Partnership for Good Governance II (2019-2021)

Project on "Strengthening measures to counter money laundering and financing of terrorism in Ukraine"

TECHNICAL PAPER

REVIEW OF AML/CFT STATISTICAL INDICATORS

The European Union and Council of Europe Partnership for Good Governance Programme (hereinafter: PGG) is a cooperation programme for Eastern Partnership Countries funded by the European Union and Council of Europe, and implemented by the Council of Europe.

PGG builds on the two organizations policy priorities in the context of Eastern Partnership and on the CoE expertise in standard-setting, monitoring and cooperation methodologies. It aims to improve implementation of key recommendations of relevant Council of Europe monitoring and advisory bodies in the areas indicated in the Statement of Intent signed on 1 April 2014 by the Secretary General of the Council of Europe and the European Union Commissioner for Enlargement and European Neighborhood Policy.

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1 EXECUTIVE SUMMARY

The Ukrainian authorities under the leadership of the Financial Intelligence Unit (FIU) – the State Financial Monitoring Service (SFMS) – developed a set of comprehensive statistical indicators to follow up on the most important priority action identified in the 2017 assessment of Ukraine's Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) measures. This assessment was conducted by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL). The Mutual Evaluation Report (MER) adopted by the MONEYVAL Plenary in December 2017 concluded that the analysis and written articulation of Ukraine's Money Laundering (ML) and Financing of Terrorism (FT) risks should be enhanced, including by utilising more statistics and ensuring that the statistics used are robust.

The indicators developed by the SFME cover a large range of data that should be collected by a number of AML/CFT competent authorities, including data on general context, the FIU, the supervisory authorities, the law enforcement and intelligence agencies, and the judicial authorities. The SFME requested assistance from an external expert for the review of the various indicators with the aim to further improve the five sets of statistics. Adequate data collection will indeed help the authorities in providing future evidence regarding the effectiveness of Ukraine's AML/CFT regime.

The Council of Europe expert recognises the high-quality work developed by the SFME, which provides an excellent basis for the collection of the required essential data. The comments and suggestions formulated in the report are meant to improve the structure of the statistical tool and further align the various types of data with the specific requirements of the Financial Action Task Force's (FATF) AML/CFT Standards.