat presented the report on its analysis of Hungary's voluntary tax compliance (VTC) programme, which had entered into force on 28 June 2013. The analysis focussed on the VTC programme's compliance with the four basic principles agreed upon by the FATF in June 2010 on the AML/CFT policy implications of VTC programmes. Since at the time of the analysis MONEYVAL's procedures on VTC programmes had not yet been adopted, the Secretariat followed the existing FATF procedures.
- 21 The Secretariat referred to the specific features of the programme and the manner in which it intended to facilitate asset repatriation and the legalisation of the taxpayers' situation vis-à-vis funds or assets that had been previously unreported or incorrectly reported. Although in its analysis the Secretariat had concluded that Hungary's VTC programme was broadly in line with the FATF four basic principles, various recommendations were made to the Hungarian authorities to ensure further that the programme was not misused for ML/FT purposes. It was noted that detailed implementing rules had still not been issued at the date of the plenary meeting and therefore the actual implementation of the programme had not yet commenced.
- 22 Following the presentation by the Secretariat, the Hungarian delegation provided some further explanations on certain features of the VTC programme. The FATF delegation raised a query on a technical aspect of the programme which was clarified by the Hungarian delegation. The US delegation pointed out that in the event that the VTC programme was subject to any changes, the Hungarian authorities should alert the Secretariat. The Russian and Bulgarian delegations supported the adoption of the report by the Secretariat.

*Decisions taken:*

- 23 The report was adopted with all the recommendations made to the Hungarian authorities and the steps to be taken by the Secretariat. In particular, the Hungarian authorities agreed to submit to the Secretariat a copy of the implementing rules before they were issued. The Secretariat would continue monitoring the implementation of the VTC programme in Hungary and report to the

Plenary on any developments at the 44<sup>th</sup> Plenary. The report will be published MONEYVAL's restricted website.

#### **Agenda item 11 – First Round Progress Report of the Holy See (including Vatican City State)**

- 24 The Secretariat presented its analysis of the first progress report of the Holy See, including the Vatican City State (HS/VCS), which set out the developments since the adoption of the third round MER in July 2012. The Secretariat pointed out that in light of numerous changes and developments, the HS/VCS authorities unusually requested that the Secretariat review both core and key recommendations. On an exceptional basis the Secretariat accepted the request.
- 25 In its presentation, the Secretariat referred to a number of important developments in all areas (legal, law enforcement and financial) of the HS/VCS AML/CFT framework. Following the Secretariat's presentation, in accordance with the Rules of Procedure, the Rapporteur country (Lithuania) posed various questions on the content of the report. The Lithuanian delegation was satisfied with the responses provided by the HS/VCS delegation and proposed that the progress report and Secretariat analysis be adopted and the country be required to report within two years.
- 26 Clarifications were requested by one of the scientific experts and the Polish delegation. Detailed explanations were provided by the HS/VCS authorities. The Italian delegation, while welcoming the progress made by the HS/VCS, pointed out that considering the short time since the adoption of the MER in July 2012, it was difficult to adequately assess the effectiveness of the measures adopted by the HS/VCS authorities. The delegation therefore recommended that the HS/VCS present a written update within one year. In reaction to this proposal, the HS/VCS delegation committed itself to provide detailed updates on the effective application of the newly introduced legislative and institutional measures through the tour de table procedure.
- 27 The Liechtenstein delegation suggested that the Secretariat should look at the previous practice followed in the adoption of third round follow-up reports where significant progress was made by the country, as was the case with the HS/VCS. The delegations of San Marino, Monaco, Cyprus, Bulgaria and the President of the FATF supported this suggestion and emphasised that the Rules of Procedure should be observed at all times. They also noted that since the HS/VCS had clearly made significant progress and there was a strong commitment by the authorities to address any remaining deficiencies, it should not be treated differently from other countries. The US delegation welcomed the progress made in the HS/VCS.
- 28 The Executive Secretary confirmed that Rule 41 of the Rules of Procedure stated that where the Plenary is satisfied with the information provided and the progress being undertaken, the progress report should normally be the subject of an update every two years. This had always been the practice followed in such circumstances. Referring to Rule 43, which provided for situations in which a country was required to provide more regular updates, the Executive Secretary noted that from interventions made by various delegations, it was clear that the plenary was far from concerned regarding the progress made by the HS/VCS to address technical deficiencies. As far as effectiveness was concerned, the practice had always been that, in the context of a progress review, a country would not be penalised for not being in a position to demonstrate the effective application of a law or measure which had just entered into force. The application of Rule 43 was therefore not warranted in the case of the HS/VCS, especially since the HS/VCS would be providing regular updates through the tour de table procedure. The plenary took note of and accepted the clarifications made by the Executive Secretary.

#### *Decision taken*

- 29 As a result of the discussions held in the context of the examination of this first progress report, the plenary was satisfied with the information provided and the progress being undertaken and thus approved the progress report and the analysis of the progress on the core and key Recommendations. Pursuant to Rule 41 of the Rules of procedure, the progress report will be subject to an update every two years between evaluation visits (i.e. December 2015), though the plenary may decide to fix an earlier date at which an update should be presented. The progress report is subject to automatic publication in accordance with the Rules of Procedure.

## **Agenda item 12 - Information from the European Union**

30 The Council of the European Union provided an update to the Plenary on the progress made regarding the Fourth AML Directive, specifying that negotiations are ongoing. The plenary was also informed about the Meeting of the Economic and Financial Affairs Council (ECOFIN) where issues concerning the directive were discussed, more specifically: registries for information on beneficial ownership - where such information should be stored, who should have access to it and under what conditions; supranational risk assessment - the role of the European supervisory authorities and of the outcome of the risk assessment; supranational monitoring of AML/CFT regimes - mechanisms to ensure effective implementation; third country equivalence - whether and how to modify the approach used to determine equivalence of anti-money laundering regimes in third countries. As regards the Directorate General of Home Affairs' proposal to clarify the fourth Directive on the issue of the criminalisation of ML, the Council of the European Union informed the Plenary that an assessment on the impact of making any legislative changes is ongoing and that it is analysing the responses to the questionnaires which have been sent.

## **Agenda item 13 - Information on AML/CFT initiatives in other forums**

31 The plenary heard updates on AML/CFT initiatives from representatives of observer organisations present at the meeting.

32 **World Bank:** A National Risk assessment project will soon be launched in Azerbaijan and is expected to end in one or one and half year time. The World Bank participated in the national risk assessment workshop held in Liechtenstein in September 2013 and that it has recently carried out a mission to Romania in the context of the Joint World Bank/UNODC project addressing corruption. The World Bank also drew the attention of the Plenary to the joint World Bank/UNODC/Interpol report on Piracy, which has been very well received internationally.

33 **OSCE:** The representative presented a report on the activities of the OSCE since January 2013. Activities included the participation in the meeting of the group of international financial center supervisors (London, March 2013) where the handbook on data collection and templates was presented. The publication is in the process of being translated into Russian. The OSCE has assisted Montenegro with the drafting of its national action plan to prevent and suppress terrorism, ML and TF. The OSCE and the Albanian FIU have jointly organised a regional meeting of the heads of the FIUs in southeast Europe in October 2013.

34 **Eurasian Group on Combating Money Laundering and Terrorist Financing:** An update of the outcome of the EAG Plenary meeting held in Ashgabat in November and the workshop on the freezing of assets under Security Council resolution 1373, held in the margin of the Plenary, and organised jointly by the EAG and the International Training and Methodology Centre for Financial Monitoring of the Russian Federation (ITMCFM) was provided. The next EAG plenary and the working group meeting will be held in Moscow in June 2014. In addition to the above, the following activities are planned for 2014: a joint workshop with UNODC which will focus on improving cooperation between the LEAs and the FIUs; and a joint EAG/ MENAFATF workshop on typologies.

35 **UNODC** informed the plenary about improvements of the UNODC-GPML web site ([www.imolin.org](http://www.imolin.org)) including the information provided as concerns the AML/CFT legislation of the countries, case examples and a number of new manuals, documents and research papers.

36 **The GIFCS** informed the plenary about the group's activities and its participation in the work of FATF. The GIFCS has participated in: the FATF plenary in October, the FATF working group on evaluations and implementation, the FATF typologies exercise on the legal profession, as well as in the MONEYVAL typologies exercise on financial analysis and examination of current FIU practices. Recently, the GIFCS has co-chaired a workshop on national risk assessments for international financial centers which was hosted by the FIU of Liechtenstein. The outcomes of the last GIFCS meeting held in Panama was also illustrated.

- 37 **Egmont Group:** The Executive Secretary of the Egmont group informed the plenary about the main activities carried out by the Egmont Group of Financial Intelligence Units and provided information on planned future activities and initiatives, which were also reported in the activity report sent to Moneyval on 4 December 2013. He highlighted that the Egmont Group is now developing a new strategic plan and this issue was discussed in the meeting held in Qatar on 1 December 2013, where 8 FSRBs including MONEYVAL participated. It was noted that the Holy See has joined the Group as a new member.
- 38 **FATF:** The FATF Secretariat presented an update of the FATF activities to date, including the adoption of the 4th round process and procedures and two subsequent initiatives which are under discussion - the process to ensure quality and consistency across the global network and consolidated procedures for the global network- and the adoption of the best practices paper on the use of the FATF recommendations to combat Corruption, which was discussed during the joint FATF/G20 Anti-Corruption Working Group expert meeting prior to the FATF plenary in October. The first assessment visits under 4th round evaluation process will be conducted in 2014 in respect of Spain and Norway. The Plenary's attention was also drawn to selected aspects which will be discussed during the February 2014 Plenary.

## Day 2: Tuesday 10 December 2013

### Agenda item 14 - Election of the Chairman and Vice-Chairman

- 39 Mr Anton Bartolo (Malta) was elected Chairman of MONEYVAL by acclamation for a two year term.
- 40 Two nominations were submitted for the positions of Vice-Chairman: Mr Daniel Thelesklaf (Liechtenstein) and Mr Alexandru Codescu (Romania). The election took place using secret ballots, requiring a two-thirds majority on the first ballot and a simple majority on the second ballot. The result of the first round of voting was 18 votes for Mr Daniel Thelesklaf and 14 votes for Mr Alexandru Codescu. Mr Daniel Thelesklaf was elected as Vice-Chairman of MONEYVAL with a 2/3 majority for a two years mandate.

### Agenda item 15 – Cyprus

#### 15.1 Report by Cyprus on action taken in response to the MONEYVAL Special Assessment on the Effectiveness of Customer Due Diligence Measures in the Banking Sector in Cyprus

- 41 By way of introduction, the Secretariat provided an overview of circumstances in which the Special Assessment had been carried out and the methodology used during the assessment. The Secretariat reminded the plenary that the terms of reference of the special assessment<sup>1</sup>, which had taken place between 19 and 29 March 2013, stipulated that the main findings and recommendations of the assessment would be taken into account in MONEYVAL's own follow-up processes. At the 41<sup>st</sup> plenary meeting (9-12 April 2013), the plenary had agreed that Cyprus should be expected to report on the progress made with respect the recommendations in the special assessment within MONEYVAL's follow-up process. For practical purposes, it had been agreed that Cyprus should submit its first report on the progress related to the special assessment at the 43<sup>rd</sup> plenary, together with its biennial update on the progress achieved in relation to the recommendations made in the 4<sup>th</sup> round MER.
- 42 The Secretariat then presented its analysis of the action taken by Cyprus in response to the recommendations made in the MONEYVAL Special Assessment report. It was noted that notwithstanding various developments, the CBC had not conducted an information gathering exercise to determine whether the recommendations of the Special Assessment report had been implemented by banks. Indeed, little information had been made available to the Secretariat

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<sup>1</sup> Agreed between MONEYVAL, the Central Bank of Cyprus and the Troika Institutions (the European Commission, the European Central Bank and the International Monetary Fund).



elaborating on the measures undertaken by the banking sector, in relation to which the large majority of the recommendations in the special assessment report were made.

- 43 The Cypriot delegation thanked the Secretariat for its analysis and emphasised the unique nature of the assessment. It was pointed out that the resources of the CBC had come under significant strain during the request for financial assistance by Cyprus and in the immediate aftermath. As a result, the CBC was not in a position to gather information from the banking sector to determine the level of implementation of the recommendations made in the Special Assessment report. However, work was underway to implement the Action Plan agreed together with the Troika Institutions, which also included most of the recommendations of the Special Assessment. In particular, risk-based tools for off-site and on-site supervision were being developed with the assistance of the IMF. Additionally, as mentioned by the Secretariat, the CBC Directive had been updated and a revised version had been issued in early December. Training sessions were expected to be organised to guide banks in the implementation of the recommendations of the Special Assessment. Once these projects were finalised, extensive on-site inspections would then take place in 2014, following which the CBC would be better placed to gauge the level of adherence to the Special Assessment recommendations. The delegation also pointed out that the prudential supervision unit of the CBC would also be indirectly involved in the oversight of the implementation of the special assessment recommendations, as it was expected that any issues of an AML/CFT nature identified in the course of prudential work would be brought to the attention of the AML/CFT unit.
- 44 One of the scientific experts requested the Cypriot delegation to provide information on any measures undertaken by the CBC to strengthen its AML/CFT supervision. The delegation explained that a restructuring process had been undertaken within the CBC to strengthen the resources of the supervision division. A separate AML/CFT Unit had been set up in May 2013 to undertake AML/CFT supervision of banks. The staff complement of the unit, which initially consisted of two officers, had been increased to five. According to the restructuring plan, the unit would be staffed with seven officers fully dedicated to AML/CFT issues by the end of 2014. All the officers of the AML/CFT unit and the prudential supervision unit were expected to receive training on the use of the risk-based tools once the project was completed. Information was also provided on the supervisory measures undertaken by CySEC with respect to ASPs. It was suggested that this additional information should be included in the report.
- 45 The UK and Russian delegations welcomed the progress achieved by Cyprus so far and encouraged Cyprus to continue implementing the recommended measures. The Russian delegation remarked that the problems faced by Cyprus with respect to supervision were also faced by other countries. Reference was made to a discussion currently being undertaken by FATF PDG Working Group on this issue.
- 46 The FATF Secretariat enquired on the expected outcome of the follow-up process of the Special Assessment report. The MONEYVAL Secretariat explained that due to the unique nature of the report, it was up to the plenary to determine when the process should be terminated. It was expected that the monitoring process would continue until the plenary is satisfied that Cyprus has satisfactorily implemented the recommendations.

#### *Decision taken*

- 47 The report was adopted by the plenary. Since there was no clear indication how the banks had responded to the recommendations, it was proposed that Cyprus be requested to provide an interim/abbreviated report at the 44th plenary in March 2014 and a fuller report on the progress achieved, particularly by the banking sector, at the 45th plenary in September 2015. It was also decided that the report would be published on MONEYVAL's restricted website.

## **15.2 Biennial update**

- 48 The Chairman explained that the Rules of Procedure did not envisage an analysis by the Secretariat with respect to a biennial update. Cyprus was invited to provide a brief overview of the new measures adopted to deal with the deficiencies identified in relation to the 2003 FATF 40 + 9 Recommendations rated partially compliance or non-compliant in the 4<sup>th</sup> round MER of Cyprus

adopted in September 2011. The biennial update was subject to peer review by the plenary, assisted by the rapporteur country (Malta), which acknowledged the progress made by Cyprus and raised a number of clarifications, together with the Russian delegation.

*Decision taken*

- 49 As a result of the discussions held in the context of the examination of this biennial update, the plenary was satisfied with the information provided and the progress being undertaken and thus approved the biennial update. Pursuant to Rule 47(a) of the Rules of Procedure, further updates would be provided every two years. According to the Rules of Procedure, a link will be provided on the MONEYVAL website to the website of the CBC, where the biennial update will be published.

**Agenda item 16 – Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism**

- 50 The Plenary heard an update from the Secretariat on the outcome of the Awareness raising Conference and Rapporteurs Training, held in Armenia in October 2013. The work program of the Conference of the Parties to CETS 198 in 2014 includes the examination of the assessments of three State Parties (Moldova, Malta and Montenegro) as well as the first follow up report of Romania.

**Agenda item 17 – Compliance Enhancing Procedures: Report of Bosnia and Herzegovina under Step (iii) of the Compliance Enhancing Procedures and discussion of any next steps**

- 51 MONEYVAL adopted the mutual evaluation report of Bosnia and Herzegovina (BiH) under the third round of evaluations at its 31<sup>st</sup> Plenary meeting (7-11 December 2009). As a result of the evaluation process, BiH was rated NC on 13 Recommendations and PC on 18 Recommendations, including on several core and key recommendations. MONEYVAL decided at its 34<sup>th</sup> plenary (7-10 December 2010), that the report raised significant concerns about the extent and the speed of the progress made to rectify deficiencies identified in the 3<sup>rd</sup> round mutual evaluation report and pursuant to Rule 43 of the Rules of Procedure, invited BiH to provide a fuller report to the 35<sup>th</sup> plenary. MONEYVAL, therefore, opened Compliance Enhancing Procedures (CEPs) in respect of the first 3<sup>rd</sup> round progress report for Bosnia and Herzegovina at step (i). Subsequently, the Committee invited BiH to develop a clear action plan in response to MONEYVAL's third round mutual evaluation report. BiH authorities adopted an action plan and MONEYVAL has received regular update reports on its progress. Following the ascertained lack of progress, MONEYVAL decided at its 42<sup>nd</sup> Plenary to move consecutively to step (ii) and then (iii) of the CEPs.
- 52 The Secretariat informed the Plenary that BiH's progress was benchmarked on the passing of two pieces of legislation: the new AML/CFT law and the revised criminal code. However, the Secretariat had recently been advised by the Bosnian delegation that the AML law is still in the Parliamentary process and that the revised criminal code, which was submitted to Parliament for reading, was not approved - it being unclear when the next reading will be scheduled. The Bosnian delegation confirmed that most activities remaining on the Action Plan would have been addressed with the adoption of these two laws. The Chairman expressed his disappointment at the length of the reform process and encouraged BiH to find a solution through the adoption of the required legislation. In the absence of progress and as discussed by the Bureau, the Chair proposed to move on to step (iv) of the CEPs with the setting up of a high-level mission to BiH in January/February 2014. Romania emphasised that the delegation had done its best but lacked political support at home; something a high-level mission could address. Slovakia and the Russian Federation also supported the proposal.

*Decision taken*

- 53 The Plenary adopted the bureau's proposal to move on to step (iv) of the CEPs and send a high-level mission to BiH in January/February 2014.

**Agenda item 18 – 4th Round Expedited Follow-up Report of the Czech Republic**

- 54 The on-site visit to Czech Republic took place from 22 to 29 May 2010 and the 4<sup>th</sup> MER was

adopted at MONEYVAL's 35<sup>th</sup> Plenary meeting (April 2011). As a result of the evaluation process of the Czech Republic, four Recommendations were evaluated as "compliant", 21 as "largely compliant", 22 as "partially compliant" and two were "not applicable". The Czech Republic was placed into regular follow-up on the basis of Rule 48 of the Rules of Procedure. The timetable for reporting was expedited under Rule 49, and the Czech authorities were invited to provide a report on actions taken or which are currently being taken to address the factors/deficiencies underlying any of the 40 + 9 Recommendations that are rated partially compliant (PC) or non-compliant (NC). The Czech Republic presented its first follow-up report at MONEYVAL's 39<sup>th</sup> plenary. Following a discussion of the report, the Czech Republic was requested to submit an interim report at the 43<sup>rd</sup> Plenary and a full report at the 44<sup>th</sup> Plenary.

- 55 The MONEYVAL Secretariat presented its analysis of the Czech Republic's second follow-up report. In the context of R. 1, training was provided for judges and prosecutors and there was a slight increase in unconditional sentences; however, no steps were taken to further criminalise ML and there were no cases of autonomous third-party money laundering. The situation in respect of SR. II remained mostly unchanged despite limited steps to identify deficiencies. Little progress was also made in respect of R. 3 but a considerable increase in effectiveness (assets seized and confiscated) was noted. The rating of R. 35 was reconsidered following the ratification of the Palermo Convention and Protocol, though the wording of the decision has yet to be addressed. In the context of R. 5, steps were taken to increase the transparency of Joint-Stock companies and address anonymity issues; other amendments will be addressed after the adoption of the 4<sup>th</sup> EU directive. As concerns R. 23, the Czech authorities have introduced risk-based supervision and have increased the number and scope of inspection visits. Overall, substantive progress remains limited but the Czech delegation announced that amendments were underway and asked the Plenary to consider their removal of the regular follow-up process at the 44<sup>th</sup> Plenary.

#### *Decision taken*

- 56 MONEYVAL agreed with the proposal of the Czech Republic to report back at its plenary meeting in April 2014 for consideration of removal from regular follow-up.

#### **Agenda item 19 – National Risk Assessments**

- 57 Serbia made a comprehensive presentation on its national risk assessment (NRA). Serbia's NRA started in 2011 and was the first to be conducted according to the World Bank methodology, with one team assessing vulnerabilities (system capacity and sectorial vulnerabilities) and another one focusing on the ML risk at national level. The NRA led to the identification of three main crime-based risks: tax crime (15% of total crime and facilitated by the cash-intensive nature of the Serbian economy), drug trafficking (reaching an estimated 1.3M€ in 2011) and corruption in all its forms in public companies, healthcare, real estate, the judiciary, etc. (with an estimate of proceeds generated by corruption totalling 75M€ a year). The NRA led to the setting up of an Action Plan and a national AML strategy for 2014-2019, including coordination of stakeholders, prevention, repression and training. The World Bank congratulated Serbia on its commitment to carry out the NRA until the end and acknowledged that a proper NRA will take 1 to 1½ year. Replying to Slovakia, the Serbian delegation said that over 100 people had been involved, with 15 working on a daily basis; overall, the greatest challenge had proved to be ensuring people's commitment to these issues and not limiting their contribution to attending the workshops. Armenia raised the question of the publication of the report, which will not be made available on a public website but will be circulated to all those involved or interested. The FATF brought up the issue of the definition of risk and consequences; Serbia indicated that definitions for both were provided in the NRA and the World Bank added that consequences had been built in the framework of the NRA and therefore did not need to be treated as a standalone issue.

#### **Agenda item 20 – Information on AML/CFT initiatives in MONEYVAL countries (tour de table)**

- 58 All delegations provided an update on on-going national AML/CFT initiatives since the last Plenary. A separate paper compiling these contributions will be posted on the restricted website by the secretariat based on delegations' contributions.

**Agenda items 21 and 22 - Discussion on the draft 4th round Mutual Evaluation Report on Israel**

- 59 The Plenary examined the draft 4<sup>th</sup> round evaluation report on Israel. The Chair advised the Plenary that the presentations of the evaluators would be dispensed with in order to have more time for discussion and that the Secretariat would give a brief overview of the main findings of the report. He also reminded the Plenary that this would be the last time that intervener countries would ask specific questions as, further to the entry into force of the new rules of procedures at the next meeting, intervener countries will only raise significant issues that they deem should be discussed by the Plenary. The Secretariat introduced the evaluation team and explained the changes to the report following discussions on issues raised by the review group and the scientific experts during the pre-meeting with the Israeli authorities. The Secretariat briefly outlined the details of the on-site visit conducted from 11 to 15 March 2013 and the developments observed since the third report. The intervener countries were: Bulgaria (legal aspects), Croatia (law enforcement aspects) and Armenia (financial aspects).
- 60 In introducing the report the Secretariat explained that given there had been no changes to legislation since the 3<sup>rd</sup> round report and that the technical analysis was accurate, the evaluators had merely referred back to the relevant sections of the 3<sup>rd</sup> round report rather than reiterate the analysis. The Secretariat also stated that, in terms of risk, there was a serious concern that there is still no AML/CFT regime in place for the DNFBP sector. In particular Orders setting out AML/CFT controls for the diamond industry, which makes a significant contribution to the Israeli economy and is the largest global exporter of polished diamonds, was still not in place.

*Important issues discussed:*

- 61 **Criminalisation of money laundering (R.1)** – the FATF Secretariat raised the concern that the threshold applicable to cases of self-laundering (acquisition, possession or use) provided under Israeli law could have a negative impact on the confiscation of proceeds and restrict it only to a range of predicate offences. The evaluator acknowledged that this point is a deficiency, particularly in respect of value confiscation; at the same time, the case law provided during the visit narrowed the concerns on the standards of the provision. Israel acknowledged that the threshold is too high, and reminded the Plenary that a law proposing to lower it is being discussed. It also highlighted that in practice this has not impeded investigations and that the criminal code covers most cases of ML; it therefore proposed to mention the relevant Articles in the report. The Russian Federation reminded the Plenary that a similar deficiency had been raised by MONEYVAL in the report on the Russian Federation, which criticised the existing threshold of 15 000 Euros for cases of self-laundering. It proposed however, to maintain the LC rating in view of the announced legislative changes and the points on effectiveness raised by the evaluator. Monaco supported this proposal. San Marino and Liechtenstein proposed to add a reference to the two Articles of the Criminal Code for completeness of information. The Plenary agreed that a clarification would be added.
- 62 **Ratification and implementation of the international conventions (R35)** – as concerns preventative obligations on other professions involved in financial transactions, Israel indicated that Art 18 of the Terrorist Financing Convention is worded in largely discretionary terms; it therefore proposed to remove the relevant bullet point in the rating box. The evaluator and the plenary accepted this and decided to upgrade the rating to compliant.
- 63 **Legal persons, Access to beneficial ownership and control information (R.33)** Armenia requested a clarification on whether the weakness in respect of the verification of beneficial ownership in a R.5 context has a cascading effect on R.33. Israel explained that there was none and that the second bullet point under R.33 should be dealt with under R.5; this proposal was supported by Liechtenstein and Albania. It added that the term “verification” in bullet one and two suggest that a company regulator should be established and that this not in line with the methodology. The evaluator explained that the report purports to raise a concern in relation to

criterion 33.2 (access to adequate, accurate and current information on the beneficial ownership and control of legal persons) and that the second bullet of R.33 could be reformulated to reflect this concern. Poland supported the redrafting of the bullet point so that it is more in line with criterion 33.2 and did not agree with the cascading effect on R5. The evaluator proposed and the Plenary agreed to remove the first two bullets and replace it with one bullet point, the wording of which will be more in line with criterion 33.2. The rating remained unchanged.

- 64 **Sanctions (R17)** –in relation to the first bullet point stating that failure to apply administrative sanctions to natural persons could limit the scope of the sanctioning regime, Poland expressed the opinion that not using all the range of sanctions at the country's disposal does not necessarily make the system ineffective. It also highlighted that the report acknowledges that physical persons can be punished under criminal law. As concerns the second bullet point, it expressed the view that imposing administrative sanctions several months after the detection of infringements is an acceptable time-frame. It proposed therefore to delete the two bullet points and to upgrade the rating to compliant. The evaluator clarified that the second bullet point should refer to several years, not months. In relation to the first bullet point, the evaluator explained that imposing criminal sanctions on physical persons may not be proportionate in all cases, particularly in relation to preventative measures. He added that these deficiencies are considered from the perspective of effectiveness. In relation to the second bullet point, Israel explained that at the time of the on-site visit the time-span had improved and had been reduced to several months. In relation to the first bullet point, it indicated that administrative sanctions are applicable to reporting entities, that there have been several indictments of bank officials in serious cases and that the methodology does not require that administrative sanctions be applied to natural persons. The scientific expert supported this last point and added that the methodology only requires that sanctions be available and proportionate. Following a lengthy discussion, the plenary agreed to delete both bullet points and raise the rating to compliant.
- 65 **Regulation and supervision of financial institutions (R23)** – As concerns the first bullet point in the rating box on the lack of prompt adoption of the Orders by the competent Ministers as they require the approval of the designated Knesset Committee, Poland countered that there are no technical compliance issues and that the supervisory functions perform well, it therefore proposed to delete the bullet point and upgrade the rating to compliant. The evaluator stated that the lack of promptness in adopting regulatory measures has an impact on effectiveness and proper supervision; also most of the supervisors have not issued specific regulations in the absence of a Government Order. The Secretariat added that Latvia had received a similar bullet point on uneven application of regulation in certain areas. The Scientific expert stated that the regulations relate to technical issues and political considerations may get in the way given that they are submitted to a political body. Poland requested that a paragraph be added clarifying how the lack of promptness in issuing the Orders affects the effectiveness of the supervisory regime as it was not clear. The Plenary did not achieve a consensus to remove the bullet and upgrade the recommendation but agreed that a paragraph would be added to the report to reflect the concern expressed by the Polish delegation.
- 66 **Record Keeping (R.10)** – The FATF Secretariat commented that Essential Criteria 10.1.1 was not covered in Israeli legislation and it was agreed that a bullet point should be added to reflect this. Lithuania noted that in other reports countries had been awarded an LC rating with equivalent bullet points. It was agreed that the existence of a threshold on document retention for certain categories of financial institution represented a serious deficiency. It was agreed to retain the rating at partially compliant and add an additional bullet point covering Essential Criteria 10.1.1.
- 67 **DNFBPs (R.12, R.16 & R.24)** – Romania expressed concern that there had been no change in the situation of DNFBPs since the 3<sup>rd</sup> round report and there was still no AML/CFT regime in place for the DNFBP sector. It was agreed that a paragraph should be added in the Recommendations and Comments section of each of R.12, R.16 & R.24 expressing a serious concern that the DNFBP sector was still outside the AML/CFT regime and encouraging the authorities to address this deficiency promptly.
- 68 **Suspicious Transaction Reports and Other Reporting (R13 and SRIV)** – Further to discussions held in the Plenary, the evaluators reconsidered the paragraphs of the report indicating that funds that are suspected to be linked or related to, or to be used for those who

finance terrorism are not covered. They concluded that the latter are provided under the law and therefore proposed to delete the related bullet point under R13 and SRIV and to add a recommendation to the authorities to consider revising the law to clarify the reporting requirements in this regard. The Plenary agreed and decided to upgrade the rating of SRIV to compliant and to maintain the rating of R13.

*Decision taken*

- 69 As a result of the discussion, the Plenary decided to amend the draft report and the summary to reflect the clarifications raised by delegations and the amendments set out in the room document and modified the ratings of R.35 (upgraded from LC to C), R.17 (upgraded from LC to C) and SRIV (upgraded from LC to C). The Plenary adopted the executive summary and the 4th round assessment visit report on Israel, with the agreed amendments and subject to consequential editorial changes. The executive summary and report as adopted are subject to automatic publication in accordance with the revised Rules of Procedure.
- 70 Pursuant to rule 49 of the revised Rules of Procedure, Israel was placed under the regular follow-up procedure and was asked to report two years after the adoption of the report. In addition, the Plenary noted the concerns expressed over the failure to apply the AML/CFT regime to the DNFBP sector and considered that the lack of regulation of DNFBPs represented a significant risk. Israel was required to report back to the Plenary in one year on progress in applying the AML/CFT regime to all categories of DNFBP.

**Day 4: Thursday 12 December 2013**

**Agenda item 23 – Election of Bureau members**

*Decision taken:*

- 71 MONEYVAL elected by acclamation three Bureau members. Ms Elzbieta Frankow-Jaskiewicz (Poland) and Nicola Muccioli (San Marino) were re-elected for a further mandate of two years and Alexey Petrenko (Russian Federation) was elected for a term of two years, renewable once.

**Agenda item 24 – First 3<sup>rd</sup> round progress report of Jersey, UK Crown Dependency**

- 72 The Secretariat presented its analysis of the Progress report on the Core Recommendations (more specifically on R1, R5, R.13, SR II and SRIV), which sets out the progress that the United Kingdom Crown Dependency of Jersey (hereinafter Jersey) has made to remedy the deficiencies identified in the assessment report of the IMF, published in September 2009. The on-site visit to Jersey was conducted by the IMF from 29 October -13 November 2008. The full progress report was subject to peer review by the Plenary, assisted by a Rapporteur delegation (Estonia). The Russian Federation welcomed the progress presented. Romania sought clarifications in respect of results reported under R. 1 and autonomous money laundering cases, as well as on investigations and convictions resulting from the SAR process. One of the financial scientific experts questioned whether any pecuniary sanctions available can be imposed.

*Decision taken*

- 73 As a result of the discussions held in the context of the examination of this first progress report, the Plenary was satisfied with the information provided and the progress being undertaken and thus approved the progress report and the analysis of the progress on the core Recommendations. Pursuant to the Rules of procedure, the progress report should be subject to an update every two years between evaluation visits (i.e. December 2015). However, according to the revised rules of procedure, the third round follow-up process shall end if a fourth round evaluation visit is undertaken by MONEYVAL before an update report is due to be submitted. The progress report is subject to automatic publication.

## **Agenda item 25 – Fourth 3<sup>rd</sup> round progress report of Montenegro**

- 74 Montenegro was required to present a fourth report by MONEYVAL in December 2013, given the concerns expressed by delegations related to the level of progress achieved. The Secretariat presented its analysis of the Progress report on the Core Recommendations. The review of measures taken in relation to the Core Recommendations should be read in conjunction with the analysis of the Core Recommendations outlined in the first, second and third progress reports submitted by MONEYVAL to MONEYVAL. The full progress report was subject to peer review by the Plenary, assisted by a Rapporteur delegation (Slovak Republic). The World Bank, Albania, Romania, Estonia, Bulgaria and the Russian Federation intervened and sought a number of clarifications on the progress reported or analysis of the Secretariat.
- 75 Based on clarifications received, the Plenary noted that Montenegro has responded to a number of the recommendations since the adoption of the third 3<sup>rd</sup> round progress report with respect to the Core Recommendations. However, a number of outstanding issues remain.

### *Decision taken*

- 76 As a result of the discussions held in the context of the examination of this progress report, the Plenary was satisfied with the information provided and the progress being undertaken and thus approved the progress report and the analysis of the progress on the core Recommendations. The progress report is subject to automatic publication. An in-depth assessment of the core (and also key and other) recommendations, both in terms of technical compliance and effective implementation, will be undertaken in the 4<sup>th</sup> round MONEYVAL evaluation of Montenegro in March 2014, and the report will be considered for adoption in December 2014.

## **Agenda item 26 – Further discussion of measures taken by countries on identified important deficiencies as a result of the process regarding the state of compliance on all NC and PC ratings in the 3<sup>rd</sup> round mutual evaluation report and next steps**

- 77 The Bureau reported to the Plenary that it had considered the progress which has been achieved by the countries assessed under this monitoring procedure and any additional measures that could be applied in this context. A paper was subsequently circulated, including proposals for further action. The Plenary examined the measures taken in Georgia, Moldova and Ukraine with respect to the important deficiencies identified under the “process regarding the state of compliance on all NC and PC ratings in the third round”. It decided that additional peer pressure measures should be applied in respect of countries under the process.

### **26.1 Georgia**

- 78 The deficiency which continued to raise concern was related to the lack of CDD obligations on lawyers, accountants and auditors as required under R.12 of the FATF. The same deficiency applied to R.16. On 27 November, Georgia adopted the draft law on changes and amendments to the AML/CFT Law concerning CDD and other related requirements for lawyers, which was published and came into force and effect on 10 December.

### **26.2 Moldova**

- 79 On 5 December, the Moldovan Parliament adopted a draft law amending the Contravention Code and establishing a sanctioning regime for non-compliance with the AML/CFT Law. Consequently, the Moldovan authorities have met the minimum level required for the legislative process concerning compliance with R. 17. In its analysis, however, the Secretariat expressed doubts on the appropriateness of the levels of sanctions. These doubts were shared by the Bureau.

### **26.2 Ukraine**

- 80 The outstanding deficiencies which Ukraine is required to address under the NC/PC process relate to R. 3. The Plenary acknowledged that progress had been achieved by the Ukrainian authorities through the adoption of a law amending the Criminal Code and the Criminal Procedure Code and introducing provisions on special confiscation and provisional measures. The Plenary asked Ukraine to report back with a detailed report clarifying how the provisions of the newly

adopted law amending the Criminal Code and the Criminal Procedure Code address the following deficiencies under R. 3: the regime for confiscation of property of corresponding value to property that has been laundered, as well as confiscation of income, profits or other benefits from the proceeds of crime involved in the commission of ML offence; and the fact that property from the commission of a certain predicate offence cannot be confiscated. On the basis of the additional explanations provided by the Ukrainian authorities on the revised provisions of the Criminal Code, which should enter into force on 16 December 2013, it appeared that Ukraine has taken measures to improve its compliance with R. 3.

*Decision taken*

81 The Plenary decided:

- a) to formally terminate the NC/PC process with regards to Georgia.
- b) to request Moldova to report back to the 44<sup>th</sup> Plenary on whether or not the law has actually come into force, in which case the NC/PC process with regards to Moldova would be terminated. Moldova is subject to the 4<sup>th</sup> round follow-up procedures and as such should report back in a year (December 2014), thus further reporting on how sanctions are being imposed would be part of the follow-up process.
- c) to request Ukraine to formally notify the Chairman through the Secretariat when the law amending the Criminal Code and the Criminal Procedure Code will have entered into force. Subject to that formal notification, the NC/PC process will be terminated and the issue of Ukraine's compliance with R.3 will be re-examined in the forthcoming evaluation. If the detailed analysis in the MER concludes that no substantive progress has been achieved regarding R. 3, the Bureau will discuss the situation of Ukraine and whether the Plenary should consider applying any other measures, including if appropriate, compliance enhancing procedures.

**Agenda item 27 – MONEYVAL input into FATF policy-making**

82 The Plenary discussed the possibility of creating an informal group to develop a more structured approach to input into FATF's policy-making. The flexible structure – made up of MONEYVAL experts from various fields – would be called upon to evaluate a selection of topics under consideration by the FATF. A Bureau member, Mr Nicola Muccioli (San Marino), would coordinate this structure and provide MONEYVAL with a proactive stance on this issue. Following questions from Hungary and Romania, the Executive Secretary and Chairman confirmed that the goal of this informal group is to provide the same type of feedback that MONEYVAL currently provides to FATF requests but in a more coordinated and structured fashion. The FATF Secretariat expressed great interest in this proposal. Armenia, Estonia, Poland and Romania also expressed support for this informal group.

*Decision taken*

83 The Plenary decided to establish an informal group of experts to provide input into FATF's policy making.

**Day 5: Friday 13 December 2013**

**Agenda item 29 - First 3rd round progress report of Guernsey, Crown Dependency of the UK**

84 The Secretariat presented its analysis of the Progress report on the Core Recommendations (more specifically on R1, R5 and SRIV), which sets out the progress that the United Kingdom Crown Dependency of Guernsey's (Guernsey) has made to remedy the deficiencies identified in the assessment report of the IMF, published in December 2010. The on-site visit to Guernsey was conducted by the IMF from 17 May to 1 June 2010. The full progress report was subject to peer review by the Plenary, assisted by the Rapporteur delegation (Hungary), which acknowledged the progress made by Guernsey. Romania sought clarification on the statistics provided and it was agreed that Guernsey would provide revised statistics to be included in the adopted report.



## *Decision taken*

- 85 As a result of the discussions held in the context of the examination of this first, third round progress report, the plenary was satisfied with the information provided and the progress being undertaken and thus approved the progress report and the analysis of the progress on the core Recommendations. Pursuant to the Rules of procedure, the progress report should be subject to an update every two years between evaluation visits (i.e. December 2015). However, according to the revised rules of procedure, the third round follow-up process shall end if a fourth round evaluation visit is undertaken by MONEYVAL before an update report is due to be submitted. The progress report is subject to automatic publication.

## **Agenda item 30 - Typologies work**

### **30.1 MONEYVAL / EGMONT Group joint typologies meeting – report from Secretariat**

- 86 The Plenary heard a report from the Secretariat on MONEYVAL/EGMONT Group's joint typologies meeting, which was held in Strasbourg in 9-11 October. The meeting focused on two key topics the first led by the Egmont Group (Financial analysis – an examination of current FIU practices) and the second led by MONEYVAL (Laundering the proceeds of organised crime). 67 experts from MONEYVAL states and jurisdictions actively participated in the meeting along with numerous worldwide delegations that are active within the Egmont Group of FIUs and the FATF, FIUNet and Europol. 16 delegations presented case studies and best practices. The Plenary was also informed that a meeting focusing on ML investigations featuring organised crime is planned to be held in San Marino in 2014. The Secretariat thanked San Marino's authorities for their kind cooperation on this issue.

### **30.2 FATF typologies work**

- 87 Ms Emma Oettinger, project leader of the FATF typology project on Money Laundering and Terrorist Financing Vulnerabilities of Legal Professionals made a presentation regarding the project's objectives, the working process and its findings, including identified vulnerabilities and red-flag indicators.
- 88 The Plenary also heard a presentation on the FATF typology report on the role of Hawalas and other similar service providers in money laundering and terrorist financing (HOSSPs), from the representatives of the United States and of the World Bank. Aspects covered included the problems related to the identification of unregulated or illegal HOSSPs and strategies to identify them; the impact of legislation on HOSSPs; sanctions; settlement mechanisms; and indicators to detect suspicious HOSSPs. An overview of the findings and recommendations was also presented.

### **30.3 Discussion of the draft Typologies report on Trade Based Money Laundering – MONEYVAL Secretariat update**

- 89 The Secretariat introduced the project, which was launched in Tel Aviv, Israel in November 2011 and thanked the experts who have contributed to it. The delegates from Romania and Ukraine summarised the objectives and findings of the draft report. The objectives included: the identification of vulnerabilities and risks associated with using trade and cash; detecting peculiarities for different types of trade and finding high risk trade transactions; identifying the methods and techniques used in trade based ML; finding appropriate monitoring techniques to provide a set of red flags and indicators to identify ML schemes. On the basis of information gathered, various typologies, vulnerabilities and red-flag indicators have been identified and included in the report. It was also indicated that though trade based money laundering has received much attention from the FATF and other FATF Style Regional Bodies membership, this level of awareness has not been matched at the national level of Council of Europe member jurisdictions. There seemed to be a general agreement among the jurisdictions which have been consulted in this project that the increased number of cash operations in trade transactions represents a growing level of AML/CFT risk. The data collected for this exercise did not enable to clearly show a direct link between the level of cash within an economy and TBML. The lack of

supervision over cash operations in domestic trade makes this area highly vulnerable to abuse for ML/TF purposes.

*Decision taken:*

90 The Plenary agreed that, subject to any necessary revisions arising from further comments and editorial modifications, the report would be made public on MONEYVAL's website.

**Agenda items 31 & 32 - Ad Hoc Review Group of Experts for the next plenary meeting & - Rapporteurs for the 44<sup>th</sup> plenary**

91 The Plenary took note of the paper circulated by the Secretariat outlining the delegations acting as Ad Hoc Review Group for the draft mutual evaluation reports, interveners and rapporteurs for the next plenary meeting. No rapporteurs were appointed for the next plenary as no third round progress reports will be examined.

**Agenda item 33 - Future representation in FATF meetings**

92 A call for expressions of interest to take part in the MONEYVAL delegation participating to the next FATF plenary was made.

**Agenda item 34 - Financing and staffing**

93 The Plenary was informed about the on-going procedures for secondment to the Secretariat. In addition to the existing opening for a secondment with a displacement allowance, there will be a further secondment position available without a displacement allowance in the coming year. The Executive Secretary was pleased to report that Ms Irina TALIANU will be continuing to work in MONEYVAL, after the end of her secondment at the end of the year, as a Council of Europe staff. The plenary was also provided with an update of the situation regarding the budgetary preparations for 2014.

## APPENDIX I

**Day 1: Monday 9 December 2013 / 1<sup>er</sup> jour : lundi 9 décembre 2013**

### Morning 9h30 / matin 9h30

1. **Opening of the Plenary Meeting at 9h30 by Jan Kleijssen, Director of Information Society and Action against Crime / Ouverture de la réunion plénière à 9h30 par Jan Kleijssen, Directeur de la Direction de la société de l'information et de la lutte contre la criminalité**
2. **Adoption of the Agenda / Adoption de l'ordre du jour**
3. **Information from the Chairman / Informations communiquées par le Président**
  - 3.1 **Chairman's correspondence / Correspondance du Président**
  - 3.2 **Bureau Meeting 14-15 November / Réunion du Bureau 14-15 novembre**
4. **Information from the Secretariat / Informations communiquées par le Secrétariat**
  - 4.6 **Revised MONEYVAL statute / Statut de MONEYVAL révisé**
  - 4.7 **Information regarding elections / Informations sur les élections**
  - 4.8 **Agenda of evaluations and meetings in 2014 / Calendrier des évaluations et réunions en 2014**
  - 4.9 **Training for 4<sup>th</sup> Round / Formation pour le 4<sup>ème</sup> cycle**
  - 4.10 **Participation in FATF meetings / Participation aux réunions du GAFI**
  - 4.11 **Participation in other forums / Participation à d'autres réunions**
5. **Intervention of Mr Vladimir Nechaev, President of the Financial Action Task Force (FATF) / Intervention de M. Vladimir Nechaev, Président du Groupe d'Action financière (GAFI)**
6. **Report from FATF Secretariat on processes and procedures for FATF's 4th round / Rapport sur les processus et procédures pour le 4<sup>ème</sup> cycle du GAFI**
  - 6.1 **FATF processes / Processus du GAFI**
  - 6.2 **Process to ensure the quality and consistency of reports across the global networks / Processus visant à assurer la qualité et cohérence des rapports du réseau mondial**
7. **ICRG Process update from the Co-chair of the Europe/Eurasia Regional Review Group (ERRG) / Présentation des dernières évolutions du processus ICRG par le Vice-président du Groupe d'examen régional Europe/Eurasie (ERRG)**
8. **Timetable for MONEYVAL's 5th Round – Bureau proposals / Calendrier pour le 5<sup>ème</sup> cycle de MONEYVAL – Propositions du Bureau**
9. **Revision of the MONEYVAL Rules of Procedure / Révision des Règles de procédure de MONEYVAL**
  - 9.1 **Revision of Rules of Procedure for 4<sup>th</sup> round / Révision des Règles de procédure du 4<sup>ème</sup> cycle de MONEYVAL**
  - 9.2 **Rules of Procedure for 5<sup>th</sup> round – issues / Règles de procédure du 5<sup>ème</sup> cycle de MONEYVAL – questions**
10. **Tax amnesties and Voluntary Tax Compliance Schemes / Amnisties fiscales et programmes**

*de régularisation fiscale volontaire*

- 10.1 MONEYVAL procedures / Procédures de MONEYVAL**
- 10.2 Hungary / Hongrie**

**Afternoon 14h30 / après-midi 14h30**

- 11. First 3<sup>rd</sup> round progress report of the Holy See (including Vatican City State) / Premier rapport de progrès du 3<sup>ème</sup> cycle du Saint-Siège (y compris l'État de la Cité du Vatican)**
- 12. Information from the European Union / Informations de l'Union Européenne**
  - 12.1 European Commission / Commission Européenne**
  - 12.2 Secretariat General of the Council of the European Union / Secrétariat Général du Conseil de l'Union Européenne**
- 13. Information on AML/CFT initiatives in other forums / Informations sur les initiatives LAB/CFT d'autres institutions**
  - 13.1 IMF / FMI**
  - 13.2 World Bank / Banque Mondiale**
  - 13.3 EBRD / BERD**
  - 13.4 OSCE**
  - 13.5 Council of Europe Development Bank / Banque de Développement du Conseil de l'Europe**
  - 13.6 Eurasian Group on Combating Money Laundering and Terrorist Financing (EAG) / Groupe Eurasie sur le blanchiment d'argent et le financement du terrorisme (EAG)**
  - 13.7 UNODC**
  - 13.8 GIFCS**
  - 13.9 Egmont Group / Groupe Egmont**
  - 13.10 FATF / GAFI**

***[Bureau Meeting at the close of the afternoon's business to include an exchange of views with the President of the FATF / La réunion du Bureau à la clôture de la session de l'après-midi inclurera un échange de vues avec le Président du GAFI]***

**Day 2: Tuesday 10 December 2013 / 2<sup>ème</sup> jour : mardi 10 décembre 2013**

**Morning 9h30 / matin 9h30**

- 14. Election of the Chairman and Vice-Chairman / Élection du Président et du Vice-président**
- 15. Report by Cyprus on action taken in response to the MONEYVAL Special Assessment on the Effectiveness of Customer Due Diligence Measures in the Banking Sector in Cyprus and Biennial update / Rapport de Chypre sur les progrès réalisés vis-à-vis des recommandations formulées dans l'évaluation spéciale de MONEYVAL sur l'efficacité des mesures de vigilance à l'égard des clients dans le secteur bancaire et mise à jour biennale**
  - 15.1 Report by Cyprus on action taken in response to the MONEYVAL Special Assessment on the Effectiveness of Customer Due Diligence Measures in the Banking Sector / Rapport de Chypre sur les progrès réalisés vis-à-vis des recommandations formulées dans l'évaluation spéciale de MONEYVAL sur l'efficacité des mesures de vigilance à l'égard des clients dans le secteur bancaire**
  - 15.2 Biennial update / Mise à jour biennale**

16. **Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism / Convention du Conseil de l'Europe relative au blanchiment, au dépistage, à la saisie et à la confiscation des produits du crime et au financement du terrorisme**

16.1 **Report on the Armenia Awareness-raising Conference and Rapporteurs Training / Rapport sur la conférence de sensibilisation et la formation des rapporteurs en Arménie**

16.2 **Conference of the Parties work programme for 2014 / Programme de travail 2014 de la Conférence des parties**

17. **Compliance Enhancing Procedures / Procédures de conformité renforcée**

17.1 **Report of Bosnia and Herzegovina under Step (i) of the Compliance Enhancing Procedures and discussion of any next steps / Rapport de la Bosnie-Herzégovine au titre de l'étape (i) des procédures de conformité renforcée et discussions sur les suites à donner**

**Afternoon 14h30 / après-midi 14h30**

18. **Fourth round expedited follow up report of the Czech Republic / Rapport de suivi accéléré du 4<sup>ème</sup> cycle de la République Tchèque**

19. **National Risk Assessments / Évaluations nationales des risques**

19.1 **Presentation by Serbia of its national risk assessment / Présentation par la Serbie de son évaluation nationale des risques**

19.2 **Progress of other MONEYVAL jurisdictions / Progrès d'autres juridictions MONEYVAL**

20. **Information on AML/CFT initiatives in MONEYVAL states and territories (tour de table) / Informations sur les initiatives LAB/CFT dans les États et territoires de MONEYVAL (tour de table)**

**Day 3: Wednesday 11 December 2013 / 3<sup>ème</sup> jour : mercredi 11 décembre 2013**

**Morning 9h30 / matin 9h30**

21. **Discussion on the draft 4<sup>th</sup> round Mutual Evaluation Report on Israel / Discussion du projet de rapport d'évaluation mutuelle d'Israël du 4<sup>ème</sup> cycle relative à Israël**

**Afternoon 14h30 / après-midi 14h30**

22. **Continuation of the discussion on the draft 4<sup>th</sup> round Mutual Evaluation Report on Israel / Poursuite de la discussion du projet de rapport d'évaluation mutuelle d'Israël du 4<sup>e</sup> cycle relative à Israël**

**Day 4: Thursday 12 December 2013 / 4<sup>ème</sup> jour : jeudi 12 décembre 2013**

**Morning 9h30 / matin 9h30**

23. **Election of the Bureau members / Élection des membres du Bureau**

24. **First 3<sup>rd</sup> round progress report of Jersey, Crown Dependency of the UK** / *Premier rapport de progrès du 3<sup>ème</sup> cycle de Jersey, Dépendance de la Couronne du Royaume-Uni*

**Afternoon 14h30 / après-midi 14h30**

25. **Fourth 3<sup>rd</sup> round progress report of Montenegro** / *Quatrième rapport de progrès du 3<sup>ème</sup> cycle du Montenegro*
26. **Further discussion of measures taken by countries on identified important deficiencies as a result of the process regarding the state of compliance on all NC and PC ratings in the 3rd round mutual evaluation report and next steps** / *Discussion sur les mesures prises par les États sur les importantes lacunes identifiées dans le cadre du processus concernant l'état de conformité relatif aux notations NC et PC du rapport d'évaluation du 3<sup>ème</sup> cycle et suites à donner*
- 26.1 **Georgia** / *Géorgie*
- 26.2 **Moldova**
- 26.3 **Ukraine**
27. **MONEYVAL input into FATF policy-making** / *Apport de MONEYVAL à l'élaboration des politiques du GAFI*
28. **Further discussion and presentations on preparations for the 5th round** / *Poursuite de la discussion et des présentations sur les préparatifs en vue du 5<sup>ème</sup> cycle d'évaluation*

**Day 5: Friday 13 December 2013 / 5<sup>ème</sup> jour : vendredi 13 décembre 2013**

**Morning 9h30 / matin 9h30**

29. **First 3<sup>rd</sup> round progress report of Guernsey, Crown Dependency of the UK** / *Premier rapport de progrès du 3<sup>ème</sup> cycle de Guernesey, Dépendance de la Couronne du Royaume-Uni*
30. **Typologies work** / *Travaux sur les typologies*
- 30.1 **MONEYVAL / EGMONT Group joint typologies meeting – report from Secretariat** / *Réunion des experts sur les typologies conjointement avec le Groupe Egmont – rapport du Secrétariat*
- 30.2 **FATF typologies work** / *Typologies du GAFI*
- 30.2.1 **Typology on the role of Hawalas and other similar service providers in money laundering and terrorist financing (led by the United States and the World Bank) – presentation by Mr Kuntay Celik** / *Typologie sur le rôle des hawalas et de similaires fournisseurs de services dans le blanchiment d'argent et le financement du terrorisme (dirigée par les États-Unis et la Banque mondiale) - présentation par M. Celik Kuntay*
- 30.2.2 **Money Laundering and Terrorist Financing Vulnerabilities of Legal Professionals** / *Vulnérabilités des professionnels du secteur juridique vis-à-vis du blanchiment d'argent et du financement du terrorisme*
- 30.3 **Typologies report on Trade Based Money Laundering – MONEYVAL Secretariat update** / *Rapport sur le blanchiment de capitaux fondé sur les transactions commerciales – mis à jour du Secrétariat de MONEYVAL*
31. **Ad Hoc Review Group of Experts for the next plenary meeting** / *Groupe d'examen ad hoc d'experts pour la prochaine réunion plénière*

32. **Rapporteurs for plenary 44 / Rapporteurs pour la 44<sup>ème</sup> Plénière**
33. **Future representation in FATF meetings / Représentations futures dans les réunions du GAFI**
34. **Financing and staffing / Financement et questions de personnel**
35. **Miscellaneous / Divers**

## APPENDIX II

### Evaluated States and Jurisdictions / *Etats et juridictions évalués*

#### ALBANIA / ALBANIE

Mr Edmond ADEMI <b>HEAD OF DELEGATION</b> Adviser of the Minister of Justice, Ministry of Justice, TIRANA, Albania	<i>legal</i>
Mr Klodjan BRAHO District Prosecutor, Vlore Prosecution Office	<i>law enforcement</i>
Mr Agim MUSLIA Director of Analysis and IT Dept, Deputy Director GDPML	<i>law enforcement</i>

#### ANDORRA / ANDORRE

M. Carles FIÑANA PIFARRÉ <b>CHEF DE DELEGATION</b> Directeur de l'Unité d'Intelligence Financière, Ministère de la Présidence	<i>legal</i>
Mr Borja AGUADO DELGADO Expert juridique	
Mrs Tanjit SANDHU KAUR Legal Adviser, Financial Intelligence Unit	

#### ARMENIA / ARMENIE

Ms Astghik KARAMANUKYAN <b>HEAD OF DELEGATION</b> Head, International Relations Department, Financial Monitoring Center, Central Bank of Armenia	<i>legal</i>
Mr Daniel AZATYAN Head, Financial Monitoring Center, Central Bank of Armenia	<i>financial</i>
Ms Tatevik NERKARARYAN Methodologist-Legal Advisor, Legal Compliance Department, Financial Monitoring Center, Central Bank of Armenia	<i>law enforcement</i>
Mr Artavazd SARGSYAN Deputy Head, Financial Supervision Department, Central Bank of Armenia	<i>financial</i>

#### AUSTRIA / AUTRICHE

Mr Andreas PINK Financial Market Authority, VIENNA, Austria	
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#### AZERBAIJAN / AZERBAÏDJAN

Mr Rufat ASLANLI <b>HEAD OF DELEGATION</b> Chairman of the State Committee for Securities	
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Mr Nurlan BABAYEV  
Head of Legal and Methodology Department, Financial Monitoring Service under the Central Bank of the Republic of Azerbaijan

Mr Jeyhun SHADLINSKIY  
Head, AML/CFT Department, Ministry of National Security

#### **BOSNIA AND HERZEGOVINA / BOSNIE-HERZÉGOVINE**

Mr Borislav CVORO  
**HEAD OF DELEGATION**  
Team leader of Team for Prevention and Investigation of Funding of Terrorist Activities, FID/SIPA  
Financial Intelligence Department, State Investigation and Protection Agency

Mrs Sanela LATIC,  
Head of Department for Cooperation with Domestic and International Judicial Bodies and Comparative Law, Ministry of Justice of Bosnia and Herzegovina

Mr Samir OMERHODZIC *financial*  
Director, Insurance Agency of Bosnia and Herzegovina,

Mr Milimir GOVEDARICA  
Head of Department of Financial Investigation and Detection of the Proceeds of Crime, Ministry of Internal Affairs of Republic of Srpska

Ms Natasa KNEZEVIC  
Associate for translation at the Ministry of Interior of Republic of Srpska

#### **BULGARIA / BULGARIE**

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State Agency National Security (SANS)

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**HEAD OF DELEGATION**  
Head of Service for Prevention and Supervision of Reporting Entities, Anti-Money Laundering Office,  
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Director, Foreign Exchange Policy Department, Croatian National Bank

Mr Dinko KOVAČEVIĆ  
Head of Service for Criminal Law, Ministry of Justice

Mr Krešimir SIKAVICA  
Head of Service for Economic Crime and Corruption, Police National Office for Suppression of Corruption and Organized Crime, Ministry of the Interior

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Mr Stelios GEORGAKIS *financial*

Ms Eftychia GEORGIOU  
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Mrs Maria THEMISTOCLEOUS *financial*

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Public Prosecutor, International Division of the Supreme Public Prosecutor's Office,

Mr Jaroslav VANĚK, International Cooperation and Legal Division of the Financial Analytical Unit of the Ministry of Finance

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Ms Veronica METS  
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**LAW ENFORCEMENT EVALUATOR FOR ISRAEL**  
Head of Internal Control Bureau, Estonian Police and Border Guard Board

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Mme Élise CALAIS  
**CHEF DE DELEGATION**  
Adjointe au chef de bureau, Bureau de l'investissement, de la criminalité financière et des sanctions – MULTICOM3, Sous-direction de la politique commerciale et de l'investissement - Service des affaires multilatérales et du développement, Direction générale du Trésor, Ministère de l'Economie et des Finances

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Under-Secretary for Relations with States

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Mr Radzhami DZHAN

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Mr Igor GAIEVSKYI

Head of Legal Department, the State Financial Monitoring Service of Ukraine

Mr Andrii KUKHARUK

Head of the Anti-Corruption policy Unit, Department anti-corruption legislation and legislation and legislation on justice of the Ministry of Justice

## **UNITED KINGDOM CROWN DEPENDENCIES**

### **GUERNSEY CROWN DEPENDENCY OF THE UK**

Mr Richard WALKER

### **HEAD OF DELEGATION**

Director (Policy & International Affairs), Guernsey Financial Services Commission

Ms Catherine SWAN RABEY

Advocate, Legislative Counsel, Law Officers of the Crown

Nigel GARLAND

Deputy Registrar of Non Profit Organisations, Office of the Registrar of Non Profit Organisations

Philip HUNKIN

Head of FIU, Guernsey Border Agency

Laura de LISLE



Advocate, Legislative Counsel, Law Officers of the Crown

Samanta SHEEN

Head of Financial Crime and Authorisations Division, Guernsey Financial Services Commission

John STARCK

Director Compliance, Alderney Gambling Control Commission

#### **JERSEY CROWN DEPENDENCY OF THE UK**

Mr Andrew LE BRUN

**HEAD OF DELEGATION**

Mr Dave BURMINGHAM

Detective Inspector, Head of the Joint Financial Crimes Unit

Mr Jeremy PHILLIPS

Detective Sergeant, Supervisor in the Joint Financial Crimes

Mr John HARRIS

Director General, Jersey Financial Services Commission

Mr Vladimir JIZDNY

Jersey Financial Services Commission

Mr Tim LE COQ

Attorney General

#### **ISLE OF MAN CROWN DEPENDENCY OF THE UK**

Mr David GRIFFIN

**HEAD OF DELEGATION**

Legal Officer (Financial Crime), HM Attorney General's Chambers

### **Council of Europe Observers / *Etats observateurs auprès du Conseil de l'Europe***

#### **MEXICO / MEXIQUE**

M. Alejandro MARTINEZ PERALTA

Observateur Permanent Adjoint du Mexique auprès du Conseil de l'Europe

#### **UNITED STATES OF AMERICA / *ETATS-UNIS D'AMERIQUE***

Mr Michael GREENWALD

Policy Advisor- Europe, Office of Global Affairs, Terrorist Financing and Financial Crimes

U.S. Department of Treasury

### **Other members of the FATF / *Autres membres du GAFI***

#### **ITALY / ITALIE**

Mr Italo BORRELLO

Ms Maria Rosaria PETTINARI

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**UNITED KINGDOM / ROYAUME-UNI**

Ms Emma OETTINGER  
Head of Compliance and Operations  
Sanctions and Illicit Finance Team, International and EU Group  
HM Treasury

Ms Meghan ORMEROD  
Policy Advisor, Sanctions and Illicit Finance Team, HM Treasury

**Council of Europe bodies and mechanisms /**  
*Organes et mecanismes suivants du Conseil de l'Europe*

**COUNCIL OF EUROPE DEVELOPMENT BANK /  
BANQUE DE DEVELOPPEMENT DU CONSEIL DE L'EUROPE**

Mme Katherine DELIKOURA  
Chief Compliance Officer, Council of Europe Development Bank

**PARLIAMENTARY ASSEMBLY OF THE COUNCIL OF EUROPE (PACE) /  
ASSEMBLEE PARLEMENTAIRE DU CONSEIL DE L'EUROPE (APCE)**

*Apologised / excusée*

**International organisations and bodies /**  
*Organisations et organismes internationaux*

**EGMONT GROUP of FINANCIAL INTELLIGENCE UNITS /  
GROUPE EGMONT**

Mr Kevin Mark STEPHENSON  
Executive Secretary, Egmont Group Secretariat

**EUROPEAN COMMISSION / COMMISSION EUROPÉENNE**

Mr Ian MATTHEWS  
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**FINANCIAL ACTION TASK FORCE (FATF) /  
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FATF President (Russian Federation)

Mr Sergey TETERUKOV  
Policy Analyst, FATF Secretariat

**EURASIAN GROUP ON COMBATING MONEY LAUNDERING  
AND FINANCING OF TERRORISM (EAG) / GROUPE EURASIEN SUR LA LUTTE CONTRE LE**

**BLANCHIMENT ET LE FINANCEMENT DU TERRORISME (EAG)**

Ms Takhmina ZAKIROVA  
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Mr Oleksiy FESHCHENKO  
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Mr Kuntay CELIK  
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ORGANISATION POUR LA SECURITE ET LA COOPERATION EN EUROPE (OSCE)**

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Mr Andrei M. MUNTEAN  
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Professor of International Criminal Law, Faculty of Law,  
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