

Directorate-General Human Rights and Rule of Law
Action against Economic Crime Department

Economic Crime and Co-operation Division

Co-operation Highlights 2022



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ABBREVIATIONS

ACA	Anti-corruption Agency
AML	Anti-Money Laundering
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism (or Terrorist Financing)
CSOs	Civil Society Organisations
DNFBP	Designated non-financial business and profession
EAG	Eurasian group on combating money laundering and financing of terrorism
ECCD	Council of Europe's Economic Crime and Co-operation Division
EU	European Union
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
GRECO	Council of Europe's Group of States against Corruption
ML	Money laundering
MLA	Mutual Legal Assistance
MONEYVAL	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
NCBC	Non-conviction-based confiscation
NPO	Non-profit organisation
NRA	National Risk Assessment
PEP	Politically exposed person
PF	Proliferation financing
RBA	Risk-based approach
SNAC	South Neighbourhood Anti-Corruption Project
SRA	Sectoral risk assessment
SRSP	Structural Reform Support Programme
TF	Terrorist financing
TSI	European Union Technical Support Instrument
UNSC	United Nations Security Council
VA / VASP	Virtual Asset / Virtual Asset Service Provider

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EXECUTIVE SUMMARY

Through its technical assistance and advice provided in 2022, the ECCD has influenced important **policy and legislative reforms**, including the adoption of new laws or amendments to existing legislative frameworks. **Albania** adopted a new Law on the notary services. **Armenia** adopted amendments to the Public Service Law, the Law on the Corruption Prevention Commission, and related regulations on conflict of interests, incompatibilities, and gifts for public servants as well as a Model Code of Conduct for all Public Servants. **Azerbaijan** adopted a new package of legislation on AML/CFT and a series of legal amendments in the asset recovery field as well as the second National ML/TF Risk Assessment and its National Action Plan. The **Bulgarian** Parliament adopted essential amendments to the Law on Citizenship which established a ban of the acquisition of citizenship by investment, which carried risks of corruption and money laundering. In **Kosovo**^{*}, the Law on implementation of targeted international financial sanctions was adopted by the Assembly. **North Macedonia** adopted a new Law on payment services and payment systems, and the amendments to the Law on combating money laundering and financing of terrorism. **Romania** adopted the National ML/TF Risk Assessment and developed regulations on VAs and VASPs. The National Bank of **Serbia** and Securities Commission updated ML risk indicators associated with VAs. **Ukraine** adopted amendments to improve the transparency of ultimate beneficial ownership and ownership structure of legal entities. These changes aim at ensuring the compliance of anti-corruption and AML/CFT frameworks with the Council of Europe and other international standards, including the recommendations of GRECO, MONEYVAL, FATF, and the EU acquis.

Furthermore, the ECCD activities have resulted in several **institutional reforms**. In **Kosovo**, the Anti-Corruption Agency was reformed into the Agency for Corruption Prevention, with an expanded mandate for administrative investigation of corruption. A training unit within the **North Macedonian** State Commission for Prevention of Corruption was established to provide continuous training to its staff and national authorities on specific corruption-related subjects. **Romania** established the Inter-Institutional Council responsible for the National ML/TF Risk Assessment process, development of the Action Plan, its implementation and monitoring. **Slovak Republic** is in the process of developing a new Beneficial Ownership Register following the guidance provided by the ECCD.

The ECCD supported the **institutional capacities** of several other institutions through guidance, methodologies, and capacity-building activities. The IT infrastructure of Albania's Central Election Commission (CEC) was strengthened, allowing it to monitor the financing of political parties and electoral campaigns more effectively. The Corruption Prevention Commission in **Armenia** started using updated methodologies for analysing public officials' asset, interest and expenditure declarations and integrity checking of judicial and prosecutorial nominees. In **Croatia**, the National Bank and the Financial Services Supervisory Agency enhanced their performances for mapping data and data sources related to AML/CFT risk-based supervision. The **Kosovo** Police adopted the procedures and policies on whistleblowing and the protection of whistleblowers, which will also prevent and address police misconduct and increase public trust. **Montenegro** developed a Communication Strategy for the Agency for Prevention of Corruption with its Action Plan. Banco de

^{*} All references to Kosovo, whether the territory, institutions or population, in this text shall be understood in full compliance with United Nation's Security Council Resolution 1244 and without prejudice to the status of Kosovo.

Portugal strengthened its models for supervisory activities methods in AML/CFT fields and revised its risk-based supervision methodology.

Overall, in 2022, the ECCD implemented technical assistance and co-operation actions in 33 jurisdictions, supporting their efforts to address corruption, money laundering and terrorist financing, strengthening their mechanisms for asset recovery and enhancing their capacities for international co-operation, including MLA. As part of these efforts, the ECCD organised or co-organised 271 tailor-made activities involving over 9 000 participants from Europe, Central Asia, the Middle East and North Africa.

Through its actions, the ECCD produced 186 deliverables for the Beneficiary jurisdictions, including 134 Technical Papers and guidance to improve their legislative, policy and institutional frameworks, 7 methodologies and 44 training programmes and material tailored to specific needs to enhance their capacities to fight against economic crime.

1 THE ECONOMIC CRIME AND CO-OPERATION DIVISION

The Economic Crime and Co-operation Division (ECCD) is the Council of Europe's administrative entity in charge of implementing technical assistance to member and non-member states. The co-operation takes the form of bilateral actions or regional intervention focusing on specific issues that are horizontally important to several jurisdictions in a region.

Thematically, the ECCD focus is on supporting the development and enhancement of measures against corruption, money laundering and countering the financing of terrorism (AML/CFT), asset recovery and international co-operation in criminal matters. The ECCD assistance covers aspects such as improving the legislative and policy frameworks, developing and strengthening institutional frameworks, enhancing institutional capacities to effectively implement measures in these fields, and raising awareness of society about corruption, money laundering and financing of terrorism risks and mitigating measures.

1.1 Approach

The Council of Europe takes a threefold approach against corruption, money laundering and terrorist financing, consisting of the following:

- **Standard setting** in the form of treaty law and through other "soft law" instruments (recommendations and resolutions);
- **Compliance monitoring** by those jurisdictions that have subscribed to the Council of Europe's and other global standards through its monitoring mechanisms, in particular, the Group of States against Corruption (GRECO) and the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL); and
- **Technical co-operation**, as the last corner of the triangle, through which the Council of Europe supports the member states and non-member states to bridge gaps in the legislative and institutional frameworks and to address any capacity-building needs.

Through this approach, the Council of Europe supports reforms to prevent economic crime, corruption, money laundering and terrorist financing (ML/TF) in member states and the neighbourhood regions.

Currently the **Economic Crime and Co-operation Division (the ECCD)** is responsible for implementing a range of technical co-operation and assistance programmes and activities, in this respect ensuring that the support provided to those reforms is delivered through suitable and tailor-made co-operation modalities. As such, the Council of Europe has unique access to international experience and knowledge to help beneficiaries align their legal and institutional framework with the European *acquis* by sharing tools and techniques to effectively implement a range of international standards.

Additionally, the Council of Europe helps to coordinate, support and host professional networks which promote better international co-operation. These networks facilitate the exchange of good practices in implementing and monitoring international and European standards. Furthermore, activities and events organised through these networks build capacities and create strong links among practitioners,

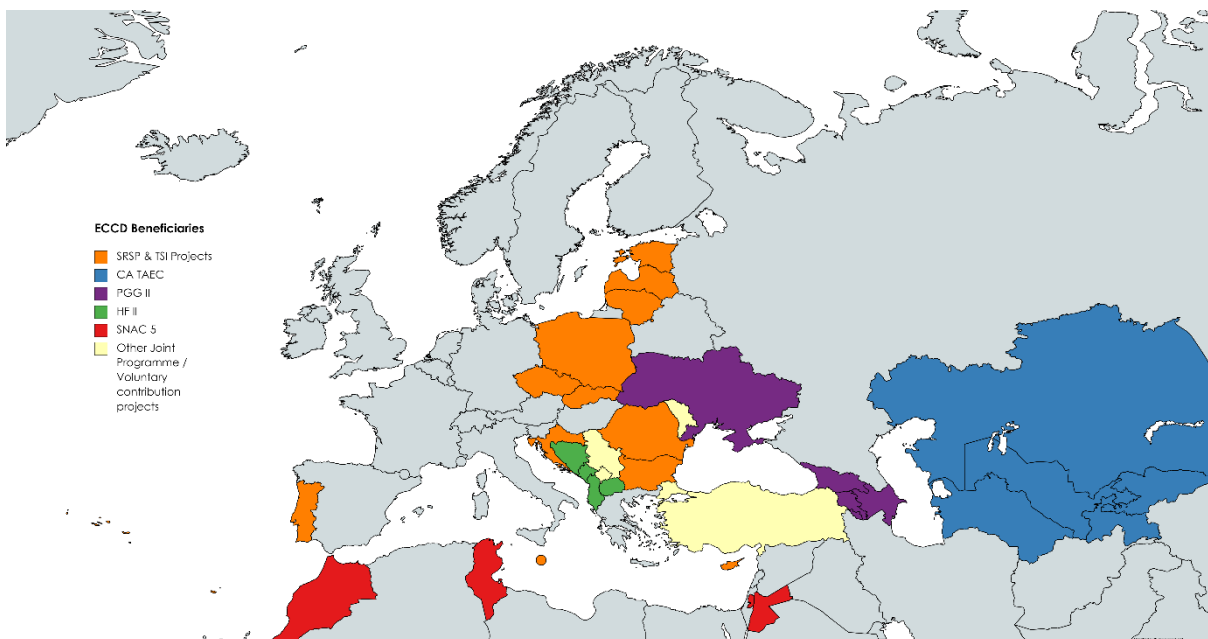
professionals and government structures that share the common objective of tackling economic and corruption crime and its cross-border effects.

1.2 Methods

The ECCD uses a range of methods to implement its technical assistance and co-operation programmes and activities, which include a mixture of the following types of tools and approaches which are adapted to regional co-operation needs and each beneficiary jurisdiction's context:

- **Expert advice** provided by in-house advisers and international consultants,
- **Expert opinions and technical papers** provided in writing by independent consultants from Council of Europe member states,
- **Roundtables and seminars** to ensure that all stakeholders concerned are consulted and participate in substantive discussions and proposals on legal and policy issues,
- **Workshops** to facilitate the exchange of information and experience on a practical and technical level, usually delivered with the assistance of subject-matter experts,
- **Training** to allow participants to acquire new knowledge and develop skills through interaction or hands-on experience with highly qualified trainers,
- **Training of Trainers (ToT)** to enhance the sustainability of actions' results after its completion by creating a pool of national or local trainers to continue providing training activities,
- **Research and studies** to inform activities and beneficiary institutions with in-depth knowledge and analysis,
- **Publications and visibility material** to make the results of actions known and available to both the professional audience and the larger public.

1.3 ECCD beneficiaries (national and regional)



In 2022, the ECCD's co-operation extended to 33 different jurisdictions through bilateral and regional actions to support authorities in fighting and preventing corruption and ML/TF. The technical support actions of ECCD covered twelve EU Member states, five countries in Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan), six Western Balkan countries (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia, Serbia) and Türkiye, five countries under Eastern Partnership framework (Armenia, Azerbaijan, Georgia, the Republic of Moldova, Ukraine) and four jurisdictions in the Mediterranean neighbourhood (Jordan, Morocco, Palestine** and Tunisia).

** *This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of Council of Europe member States on this issue.*

2 ACHIEVEMENTS IN 2022

The ECCD provided its support in four main domains including anti-corruption, AML/CFT, asset recovery and international co-operation in criminal matters. The ECCD assistance targeted improving the legislative and policy frameworks, developing/strengthening institutional frameworks, enhancing the capacities of national institutions to carry out their work effectively in these fields, and raising awareness of society about corruption and ML/TF risk mitigation measures.

2.1 ANTI-CORRUPTION

The technical assistance of ECCD supported the beneficiary countries in their efforts to identify and adopt appropriate measures to prevent and fight against corruption more effectively by improving national frameworks and institutional capacities.

2.1.1 Support for legislative/ policy reforms

The effective implementation of the **Albanian** Ministerial Code of Ethics was supported by preparing two Explanatory Manuals on conflict of interests and gifts and other preferential treatments for members of the Council of Ministers and Deputy Ministers. The Code of Ethics aims to enhance the culture of integrity among persons entrusted with executive functions and avoid conflicts of interest and other violations of legal obligations related to the exercise of official duty.

Armenia adopted a series of amendments to the Public Service Law, the Law on the Corruption Prevention Commission, and related regulations. Preparation of the legislation documents was extensively supported through a comprehensive assessment of the legal and institutional frameworks on conflicts of interest, incompatibilities and gifts, and reviews of the draft amendments and new regulations developed by national authorities. The Armenian authorities applied over 50% of the recommendations in the adopted legislative packages.

Armenia also adopted a Code of Conduct for Public Servants developed by the Corruption Prevention Commission of Armenia with input and guidance from the ECCD, which included about 90% of the recommended principles and rules. The Code complies with international and national requirements in this area, including relevant GRECO recommendations. In addition, it served as a basis for the development of a specific Code of Conduct for Public Office Holders. This approach will ensure the inclusiveness of the integrity system at different levels of public service, aiming for positive change in public service practices for the benefit of all citizens and users of these services.



High-Level Conference on the Adoption of the Code of Conduct for Public Servants | Yerevan, Armenia, 4 July 2022

From left to right: Ms Adea PIRDENI, Deputy Minister of Justice of Albania, Ms Andrea WIKTORIN, EU Ambassador to Armenia, Mr Karen ANDREASYAN, Minister of Justice of Armenia (at the time), Ms Hanne JUNCHER, Executive Secretary of GRECO and Head of the Action against Economic Crime Department of the Council of Europe, Ms Haykuhi HARUTYUNYAN, Chairperson of the Corruption Prevention Commission of Armenia, Mr Evgeni EVGENIEV, ECCD representative.

In **Cyprus**, national authorities have taken initial steps for the implementation of recommendations regarding conflict of interest management for civil servants, for which the ECCD provided an analysis of the legislative and institutional framework with recommendations to reform the system at several levels. In addition, an in-depth analysis of the current National Horizontal Action Plan against Corruption in Cyprus provided practical step-by-step advice for improving its consistency and effectiveness by using a result-based approach to its design, implementation, monitoring and evaluation.

In **Kosovo**, the new amendments to the Law on the Agency on Prevention of Corruption and Law on Declaration of Assets were adopted in 2022, taking into account 70% of the ECCD recommendations provided in the 2018 Anti-Corruption Assessment Report. The new law broadens the competencies of APC to cover the monitoring of integrity plans of institutions which shall become mandatory, risk management tools and corruption proofing. In addition, the Law on Declaration of Assets expanded the list of declarants, including political advisors.

The final draft of the new **Montenegrin** Law on lobbying, including 82% of the ECCD recommendations (87% for nine related by-laws), aims to increase the transparency of all types of lobbying contacts, and the regulation of this area represents a robust preventive mechanism for all forms of corruption. The Agency for Prevention of Corruption developed a new Communication Strategy (2023-2025) with its

Action Plan (2023), which will help the Agency communicate its results in the application of all corruption prevention mechanisms and, consequently, help citizens better understand its mandate and how to best use Agency's channel for reporting any misconduct and corruption.

In **Central Asia**, the ECCD provided advice and recommendations for the improvement of the legislative framework in the field of anti-corruption (mainly in **Kazakhstan, Uzbekistan and Tajikistan**) by reviewing legislative and policy frameworks.

In the **Southern Mediterranean** region, the **Moroccan** authorities were supported in identifying the needs and shortcomings in their conflict of interest framework in public sector institutions and provided with advice to improve the system by sharing comparative practices. The ECCD also provided an analysis and assistance on the **Jordanian** Integrity and Anti-Corruption Act, including recent amendments to the law.

2.1.2 Support for Institution building/development

In order to increase the political parties' accountability and transparency, the oversight capacities of the Central Election Commission of **Albania** were strengthened by providing a needs analysis and developing an online platform to monitor the political parties' and electoral campaign financing.

The ECCD assisted the Independent Authority against Corruption in **Cyprus** since its inception through guidance and initial capacity-building on key anti-corruption aspects and streamlining the co-operation with other stakeholders involved in the implementation of the National Action Plan against Corruption.

A new law in **Kosovo** transformed the Anti-Corruption Agency into the Agency for Corruption Prevention with broadened powers. In addition, on-going changes to the organisational structure of the Agency will provide more clarity on the competences and organisation of the Agency, which will enhance the administrative investigation of corruption.

The **Kosovo** Police adopted the procedures and policies on whistleblowing and the protection of whistle-blowers to provide safe channels for reporting wrongdoing, which will prevent and address police misconduct and increase public trust in the institution.

A training unit within the **North Macedonian** State Commission for Prevention of Corruption (SCPC) was established, taking into account recommendations provided by the ECCD. It will deliver specific training for the staff of the SCPC, as well as for national authorities, on specific corruption-related topics. This process will contribute to an environment of integrity, ethics, and no tolerance for corrupt practices.

The establishment of a Business Ombudsman Institution in the **Republic of Tajikistan** (including mandate, internal organisational structure and independence requirements) was supported by providing recommendations to help the beneficiary authorities in designing a future legislative framework for setting up a body entrusted with the protection of the rights of entrepreneurs.

2.1.3 Capacity-building

The ECCD actions contributed to improving the knowledge and skills of the representatives of national authorities to strengthen their capacities to prevent and combat corruption.

Officials of the **Albanian** General Directorate of Anti-Corruption and the Network of Anti-Corruption Coordinators increased their knowledge and skills to improve the administrative investigation of corruption and enhance the internal audit. The Albanian delegation to GRECO also improved their reporting skills to better follow up on the implementation of GRECO recommendations. Legal advisers of the Albanian Parliament and specific ministries increased their analytical and practical skills for corruption proofing of legislation. Moreover, the awareness of **Albanian** political advisers from cabinets of Ministers and the Prime Minister's Office was raised on the practical application of the existing legal requirements in the areas of ethics, integrity and prevention of conflict of interest.

Armenian institutions were supported in updating and implementing methodologies for integrity checking and asset, interest and expenditure declarations verification. The Corruption Prevention Commission's members and staff continued to work on adapting and using the methodologies provided by the ECCD with their evolving needs and mandate in 2022. The application of the Armenian Codes of Conduct for public officials and all public servants was promoted through a series of activities to change attitudes and practices within public institutions and society.

Cyprus' public training institutions benefitted from the development of tailored training modules on anti-corruption for Cypriot teachers and civil servants and associated training of trainers. Cypriot authorities have already used the pool of trainers in follow-up actions organised independently at the local level, thus sustaining the results of the ECCD support.



Implementation of horizontal national action plan against corruption in Cyprus | Nicosia, Cyprus, 08 – 09 June 2022

The **Georgian** Anti-Corruption Council staff drafted the new National Anti-corruption Strategy and its Action Plan with ECCD support. The awareness of the Civil Service Bureau was raised about the good international practices in the submission and verification of asset declarations by public officials.

To further build up the capacities of public officials concerning the protection of whistleblowers, the **Kosovo**

Institute for Public Administration was supported by training 16 local trainers and certifying six of them as trainers of public officials on behalf of the Institute. The trainers have acquired adequate skills to facilitate training activities for their peers on resolving dilemmas regarding whistleblowing in public institutions.



Third Steering Committee of PECK III project | Strasbourg, France, 17-18 May 2022

The newly established Training Unit of the **North Macedonian** State Commission for Prevention of Corruption was supported with a topic-specific training handbook based on which new trainers of the unit were trained. Moreover, the staff of the Asset Declaration Unit of the SCPC learned about good practices, practical tools, and useful approaches to assess the risks of money laundering and corruption in the awarding of loans by financial institutions.

The **Serbian** Agency for Prevention of Corruption (APC) has improved inter-agency co-operation and exchange of information with banks for the purpose of verification of asset declarations. In this context, a Memorandum of Understanding between the APC and the National Bank of Serbia was drafted to enable the smooth exchange of information.

In **Central Asia**, the representatives of the business sector of **Tajikistan**, **Turkmenistan** and **Uzbekistan** learned about the benefits of designing and incorporating anti-corruption policies. The companies were endowed with examples of codes of ethics, whistleblowing policies, due diligence guidance for third parties, gifts, and hospitality policies, which can be further incorporated into their practices and enhance their level of anti-corruption compliance.

The awareness of the business entities of **Tajikistan** was raised on international standards and good practices in the field of corporate governance (with a focus on promoting integrity, ethical behaviour and implementing anti-corruption tools and policies). Additionally, the activities fostered an increased level of co-operation between the state agencies and the business sector in understanding and implementing integrity, anti-corruption, and risk management policies within the private sector.

In the **Southern Mediterranean** region, the responsible authorities in **Jordan**, **Morocco**, **Tunisia**, and **Palestine** raised their awareness of the importance of inter-institutional, regional, and international co-operation and improved their knowledge for investigating corruption cases. They learned the tools, methods and international standards/practices and established bilateral contacts, which will enhance their capacities in preventing and fighting corruption.

Tunisian Service of the Legal Advisor and Legislation of the Presidency of the Government enhanced capacities through the methodology on corruption proofing and a subsequent training session for staff.



Tunisian participants of the training on Corruption Proofing | Tunis, Tunisia, 26-28 October 2022

2.2 ANTI-MONEY LAUNDERING /COUNTERING TERRORISM FINANCING

The ECCD's technical assistance actions aim at supporting the beneficiary countries in their efforts to identify and adopt appropriate measures to effectively combat money laundering and terrorism financing by improving national frameworks and institutional capacities. This increases the resilience of the financial system against exploitation for criminal purposes and enhances the trust in institutions and the rule of law.

2.2.1 Support for legislative/ policy changes

The ECCD supports national authorities by providing guidance and recommendations to improve legislative and regulatory frameworks to align them with international standards, such as recommendations of MONEYVAL and FATF and the 5th EU AML Directive. To improve policy frameworks, the ECCD assists national authorities in preparing and conducting national AML/CFT action plans and national and sectoral risk assessments in high-risk and vulnerable priority sectors.

In **Albania**, the ECCD's recommendations were largely taken into account in the new "Law on the notary services in the Republic of Albania" adopted in January 2022, strengthening compliance with MONEYVAL recommendations and establishing more effective mechanisms to detect and prevent criminals from owning or controlling non-financial institutions.

Albania undertook the fourth NRA to identify and assess ML/TF risks by applying the Council of Europe methodology. The ECCD has been providing continuous guidance in the process, which would enable an effective response to the ML and FT threats Albania is facing.

In **Armenia**, the improvement of the national AML/CFT legislation was supported by the ECCD through expert reviews and the organisation of a series of technical discussions on the draft Armenian Law on Digital Assets and draft amendments to the Law on Combating ML/TF.

In **Azerbaijan**, a significant achievement enhancing the national AML/CFT framework was the adoption of the new Laws on AML/CFT and Targeted Financial Sanctions, as well as the related amendments to the Criminal Procedure Code in December 2022. New laws incorporated around 60% of the ECCD recommendations provided through legislative reviews in 2020.

The Government of Azerbaijan conducted its second National ML/TF Risk Assessment, which took into consideration the recommendations provided by the ECCD's review of the draft NRA report. Authorities are now in a better position to efficiently prioritise their strategies, take more targeted actions and effectively focus their resources to combat ML/TF. The ECCD also provided guidance to the Government in the drafting of an AML/CFT Action Plan to efficiently address the most significant risks identified in the NRA report.

In **Bulgaria**, the ECCD's support also showed its results in legislative amendments. The Impact Assessment of the Bulgarian Investor Citizenship Scheme, conducted by the ECCD, identified a number of shortcomings in this field and provided the authorities with recommendations to address them. Consequently, essential amendments to the Law on citizenship were adopted by the Bulgarian Parliament in March 2022 by establishing a ban of citizenship scheme resulting from investment.

The efforts of the authorities to improve AML/CFT policy frameworks were supported by the ECCD's technical guidance and expert reviews, which allowed beneficiaries to obtain qualitative national and sectorial risk assessment reports, thus, to better assess ML/TF risks both at national and sectoral levels and take necessary measures to mitigate them. The ECCD actions contributed to updating the AML/CFT Action Plan and the ML/TF NRA of Bulgaria, in addition to conducting two sectoral risk assessments for NPOs and VAs and VASPs through expert reviews.

Furthermore, to facilitate the establishment of a regulatory framework for the NPO sector that would fit best to national context and needs, the ECCD provided guidance on different approaches to regulatory modalities and their implementation.

Last, tailored guidance of the ECCD will help Bulgaria to establish a risk-based supervisory framework for the DNFBP sector by improving the current system and increasing the effectiveness of supervisory authorities.

In **Estonia**, the FIU was supported by the ECCD to improve the strategic analysis function of the FIU by providing recommendations on internal procedures and planning documents relevant to the functioning of the institution and access to data. Further support was also provided on the improvement of the legal framework by recommending amendments to further strengthen the strategic analysis function on the AML/CFT Law and other relevant legislation.

In **Kosovo**, the ECCD saw tangible results of its assistance in the new and draft legislative documents, which considered the recommendations provided by the Council of Europe's assessments: the Law on Implementation of Targeted International Financial Sanctions was adopted by the Assembly in December 2022, taking into account recommendations and addressing shortcomings identified by the AML/CFT Assessment conducted in 2018. Moreover, the Law on Beneficial Ownership Registry was drafted to directly contribute to the objectives of the Government's Programme for 2021-2025; and the Concept Document on AML/CFT legislation was improved to align it with the EU directives and evolving international standards.

In **North Macedonia**, national authorities revised the Law on combating money laundering and financing of terrorism by taking into account all recommendations provided by the ECCD. The Law was adopted in June and entered into force in July 2022.

The National Bank accepted all recommendations of the ECCD to improve the bill on payment services and payment systems, and, for the first time in North Macedonia, a Law on payment services and payment systems was adopted in 2022. The ECCD also supported the preparation of the Decision of the National Bank on the method of supervision over the operation of payment service providers, issuers of electronic money, their agents, operators of the payment system and external parties.

In **Poland**, the ECCD contributed to a better understanding of the ML/TF risks to which Poland is exposed, including at sectoral level, and enhancing the quality of the analyses of risks by reviewing the current NRA Methodology and providing recommendations to improve it in line with relevant international standards.

In **Romania**, the main achievement was the official adoption of the National ML/TF Risk Assessment (NRA). The NRA was carried out based on the Council of Europe's Methodology developed by the ECCD, and closely followed each step of the process. Almost 70% of the guidance and recommendations provided by the ECCD to respective draft reports were taken into account in the final adopted version. The drafting process of the Action Plan for AML/CFT of Romania was also supported by the ECCD to ensure that the measures in the Action Plan are linked to the risks identified in the NRA.

Regulation of the volatile area of VAs is a vital element of the national AML/CFT system to avoid the abuse of this sector for ML/TF purposes. The ECCD supported Romanian authorities in developing regulations on VAs and VASPs and establishing a market entry mechanism for VASPs by providing expert advice and a study on existing good practices and challenges identified at European level.

In **Serbia**, the ECCD contributed to legislative improvements for transparency and accuracy of the information in the Beneficial Ownership Register by providing recommendations for the Law on Beneficial Ownership and amendments to the relevant legislation to be adopted in 2024.

With the ECCD's support, the National Bank of Serbia and the Securities Commission updated and adopted new ML risk indicators in the sector of VAs. In addition, the methodology for Fit and Proper Supervision of the Financial Sector was improved, and the Administration for the Prevention of Money Laundering developed the Guidelines on Reporting of Suspicious Transactions and Activities that will be used by the obliged entities.

In **Slovak Republic**, the authorities started conducting the ML/TF Sectoral Risk Assessment of VAs and VASPs using the Council of Europe Methodology following training on the application of the methodology.

In **Ukraine**, the legislation aimed at improving the process of reporting on the ultimate beneficial ownership as well as further verification of beneficial ownership data was adopted by the Verkhovna Rada of Ukraine in September 2022.

In **Central Asia**, the ECCD supported **Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan** in their efforts to align their systems with the Council of Europe and other international

standards in anti-corruption and AML/CFT fields. For legislative alignments, Kyrgyzstan was provided advice and recommendations for the improvement of the legislative framework in the field of anti-money laundering through a legislative review process still ongoing.

2.2.2 Support for Institution building/development

In **Albania**, the ECCD supported the improvement of the infrastructure of the General Directorate of Prevention of Money Laundering (GDPML) by providing an assessment of the IT system, which will help GDPML to draft a Road map for the strategic development of the internal systems by increasing the efficiency of data processing, enhancing the quality of analyses and adopting an AML/CFT risk-based approach.

In **Bulgaria**, the ECCD provided several guidelines aiming to increase the performance of the FIU for areas identified as high-risk by the latest MONEYVAL evaluation, such as guidelines on submitting suspicious transaction reports, ML/TF risks related to Politically Exposed Persons (PEPs) and treating VASPs as clients. The provided guidance was accompanied by awareness-raising activities, strengthening the FIU's outreach capacities and its relations with the various sectors among the obliged entities.

Supervisory entities of DNFPBs will be able to perform their supervisory function more effectively and better detect potential ML/TF risks, thanks to the Manual on risk-based supervision and risk matrixes for a number of sectors and the capacity building activities to conduct risk-based supervision provided by the ECCD.

In **Croatia**, the National Bank and the Financial Services Supervisory Agency enhanced their performance of risk-based supervision with the support of the ECCD, which undertook mapping of data and data sources for risk profiling of obliged entities under the responsibility of both supervisory institutions and provided advice to update their risk-assessment methodologies.

In **Portugal**, Banco de Portugal (BdP) strengthened its models for supervisory activities methods in AML/CFT fields, notably through the review of the outcomes of its current AML/CFT supervisory activities provided by the ECCD in a technical paper, mapping relevant data in the supervision process and analysing prioritisation and selection of entities for supervisory engagement. In addition, BdP was supported in the revision of its risk-based supervision methodology through an expert review which focused on amending the existing methodology, creating a well-structured and user-friendly comprehensive data set with suggested weightings of risk factors.

In **Romania**, the ECCD supported the establishment of the Inter-Institutional Council responsible for the NRA process and the development of the AML/CFT Action Plan and its implementation and monitoring through providing guidance and capacity building.

In **Slovak Republic**, the Ministry of Justice is planning to develop a new Beneficial Ownership Register considering the guidance provided by the ECCD on Ultimate Beneficial Ownership Registers.

2.2.3 Capacity building

The ECCD contributed to building capacities of beneficiary institutions through training programmes and materials, guidance, roundtables, and workshops where problems and challenges in specific fields were identified and discussed. In addition, the Council of Europe and other international standards

were introduced to improve the knowledge and skills of national participants. While developing the knowledge and skills of beneficiaries, the ECCD vigorously promote the change of practice in the application of AML/CFT measures to prevent and fight economic crimes more effectively.

In **Albania**, 20 customs officers raised their awareness of public security threats arising from cash smuggling and proliferation of weapons of mass destruction, while 25 prosecutors, investigators, and judicial police officers were trained in conducting the financial investigation as a crucial tool to detect ML/TF, building an effective investigation strategy and use of appropriate open-source intelligence techniques for financial investigation of economic crimes. Moreover, the support provided by the ECCD enabled effective oversight of the implementation of the FATF recommendations and more efficient reporting of the progress made to increase the compliance with these standards.

Twenty staff members of the Central Bank of **Armenia**, including the Financial Monitoring Centre (FIU), enhanced their understanding of emerging money laundering and terrorism financing risks related to VAs and VASPs and risk mitigation measures to be adopted.

In **Azerbaijan**, 220 practitioners from the financial services, law enforcement agencies, the judiciary and other relevant government institutions, as well as the private sector, notaries, CSOs and religious entities, learned about various topics of specific relevance to each group of beneficiaries in the AML/CFT area.



Workshop on Anti-money laundering and countering the financing of terrorism regulatory requirements in the securities sector, | Baku, Azerbaijan, 3 November 2022

Twenty-five representatives of the FIU, prosecutors, police officers and intelligence officers enhanced their capacities to conduct financial investigations for the purpose of investigating and prosecuting TF cases, and 55 experts from DNFBP supervisors (FIU, National Revenue Agency, and Communications Regulations Commission) enhanced their knowledge and understanding on the prerequisites of the risk-based supervision through practical scenario-based training.

Czech competent authorities increased their understanding of potential proliferation financing risks and typologies and obtained the Council of Europe’s Methodology for NRA of Proliferation Financing for conducting the first NRA process in this regard.



Participants of the Conference on “Proliferation financing risks and trends – addressing current challenges” | Prague, Czech Republic, 21 April 2022

Five representatives from the **Croatian** Financial Services Supervisory Agency (HANFA) increased their knowledge and skills for conducting risk-based supervision of obliged entities under its purview, with a particular focus on VASPs. In addition, HANFA and Croatian National Bank representatives increased their understanding of the required steps to ensure the automatization of data collection and prioritisation of obliged entities for supervision.

Five representatives from the **Estonian** FIU learned comparative solutions and good practices for strategic and operational analysis.

Over 250 representatives of the **Georgian** financial institutions and DNFBPs have acquired a better understanding of the AML/CFT risks for Georgia and in their specific business sectors. Other 44 representatives of the law enforcement agencies strengthened their professional skills to conduct investigation and prosecution of terrorist financing cases and to pursue corporate criminal liability. Furthermore, all staff members of the International Public Law Department of the Ministry of Justice increased their understanding of the enforcement of UNSC sanctions at the national level and also how to present their work when seeking information from other institutions for the effective enforcement of UNSC sanctions.

Around 150 law enforcement and criminal-justice officials of **Kosovo** increased their specialisation in ML/TF typologies, financial investigations and strategic analysis through practical guidance, workshops, and targeted training activities. Furthermore, supervisory authorities of the financial and non-financial sectors increased their capacities to apply the risk-based approach, which resulted in more targeted and effective AML/CFT controls of reporting entities.

Lithuanian authorities, including representatives from the National Bank, judicial officers, notaries, and the bar association, improved their knowledge of methods and sources for data collection and good practices in ML/TF risk profiling of obliged entities, which contributed to harmonisation of the understanding of AML/CFT risks in diverse institutions while improving their potential for co-operation.

In the **Republic of Moldova**, the Superior Council of the Magistracy and the Superior Council of Prosecutors were informed about the use of social media and other publicly available information for the assessment of the integrity of the candidate judges and prosecutors, with an aim to support the independence of the judiciary.

The **Montenegrin** authorities improved their capacities in setting up and conducting risk-based supervision in the real estate sector via guidance and tools for the collection and processing of a large amount of data for a better understanding of the risk profile of reporting entities. In addition, the inspectors in charge of supervision of the games of chance sector improved their skills towards the foundation for risk-based supervision of the sector.

In **North Macedonia**, national authorities involved in AML/CTF improved their capacities through training activities on prevention of cash smuggling and proliferation financing. The obliged entities were trained on the use of national strategic documents and FIU's strategic analysis, and the representatives of the supervisory authorities of the financial sector on the licensing process and requirements for supervisors to mitigate the risks of criminals and their associates infiltrating supervised entities.

The employees of the **Romanian** FIU developed their capacities to conduct strategic analysis. While the representatives of law enforcement, investigation and prosecution organs enhanced their skills for investigating and prosecuting ML/TF cases and recovering proceeds from crime and acquired training skills to disseminate the knowledge to their peers, the judges increased their knowledge of adjudicating money laundering cases and achieving more effective confiscation of proceeds from crime. Moreover, the National Bank and the Financial Supervisory Authority learned good practices in specific areas of their interest, such as imposing ML/TF financial sanctions on uncompliant obliged entities through technical advice.

The **Slovak** authorities improved their capacities through guidance and training activities of the ECCD in the implementation of ML/FT NRA and revision of AML/CFT Strategy and producing sectoral risk assessments.

The role of the **Tunisian** FIU in the implementation of the National Action Plan was reinforced by improving the knowledge and skills of the representatives from relevant authorities in the AML/CFT field via training of trainers for supervisory authorities and obliged entities.

The **Ukrainian** judges of criminal specialisation improved their knowledge, practical judicial skills and understanding of the administration of justice in criminal proceedings concerning the seizure and confiscation of assets that are the subject of criminal activity or proceeded from it. In addition, AML/CTF capacities of relevant institutions were strengthened through specific training activities for supervisory institutions on risk-based supervision and for various categories of DNFBPs (auditors, tax advisors, and real estate brokers).

As regards the **EU Member States**, competent authorities from **Bulgaria, Croatia, Czech Republic, Estonia, Lithuania, Poland, Portugal, Romania** and **Slovak Republic** participated in a number of regional activities fostering the exchange of good practices between AML/CFT supervisory authorities on topics such as effective risk assessment and risk-based AML/CFT supervision of financial institutions, and strategic analysis of the FIUs. These activities will positively impact the work of the institutions, allowing them to pick up and replicate some of the good and functioning practices used by their peers in other EU Member States. Ultimately, this will contribute to improving the functioning of the institutions and the AML/CFT framework.

In **Central Asia**, the capacity of the relevant institutions in the five beneficiary countries was supported through tailored activities. The Academy of General Prosecutor's Office and the Anti-corruption Agency in **Uzbekistan** received the content of two e-learning courses on corruption risk assessment and anti-corruption compliance in the private and public sectors. The capacities of the beneficiaries were strengthened to investigate corruption and money laundering cases through training and guidance on financial investigations and workshops at the regional level: 723 participants (544 men and 179 women) from beneficiary institutions participated in 20 activities covering all five countries. **Kazakhstan** and **Uzbekistan** were supported by the ECCD's needs assessments of the national systems on asset recovery, and additional capacity-building activities on asset recovery and asset management topics were provided in **Kazakhstan** and **Kyrgyzstan**.

The participants from the **Eastern Partnership countries (Armenia, Azerbaijan, Georgia, Republic of Moldova and Ukraine)** came together with their peers from the EU Member States and Central Asian countries in a regional workshop to improve their systems of strategic and operational analysis and shared good practices and approaches which could inform a qualitative transformation of the FIUs towards more efficient and effective intelligence against economic crime. Judges, prosecutors and law enforcement agencies from the participating countries improved their knowledge on the use of effective tools, techniques, and practices to carry out financial investigations of economic crimes.

In the **Western Balkans and Türkiye**, the beneficiary jurisdictions were supported in the prevention and prosecution of the abuse of NPOs for the purposes of terrorist financing. A total of 38 practitioners from law enforcement agencies, supervisors, prosecutors, and members of the judiciary improved their knowledge of and skills for detecting and interrupting terrorism financing through NPOs and awareness of CSOs was raised on the financial reporting and compliance requirements. The authorities from seven participating jurisdictions were informed about the main findings of the Regional Risk Assessment of Terrorist Financing through the NPO sector as well as the methodology to perform similar jurisdiction-specific evaluations, which helped build a shared understanding of the need for closer co-operation between jurisdictions as well as between NPOs and public authorities. Following the Conference, **Montenegro, Serbia** and **Türkiye** followed up with their own risk assessment efforts. These jurisdiction-specific efforts shall complement and be informed by the regional review, hence producing a complete understanding of the risks, which shall result in better planning and better allocation of resources.

In the **Southern Mediterranean region, Morocco, Tunisia, Jordan** and **Palestine** were provided with practical tools and methods that can be used during financial investigations, including obtaining the beneficial ownership information, formal and informal co-operation measures used in cross-border economic crimes as well as the importance of inter-institutional co-operation. Jurisdictions shared

experiences, challenges and practices – strengthened contacts among beneficiaries is especially relevant given the cross-border nature of economic crimes, which need formal but also informal co-operation.

2.2.4 International events

The ECCD organised, on 20-22 September 2022, a **Workshop on “Comparative Solutions and Good Practices for Financial Intelligence Units on Strategic and Operational Analysis”** for practitioners from FIUs from over 20 countries.



Workshop on “Comparative Solutions and Good Practices for Financial Intelligence Units on Strategic and Operational Analysis” | Strasbourg, 20-22 September 2022

The workshop was convened, taking into account that strategic analysis is paramount for FIUs to determine money laundering and terrorist financing threats and vulnerabilities, as well as to identify trends and patterns and guide the development of successful policies to mitigate related risks. The operational analysis of FIUs is instrumental in following the trail of particular activities or transactions and in determining links between those targets and possible proceeds of crime, money laundering, predicate offences or terrorist financing, as it has already been established by the FATF. Over 65 participants discussed the challenges and opportunities for enhancing the strategic and operational analysis of FIUs.

The workshop was convened by the Technical Support Instrument "Enhancing the effectiveness of the anti-money laundering framework in Slovak Republic", "Strengthening the Estonian anti-money laundering framework", and other related TSI actions as well as the Partnership for Good Governance Project "Strengthening Measures to prevent and combat economic crime", and the Central Asia Rule of Law Programme, all of which are joint endeavours of the EU and the Council of Europe.

Additionally, the ECCD organised, on 12 December 2022, a **Roundtable on “Emerging money laundering and terrorist financing trends and challenges”** involving practitioners and representatives of beneficiary institutions from 12 jurisdictions. The Roundtable was convened taking into account that criminal economic activities have mutated into new forms: the development and expansion of new technologies are bringing new risks and challenges alongside the opportunities. The event aimed to discuss and exchange on the evolving trends and challenges in the AML/CFT area and identify

essential areas which could be addressed through the technical co-operation activities of the Council of Europe in the future.



Roundtable on “Emerging money laundering and terrorist financing trends and challenges” | Strasbourg, France, 12 December 2022

The Roundtable was organised by the ECCD as part of its technical co-operation activities implemented in the framework of Council of Europe/EU DGREFORM joint initiatives, namely: 2020 Structural Reform Support Programme (SRSP) envelope "Support to the Member States in the Implementation of Structural Reforms II" - actions for Czech Republic and Romania; and "Support to EU Member States in the implementation of reforms under the Technical Support Instrument (2021 and 2022) – actions implemented in Croatia, Estonia, Portugal, Slovak Republic, Poland and Lithuania.

2.3 ASSET RECOVERY

Asset recovery is the process of tracing, freezing, confiscating and returning illegally obtained funds. The ECCD supports its partners in developing policy and legislative frameworks and strengthening institutional structures for the recovery and management of stolen assets.

Azerbaijani authorities were supported in their efforts to reform national legislation towards an asset recovery framework more compliant with international standards and more effective in its application. The updated draft legal amendments took into account 70% of the provided recommendations, which focused on the introduction of non-conviction-based confiscation and parallel financial investigations. The recently established Department for Coordination of Special Confiscation Issues of the General Prosecutor's Office was supported in the enhancement and performance of its mandate regarding asset recovery and MLA requests. Law enforcement agencies, the judiciary, the Financial Monitoring Service, and other relevant government institutions enhanced their capacities to better investigate, trace and confiscate illicit proceeds of crime and ensure the successful repatriation of assets.

The legislative framework on asset recovery and asset management regimes in **Kosovo** was improved with the Law on State Bureau on Verification and Confiscation of Unjustified Acquired Assets, which took into account 90% of the recommendations provided by the ECCD.

The draft Law on seizure and confiscation of material benefit derived from criminal activity, introducing civil asset forfeiture in the **Montenegrin** legal system, took into account 50% of the recommendations provided by the ECCD. The confiscation procedures will be more efficient once the law passes, introducing non-conviction-based confiscation in the legal system in Montenegro.

The draft **North Macedonian** Law on non-conviction-based confiscation also aims at introducing this type of confiscation in the country.



Deputy Prime Minister of North Macedonia, Ms Slavica GRKOVSKA, at the Working Group meeting.

Romanian judges enhanced their capacities to deal with the adjudication of money laundering cases for the purpose of achieving asset recovery. Romanian prosecutors, police officers and FIU representatives have been provided with a manual for conducting financial investigations, including the steps to be undertaken for the purpose of achieving asset recovery.

The ECCD supported the IT capacities of the **Serbian** Ministry of Interior regarding financial investigations and provided recommendations for further improvement of the IT infrastructure, hardware and software. Following the IT assessment and in line with the needs of the Ministry of Interior, it will provide and support the acquisition of adequate IT solutions.

In **Central Asia**, the ECCD has contributed to raising the awareness of the beneficiary institutions regarding the need of establishing Asset Recovery Offices and Asset Management Offices in their respective countries by presenting foreign practices and experiences. This support did not result yet in the establishment of such institutions; however, further interest was communicated by the beneficiary authorities, and additional support in this area is planned in 2023. The ECCD contributed to providing relevant examples and practices from different jurisdictions in asset recovery and asset management systems and increased the understanding of available mechanisms for international co-operation in asset recovery.

2.4 INTERNATIONAL CO-OPERATION IN CRIMINAL MATTERS

The ECCD supported the recently established *Department for Coordination of Special Confiscation Issues* of the General Prosecutor's Office of **Azerbaijan** in carrying out its mandate by providing a detailed review and analysis of rejected outgoing MLA requests, which helped national practitioners understand possible grounds for refusal and explore better solutions for increasing the chances of success of such requests. Moreover, training activities for law enforcement agencies, the judiciary, the Financial Monitoring Service, and other relevant government institutions helped them learn essential techniques on how to seek and provide MLA in the investigation or prosecution of criminal offences and in judicial proceedings in the area of economic crime.

Romanian prosecutors, police officers and FIU representatives benefited from the manual for conducting financial investigations developed by the ECCD, providing detailed guidance on international co-operation channels, including MLA channels.

Proposals for enhancing the compliance with international standards of the **Turkish** system for international judicial co-operation were provided through legislative and institutional reviews, and are expected to contribute to the revision of existing guidelines on MLA requests. The capacities of the Turkish Central Authority and judicial authorities were supported by developing a training manual, improving their knowledge of the requirements and good practices in international judicial co-operation, including MLA and extradition, and by training the trainers to carry out subsequent capacity development for their peers working in regional jurisdictions.



Workshop to discuss the legislative framework for international judicial co-operation | Ankara, Türkiye, 4 July 2022

In **Central Asia**, the ECCD provided guidance to the beneficiary authorities from **Kazakhstan** and **Kyrgyzstan** on information sharing and co-operation at the national and international levels and studied the instruments and channels for the international exchange of information. Guidance (checklists) for drafting mutual assistance requests was provided to participants to be used in their daily procedures in international co-operation matters.

3 RAISING AWARENESS OF SOCIETY AGAINST CORRUPTION, MONEY LAUNDERING AND TERRORISM FINANCING

The awareness-raising activities carried out by the ECCD aimed at informing the relevant private sector and civil society actors about various aspects of economic crimes and risks for specific sectors to improve the understanding of their obligations and capacities to detect and prevent ML/TF risks specific to their areas of work. In 2022, awareness and guidance were provided for the following target groups:

- **Armenia:** CSOs on integrity, the importance of corruption prevention and the role of Codes of Conduct within the national anti-corruption system.
- **Azerbaijan:** 37 NPOs and religious entities, 29 representatives of banks and investment companies, and 49 notaries, on their role in the prevention of ML/TF.
- **Bulgaria:** over 250 representatives of obliged entities from various sectors on the roles of obliged entities.
- **Czech Republic:** 41 representatives of obliged entities and industries on the ongoing Proliferation Financing (PF) NRA process; 99 legal professionals and real estate agents as sectors considered highly exposed to ML/TF risks, including 25 representatives of NPOs to identify their exposure to ML/TF risks and set mitigation measures.
- **Georgia:** 170 representatives of the local municipalities of different regions on basic anti-corruption concepts, illustrated with case studies drawn from the domestic practice. Over 400 representatives of the Georgian financial and designated non-financial institutions have acquired a better understanding of the AML/CFT compliance and AML/CFT risks for Georgia, as well as in their specific business sectors.
- **North Macedonia:** 22 representatives of the private sector on the international standards regarding targeted financial sanctions and UN resolutions and restrictive measures.
- **Romania:** over 500 representatives of different groups of obliged entities on the results of the ML/TF NRA and the application of a risk-based approach.
- **Serbia:** more than 200 representatives of relevant institutions on the results of the latest ML/TF NRA
- **At the regional level,** 48 members of civil society and public authorities, out of which 14 civil society representatives from 12 Eastern Partnership and the Western Balkans countries and Türkiye, on the role of CSOs in the prevention and fight against corruption and ML/TF, and ways of enhancing their collaboration with governments towards these common goals.

4 TOOLS AND METHODOLOGY

The ECCD developed comprehensive methodologies of NRAs and Sectorial Risk Assessments, which can be carried out by countries in the framework of co-operation actions, or through their own means. These methodologies can be used for free but are not publicly available: countries interested in running National or Sectorial Risk Assessments are invited to contact the ECCD.

The ECCD developed the methodology for NRA of ML/TF in 2015-2016 and has already advised several Council of Europe member and non-member states in its application. Additionally, AML/CFT-related Sectorial Risk Assessment methodologies were developed for high-risk sectors in the following fields:

- Sectorial Risk Assessment Methodology for proliferation financing risks related to the breach, non-implementation or evasion of targeted financial sanctions, weapons of mass destruction (WMD) proliferation and its financing risks;
- Sectorial Risk Assessment Methodology for VAs ;Sectorial Risk Assessment Methodology for NPOs.

In 2022, the ECCD developed the following sectorial methodologies in the AML/CFT area:

- Sectorial Risk Assessment Methodology for legal persons and legal arrangements;
- Sectorial Risk Assessment Methodology on online gambling;
- Sectorial Risk Assessment Methodology for organised crime and cross-border co-operation.

Similarly, the ECCD is finalising the development of a National Corruption Risk Assessment Methodology: it will be ready for further implementation in 2023-2024.

5 NEXUS WITH COUNCIL OF EUROPE MONITORING BODIES (GRECO – MONEYVAL)

The ECCD ensures effective horizontal co-operation with the Council of Europe monitoring bodies GRECO and MONEYVAL. The evaluations and assessments carried out by GRECO and MONEYVAL not only help to provide an overview of the anti-corruption and AML/CFT systems in the member states but are accompanied by a set of Recommendations directed at rectifying deficiencies identified during the evaluation process.



The ECCD synchronises, where possible, the design and structure of technical assistance programmes and actions with GRECO and MONEYVAL evaluations, which are regularly used to establish a **monitoring baseline** as well as **objectively verifiable indicators** during actions' inception and implementation phases. Hence many activities and Technical Papers developed by the ECCD in the framework of its actions are directly aimed at supporting the

implementation of these recommendations.

In **Albania**, the ECCD's technical assistance focussed on six recommendations of the GRECO's 5th Evaluation Round, such as providing guidance for the implementation of the Ministerial Code of Ethics, systematic awareness raising on integrity-related matters, effective consultation process of draft primary and secondary legislation of public interest, the abstention of a minister or deputy minister from taking part in a decision of the Council of Ministers because of a potential conflict of interest and e-platform for an online declaration of assets and conflict of interests. Furthermore, the ECCD provided advice for implementation of three MONEYVAL recommendations from the 5th Mutual Evaluation Report by providing guidance and assistance to enhance the analysis of ML and TF risks, by training relevant partners on prevention of cash smuggling and proliferation financing and by providing recommendations for the Law on the notary services in the Republic of Albania.

In **Armenia**, three recommendations of GRECO from the 4th Evaluation Round were addressed by the ECCD activities related to the Code of Conduct of the members of Parliament, a mechanism for monitoring compliance by the Members of Parliament with standards of ethics and conduct, and rules applicable to the acceptance of gifts by members of Parliament, judges, and prosecutors. The draft law on Digital Assets and amendments to the deriving legal acts developed by the Armenian FIU respond to the MONEYVAL recommendation related to recommendation 5 of the FATF.

In **Georgia**, the ECCD supported the authorities in addressing one recommendation of the GRECO's 4th Evaluation Round by providing guidance to the Civil Service Bureau on good practices for submission and verification of asset declarations by public officials, and providing proposals on possible actions for further improvement of the national anti-corruption legal or institutional framework within the CSB's remit. Furthermore, the ECCD provided advice for addressing eight MONEYVAL recommendations from the 5th Round Mutual Evaluation Report by providing assistance to enhance

the professional skills of the Georgian law enforcement agencies in investigating and prosecuting terrorist financing cases, as well as by providing support to the financial and non-financial sector entities in implementing recommendations related to the strengthening of AML compliance, transparency of beneficial ownership and preventing money laundering using new payments methods.

The ECCD supported the institutions in **Montenegro** in addressing five recommendations of MONEYVAL by providing support to: strengthen the capacities of supervisory authorities of DNFBPs (real estate, accountants, auditors, games of chance sectors) on conducting risk-based supervision; assess the TF risks in the NPO sector via risk assessment methodology; review the draft legislation aimed at regulating VAs services; strengthen capacities for the investigation and prosecution of legal entities for ML offence; and enhance to the intra-agency co-operation in financial investigations.

In the Republic of **Moldova**, legal amendments created a mechanism for extended confiscation per international standards, while the Constitutional Court simplified procedures for non-conviction-based confiscation (NCBC) of illegal assets, thus addressing concerns raised by MONEYVAL and following up on the good practices discussed as part of the ECCD interventions in asset recovery at the regional level. New rules on the Superior Council of Magistracy and Superior Council of Prosecutors membership reduced politicisation. AC and judicial administrative bodies' capacities increased, thus contributing to closer alignment with three GRECO recommendations regarding the AC authorities and five GRECO recommendations on the prosecution and judiciary.

In **Serbia**, the ECCD supported the authorities in addressing six recommendations of MONEYVAL by providing: training for prosecutors and law enforcement authorities on financial intelligence information in processing standalone ML offences; training for the judiciary and LEAs on processing standalone ML offence cases; an analysis of the legal definition of the NPO in Serbia; country-wide awareness raising events on key findings from the NRA among financial and non-financial sectors and judiciary; training for AML and compliance officers of all commercial banks in Serbia; and comments to the draft legislation on beneficial ownership.

In **Ukraine**, five recommendations from MONEYVAL Second Follow-up Report were addressed through ECCD support: amendments to AML/CFT legislation introducing beneficial ownership reporting and verification mechanisms were adopted; capacity-building activities for prosecutors and judges of the High Anti-Corruption Court on AML were organised; trainers among relevant judges were trained on seizure and confiscation; and AML/CFT supervisory authorities were supported in the risk-based supervision field.

In **Central Asia**, only Kazakhstan is a GRECO member, and the Joint First and Second Evaluation Rounds were completed in March 2022, providing 27 recommendations. The ECCD regional Action started to support the implementation of three recommendations in 2022 and will continue to support Kazakhstan in addressing nine other recommendations in 2023. Although Central Asian countries are not members of MONEYVAL, the countries are subject to evaluations by the Eurasian group on combating money laundering and financing of terrorism (EAG), the results of which are considered in the technical assistance of the ECCD.

6 HUMAN RIGHTS APPROACH

6.1 Human Rights Approach and Civil society engagement

The ECCD follows the Council of Europe's Human Rights Approach in the implementation of its actions by incorporating human rights standards and principles into all levels of project management with the ultimate goal of advancing human rights, focusing on the engagement of CSOs, equality and non-discrimination among target groups and beneficiaries, accountability and transparency in implementation and decision-making processes.

In **Albania**, the ECCD provided guidance to the responsible authorities in relation to the application of NRA methodology and ensured the active engagement of CSOs in the assessment process.

Armenian CSOs were actively involved in major events in the corruption prevention area, such as public consultations and conferences on the Code of Conduct for Public Servants.

CSOs and religious entities in **Azerbaijan** took part in a targeted workshop focusing on vulnerability of non-profit sector to terrorist financing risks, which created an open forum between the Government and NPOs to discuss challenges faced in this sector.

In **Bulgaria**, the authorities partnered up with the Bulgarian Centre for Not-for-Profit Law (BCNL), which had previously conducted an analysis of the NPOs registered in Bulgaria regarding their relevance to the FATF definition. The BCNL eventually played an important role and ensured communication and coordination with the NPO sector and supported the FIU in collecting the necessary data to inform the SRA. Moreover, NPO representatives were involved in discussions on the potential reform of the regulatory and supervisory framework of NPOs in Bulgaria.

The awareness-raising events in the **Czech Republic** for the NPO sector introduced them to the main features of the Guidelines for NPOs on conducting ML/TF Risk Assessment and their practical application, as well as further enhancing their understanding of ML/TF risks.

In **Cyprus**, CSOs were closely involved both as a partner and a beneficiary of the technical cooperation activities: the "Cyprus Integrity Forum", the "New Governance Team", and the Cyprus Bar Association and other non-state actors were engaged through the design, development and delivery of the training programmes on anti-corruption for civil servants. They played a crucial role in enhancing the substantive contents of the products developed and in promoting them within the national system. Several civil society representatives are also part of the trainers trained as direct actors in the corruption prevention effort through training and awareness-raising.

Taking into account the multi-ethnic context in **Kosovo**, the ECCD encouraged the participation of underrepresented and minority groups in relevant activities and ensured that relevant deliverables were provided in Albanian and Serbian languages. Particular attention was paid to ensuring the participation and consultation of civil society in activities where legislation is discussed.

In **North Macedonia**, the ECCD actively cooperated with the private sector, such as obliged entities, especially with the banking sector, as the key actors in the reporting of suspicious transactions and

combating money laundering and financing of terrorism. Specific training was organised for the representatives of NGOs on monitoring the implementation of whistle-blower provisions.

The entities of the private sector in **Romania** were included in the consultative process during the development of the NRA of ML/TF and after the finalisation of the NRA Report.

In **Central Asia**, the ECCD made efforts to consolidate the standards of protection of the rights of entrepreneurs. Participation of the representatives of the CSOs and private sector representatives in its activities was encouraged by designing specific activities targeting them, in addition to coordination meetings, which were instrumental in learning the specific needs and opinions of these groups.

In the **southern Mediterranean region**, the Council of Europe undertook a regional process to identify experiences, needs and challenges regarding interagency cooperation between National Human Rights Institutions and Anti-corruption Authorities of beneficiary jurisdictions. Representatives of Anti-corruption Authorities and National Human Rights Institutions of Jordan, Morocco, Tunisia, Palestine, Lebanon and Algeria enhanced their knowledge on cross-cutting aspects between corruption and violation of human rights, raised their knowledge on the types of Human Rights that could be violated by the acts of corruption and got acquainted with the means to prevent and combat corruption and at the same time promote and protect human rights. The Anti-Corruption Authorities shared their experiences on how they are incorporating the human-rights based approach in their work as well as practices of cooperation between both institutions.

Additionally, CSOs from the **Eastern Partnership countries** came together with their peers, in the **Western Balkans and Türkiye** at a cross-regional workshop, to learn the best practices in managing the risks of NPOs being abused for the financing of terrorism as well as in cooperating with anti-corruption authorities which will contribute to improvements of the institutional frameworks for the prevention of terrorist financing through supervision of NPOs and increased co-operation among civil society and anti-corruption institutions.

6.2 Gender Mainstreaming

The ECCD encourages and promotes the equal representation of both women and men in its activities. Balanced gender representation was ensured in all activities in **Albania**, including workshops and trainings (171 women and 125 men). Conversely, most of the direct beneficiaries in **Armenia** were women holding strategic positions within public institutions of the national anti-corruption and AML/CFT systems. The ECCD, through its advisory and capacity-building activities, is thus promoting the professional development and empowerment of women within Armenian anti-corruption institutions. **Azerbaijani** authorities were encouraged to involve women equally in the activities organised and processes supported by the ECCD. In 2022, women's participation in the training activities and workshops organised by the ECCD was 26%, a ratio that could be considered proportionate since the project in Azerbaijan involves men-dominant sectors. Furthermore, exercises and references used during the workshops and training activities examined ML/TF cases not only from investigative and judicial perspectives but also considering gender dimensions while implementing customer due diligence measures, beneficial ownership transparency or money laundering investigations. **Cypriot** women working in leadership positions within project partners were encouraged to get involved in the activities.

The importance of ensuring equal women/men engagement in **Türkiye** was highlighted at coordination meetings with national partners, especially in the organisation of training of trainers: 38% of the participants of the trainings in Türkiye were women. Twenty-three percent of participants of activities in Central Asia were women representing the law enforcement agencies, reflecting the gender ratio in this sector in Central Asian countries.

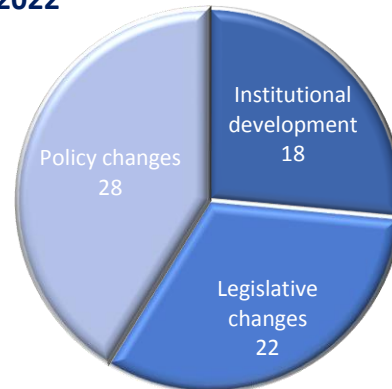
7 ECCD PERFORMANCE

In 2022 the ECCD was engaged in the implementation of 6 regional programmes, 33 projects in as many jurisdictions. In total 271 activities took place in 2022 in the form of conferences, trainings, workshops etc. Some 9074 representatives of beneficiary institutions participated, contributed and benefited from the discussions in these events.

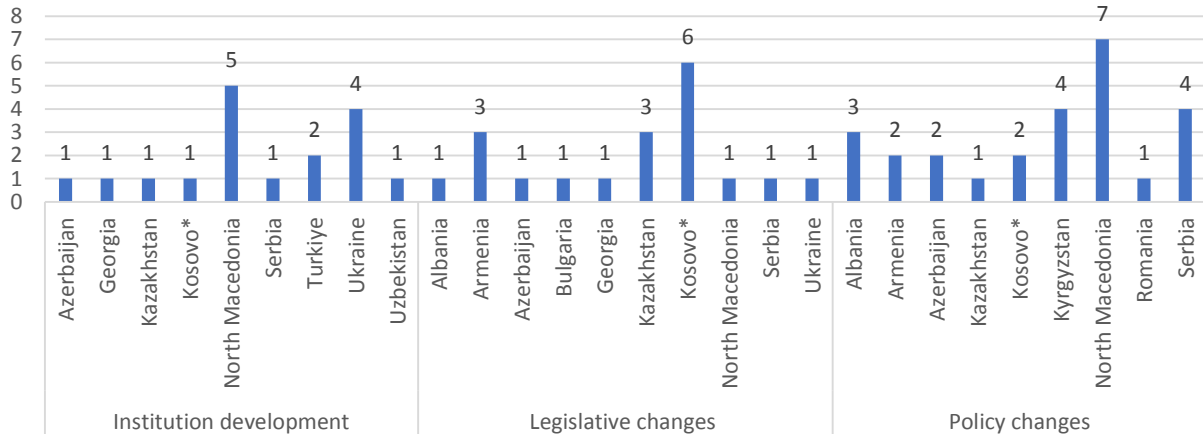
The ECCD actions in 2022 resulted in the following:

- **22 legislative changes** (new laws, regulations, amendments to laws and draft laws prepared for the approval of the Parliament),
- **28 policy changes** (national authorities adopted new strategies, action plans, by-laws, regulations, and methodologies to use specifically designed tools), and
- **18 institutional changes** (new institutions, departments/units, taskforces or coordination mechanisms established).

Results of ECCD actions 2022



Results of ECCD actions by countries (2022)

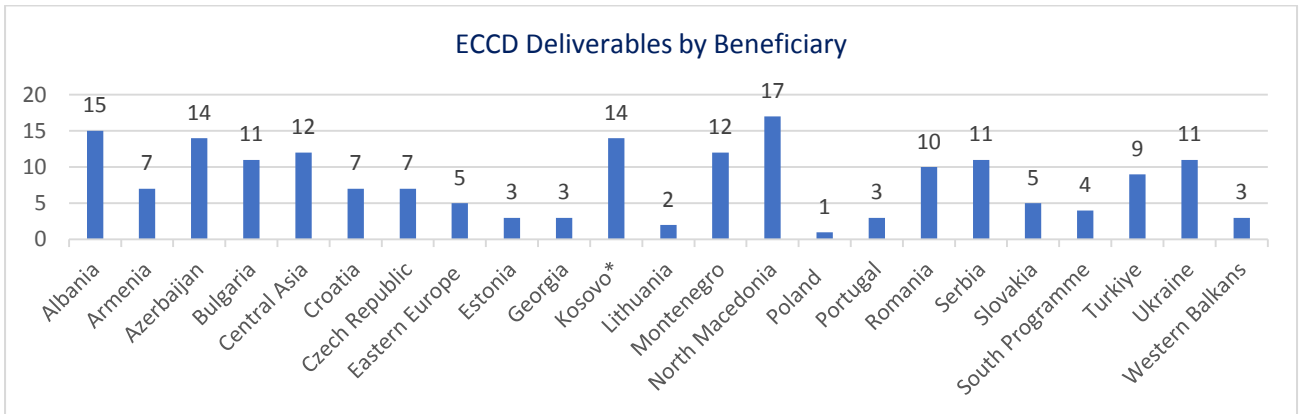


ECCD Deliverables by type

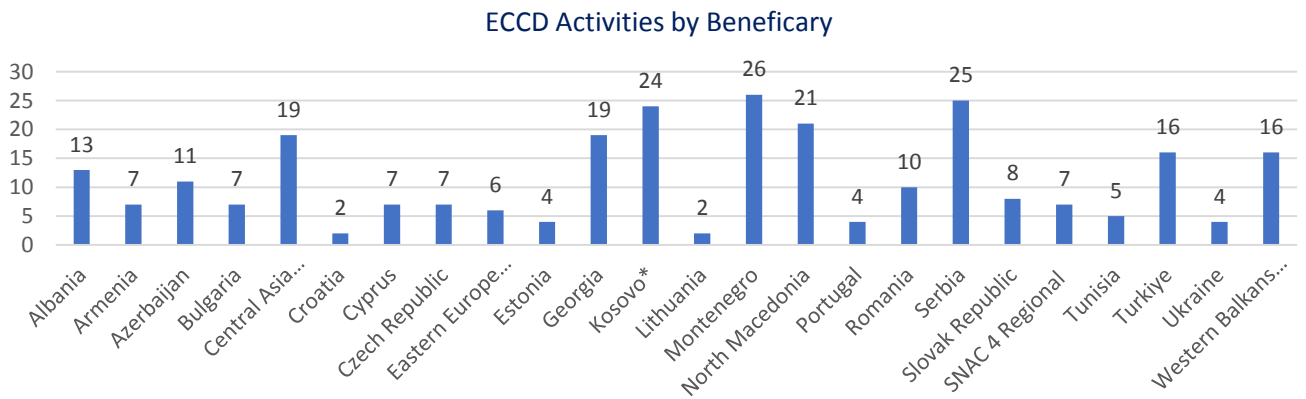


To achieve these results, the ECCD has developed **186 specifically designed deliverables**, including:

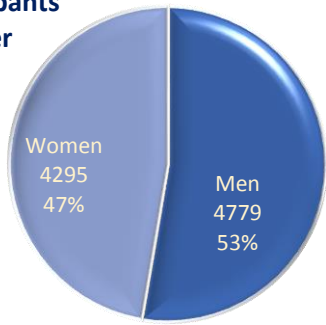
- 134 Technical Papers (analyses of the national schemes, tailored recommendations, comparative analyses with other countries, etc.),
- 44 training modules/materials,
- 7 methodologies and
- One software.



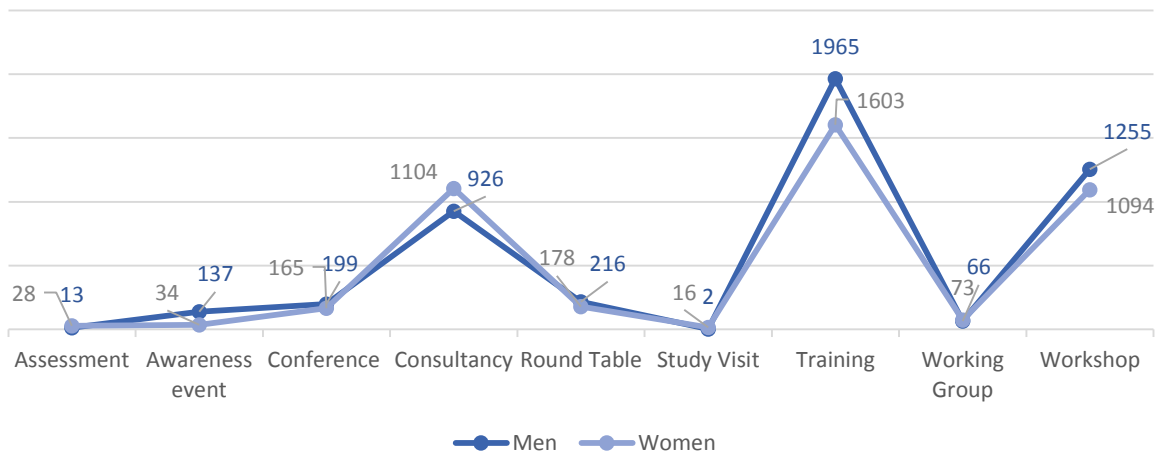
The ECCD organised 171 activities in 2022 involving 9074 participants: 4295 were women (47%), and 4779 were men (53%).



ECCD participants by gender



ECCD Participants by activity type



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