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

THIRD ROUND DETAILED ASSESSMENT REPORT
on
"the former Yugoslav Republic of Macedonia"

ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

SUMMARY[1]

Memorandum
prepared by the Secretariat
Directorate General of Human Rights and Legal Affairs

[1] Adopted by the MONEYVAL Committee at its 27th Plenary Session (Strasbourg, 7 – 11 July 2008).

EXECUTIVE SUMMARY

1. Background Information

1. This report provides a summary of the AML/CFT measures in place in "the former Yugoslav Republic of Macedonia" as at the date of the third on-site visit from 25 to 31 March 2007, or immediately thereafter. It describes and analyses the measures in place, and provides recommendations on how certain aspects of the system could be strengthened. It also sets out the level of compliance of "the former Yugoslav Republic of Macedonia" with the FATF 40 + 9 Recommendations.

2. Since the second evaluation in October 2002, "the former Yugoslav Republic of Macedonia" has taken some steps to improve its AML/CFT system. Amongst other things, it has issued a number of laws to improve its legislation concerning AML/CFT issues:
   - (new) Law on Prevention of Money Laundering and Other Proceeds of Crime (OG 46/2004; hereinafter the "AML Law");
   - Law for amendments of the Criminal Code (OG 19/2004);
   - Law for amendments of the Criminal Procedure Law (OG 74/2004);
   - Law for fast money transfer (OG 77/2003);
   - Law for amendments of the Law for public prosecution (OG 38/2004).

3. The new AML Law introduced a number of positive features, amongst others:
   - a definition of basic terms (e.g. proceeds of crime, property, financial institution, entity, client, money laundering and financing terrorism);
   - it defines in an exhaustive manner the competencies of the Financial Intelligence Unit (FIU);
   - it tries to reduce the use of cash by prohibiting cash payments above 15 000 EUR (transactions above this threshold may only be performed through a financial institution authorised to perform payment operations);
   - it permits the FIU to apply provisional measures.

4. In 2005, a National Strategy on Prevention of Money Laundering and Financing Terrorism (2005-2008) was adopted. On the basis of this National Strategy, a Council for Combat Against Money Laundering and Financing Terrorism was established, which convenes regular meetings and is obliged to submit, at least once per year a report of its operations to the Government, as well as proposals and initiatives for the improvement of the money laundering prevention system.

5. Turning to the money laundering situation, the authorities consider that tax evasion is the most prominent under the predicate offences for money laundering; apart from that also fraud, smuggling, damaging or privileging of creditors and falsifying documents were mentioned as relevant predicate offences.

6. As described below at appropriate places, the legal framework to combat money laundering and terrorist financing suffers in certain areas from quite complicated legislation. Moreover, the legislation does not use *termini technici* (e.g. freezing, seizing, confiscation) in a consistent way which makes not only its evaluation but also its application very difficult. This should be revised to make its application easier and more understandable both for governmental authorities and also for private sector.

7. The authorities are of the opinion that there is currently no risk of national terrorism in the country; as a consequence, there is no investigative activity of the Police in this respect and only the Administration for Security and Counter-Intelligence, being a Department of the Ministry of

Interior separate from the Central Police Services, as well as the Intelligence Agency (the latter being an independent body and outside the Ministry of Interior) are in charge of observations in this field. Also with regard to threats deriving from international terrorism, there seems to be not very much awareness of terrorist financing issues, e.g. the FIU did not receive any STR related to possible terrorist financing; apart from the AML Law, no other preventive law deals with terrorist financing issues; at the time of the onsite visit, there was no autonomous terrorist financing offence[2] etc. This means that the authorities will have to do more to tackle terrorist financing in a satisfactory manner.

2. Legal System and Related Institutional Measures

8. Concerning the criminalization of money laundering, an important improvement in the Law for amendments of the Criminal Code was the establishment of criminal responsibility for legal persons. Furthermore, it was a positive step that the anti-money laundering criminalisation now provides for negligent money laundering and thus exceeds the international standards. One of the most important achievements brought by the 2004 amending law was to broaden the range of predicate offences and introduce an "all crimes approach", instead of the previous model which listed certain predicate offences (trade in narcotics, trade in arms) and in addition referred to "*other punishable action*" (i.e. any criminal offences). Now all the designated categories of offences under the Glossary to the FATF Recommendations are covered.

9. On the other side, it should be noted that Art. 273 of the Criminal Code (the ML offence) shows some serious deficiencies in meeting the requirements of the international instruments. First of all, simple possession and the use of laundered property still appear not to be covered by Art. 273 (this was already stated by both the first and the second round evaluation teams). Another problematic point is the differentiation between offences according to whether money or other proceeds are concerned which urgently needs to be reconsidered as the different approach in criminalising the various conducts as well as the rather complicated inner structure of the offence may pose an obstacle when implementing these provisions in concrete cases.

10. Another major deficiency of the ML offence is the application of a value threshold as regards the object of money laundering. That is, the laundering activities listed in Paragraph 1 and 2 of Art. 273 would establish the offence of money laundering only if committed in relation to money/property/objects of greater value. "Greater value" is linked with the average monthly salaries and at the time of the on-site visit it amounted to 70 335 MKD (approx. 1 150 EUR). It is beyond question that application of the value threshold in Paragraphs 1 and 2 of Art. 273 is a serious shortcoming of the money laundering offence. Neither the relevant FATF Recommendations nor international Conventions provide for any exception based on such a threshold which is, in addition, set overly high for the overall economic situation in "the former Yugoslav Republic of Macedonia".

11. Furthermore there are some definitional uncertainties regarding the object of the money laundering offence (i.e. money/other property) which also may impede its practical implementation. Also self-laundering is not expressly provided for as prosecutable for all kind of offences of Art. 273 CC. Thus, it is recommended to introduce a newly-formulated provision, clearly based on the language of the Strasbourg Convention, which remedies all these shortcomings.

12. As far as practical issues are concerned, the presumed backlog of money laundering cases pending at courts poses a serious deficiency and drastically reduces the efficiency of the AML legal

[2] This conceptual problem has since been remedied by the adoption of the 2008 amending law to the Criminal Code that introduced a separate criminal offence of terrorist financing.

framework. Since it was separately criminalised in 1996 until the time of the onsite visit, there had been only one case (one person convicted) that ended with a conviction for money laundering. Subsequently to the on-site visit, a second conviction took place in 2007 in which case 14 of the 21 persons involved were convicted for money laundering. Though this conviction is a positive signal, both the number of convictions and indictments compared to the number of open investigations is below what would be desirable.

13. The confiscation and provisional measures regime in force and effect at the time of the third on-site visit had undergone some significant changes since the second round evaluation. However, the result and sometimes the purpose of these changes are not always obvious. The third round evaluation team shares the opinion of the evaluators of the previous round that the current legal framework applicable to confiscation and provisional measures seems too complicated. There are parallel regimes both in terms of criminal substantive and procedural law, namely a different set of rules are applied for instrumentalities, another for the proceeds of crime etc. and the respective measures are not only inaccurately and inconsequently formulated but also their scopes often overlap. Apart from these technical difficulties, it should be noted that confiscation of instrumentalities is in most of the cases only discretionary and the same goes for instrumentalities of money laundering offences. Furthermore, only in certain situations provisional measures can be carried out *ex parte* and without prior notice. Also the requirements to postpone a transaction by the FIU with a view to further provisional measures appear too restrictive: the FIU has to provide data establishing an extremely high level of suspicion related to the given transaction in only one day. The "*existing justified suspicion for criminal offence of money laundering or financing of terrorism*" appears to be a standard set overly high. This perhaps offers an explanation as to why, according to the representatives of the MLPD, there had been only 3 cases up to the time of the on-site visit when provisional measures were finally applied in such cases.

14. As far as freezing under the UN Security Council Resolutions S/RES/1267(1999) or S/RES/1373(2001) is concerned, the evaluators found that there was practically no legislation that would specifically implement the said instruments in terms of roles, responsibilities or conditions. During the on-site visit, the various authorities had diverse opinions as to what legal basis can be, if at all, applied for freezing accounts of persons matched with names on the lists. Reference was made to either or both the current AML Law and the Criminal Procedure Code, nevertheless neither of these laws turned out to be applicable in this respect. The authorities also referred to the Law on International Restrictive Measures as solution to comply with SR III but this law is too incomplete in its present form, providing nothing more but an essential legal basis and a legislative authorisation for the issuance of *ad hoc* governmental decrees in concrete cases without any detailed rules on roles, responsibilities or procedures. The authorities are therefore advised to introduce a comprehensive set of detailed and generally applicable rules for an administrative procedure, practically on the conceptual basis that has already been provided for by the Law on International Restrictive Measures.

15. The United Nations Convention on the Suppression of Terrorist Financing has been ratified. Financing of terrorism is not provided for as an autonomous offence and there are still several shortcomings with respect to the implementation of the penal provisions of this Convention in the criminal substantive law. The *sui generis* criminalisation of the establishment of a terrorist organisation comprising, inter alia, the provision of financial means to the creation and presumably also to the maintaining of such an organisation was an important step. On the other hand, essential parts of the core offence in Art. 2 of the Terrorist Financing Convention are not yet implemented in the domestic law, such as the notion of collecting of means as well as the financing of an individual terrorist or that of the perpetration of a terrorist act. As there is no autonomous terrorist financing offence, the evaluators have doubts that the aiding and abetting approach would sufficiently cover attempt and the other ancillary offences as requested by the international standards. So far, these provisions have never been tested before the court (no

criminal proceedings, indictments or convictions) and there have not been even investigations. As a result, there is no case-law or practice on the exact scope of the current provisions.

16. The FIU, so-called the Money Laundering Prevention Department (hereinafter the MLPD), is an administrative FIU and was established in September 2001 as a body within the Ministry of Finance[3]. It has no investigative powers and its main task is to gather information on transactions with a view to submitting reports to the authorized bodies (State Attorney's Office and law enforcement bodies). It is operating on the basis of the AML Law and has a central role in the anti-money laundering system of "the former Yugoslav Republic of Macedonia". However, some parts of the AML Law refer only to money laundering and do not provide a clear legal mandate for the MLPD to deal with terrorist financing issues[4]. Also in practice the MLPD's role in combating financing of terrorism is currently very limited.

17. The AML Law does not require the MLPD to issue guidance. The MLPD is only obliged to determine a list of indicators for the recognition of suspicious transactions by the obliged entities. The MLPD is of the opinion that the respective supervisory bodies are responsible for providing guidance and also for special programmes and trainings. Nonetheless, the MLPD issued in 2006 a guidance manual and sent it to most of the supervisory bodies (the NBM, the Public Revenue Office, the Securities Commission, the Insurance Supervisory Unit, the Bar Association and the Notaries' Commission) for further dissemination among the entities they are responsible for.

18. The MLPD is a member of the Egmont Group and exchanges data via the EGMONT Secure Web. The examiners noted that the FIU does not have its own separate budget and is treated in this regard as any other department within the Ministry of Finance. Though this does not appear to be a problem at present, in the examiners' view a separate budget may strengthen its independence[5].

19. Since MONEYVAL's second round evaluation report (which was adopted in September 2003), the number of staff of the MLPD has increased from 4 to 11. The MLPD's staff is composed of the Director and 10 staff members organised in three units, the Analytical Unit, the Unit for Suspicious Transactions and the Unit for System Development and International Cooperation. Nonetheless there are doubts whether the number of staff is able to comply with the tasks dedicated to the MLPD: particularly the number of CTRs being submitted on hardcopies put a huge workload on the MLPD. The lack of resources may also be a reason that so far guidance to the obliged entities is very limited. Also the number of pending cases raises serious doubts about the sufficiency of human resources.

20. The MLPD has a database of all CTRs which have been submitted in electronic form from banks so far. Apart from this database, there is no other database available except some access to very basic data of the Public Revenue Office. The MLPD has no timely access to a police database, criminal register or a court register; in such cases, it has to submit written requests to such authorities. This may unnecessarily prolong the process to gather information[6].

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[3] The new AML/CFT Law changed the name of the FIU into "Office for Prevention of Money Laundering and Financing Terrorism" (OPMLFT). It also made the FIU a legal entity (while remaining a body within the Ministry of Finance).

[4] The new AML/CFT Law now addresses explicitly "financing terrorism" and provides in its Art. 2 item 2) a definition for it.

[5] The new AML/CFT Law now addresses explicitly the issue of a budget for the FIU (Art. 3 para 4).

[6] From the second half of 2007 on, the MLPD has established a system which allows to access via contact officers data of the criminal register, the register on vehicles and the register on personal data (covering the following data of persons: names, place and date of birth, address, unique ID-number, citizenship) of the Ministry of Interior. The MLPD has since that time also direct (online) access to the Central Register and to the Register of the Stock Exchange (containing all the movements of the market but no names).

21. The AML Law provides the legal basis for the obligations of the reporting entities to file a report to the MLPD if one or both of the following provisions exist a) a transaction raises a suspicion of money laundering or terrorist financing; b) the amount of the transaction or linked transactions exceeds 15 000 EUR. Reporting of transactions for legalising illicit income covers all offences required to be included as predicate offences under Recommendation 1 including also tax matters, but with the exception of financing of terrorism in all its forms (as the latter is not covered in a sufficient way by the domestic legislation).

22. Apart from banks no other financial institution submitted any STR. The total lack of an STR related to financing of terrorism raises concerns of effective implementation. Thus, more outreach and guidance to financial institutions is necessary to better explain them their reporting obligations under the AML Law.

3. Preventive Measures – financial institutions

23. Turning to the preventive side, most of the provisions dealing with AML/CFT issues can be found in the AML Law. Based on the "Law on the National Bank of the Republic of Macedonia"[7] which designated the "National Bank of the Republic of Macedonia"[8] (hereinafter NBM) as the supervisory body for banks and savings houses, the NBM issued so-called "Supervisory Circulars". In April 2005, the NBM issued Supervisory Circular No. 7 "*Anti-Money Laundering Systems of the Banks"*, which contains recommendations for establishing AML systems in banks; combating terrorist financing issues are not explicitly addressed by this circular. These circulars in general and also the Supervisory Circular No. 7 serve as (non-binding) guidelines for banks and savings houses; the representatives of commercial banks with which the evaluators met understand these circulars as recommendations which they should follow. Representatives of savings houses explained they consider Circular No. 7 as "practically mandatory" and that they use it in application of the AML Law. However, these circulars cannot be regarded as "other enforceable means" in the sense of the Methodology because breaches of these circulars cannot be sanctioned.

24. It should be noted that numerous key elements of FATF Recommendation 5 which need to be covered either in Law or Regulation (marked with an asterisk in the 2004 Methodology) or otherwise by other enforceable means are not provided for in laws, regulations or enforceable guidance (however, some of them are at least addressed by the non-binding Supervisory Circular No. 7).

25. The AML/CFT framework of "the former Yugoslav Republic of Macedonia" is not based on a risk assessment. Neither the AML Law nor other regulations provide for financial institutions measures based on the degree of risk attached to particular types of customer; business relationship; transaction and product[9]. Only the (non-binding and only for banks and savings houses applicable) Supervisory Circular No. 7 includes some additional measures which banks should apply in certain higher risk situations (including PEPs; private banking, correspondent banking, electronic banking).

26. The basic obligations under the AML Law cover some aspects of:
    - Customer identification (Articles 7 - 11);
    - Record keeping (Article 20);

[7] See Para 4 of the report.

[8] See Para 4 of the report.

[9] The new AML/CFT Law now also provides for both simplified and enhanced customer due diligence to address various levels of risk.

- Monitoring of certain transactions (Article 14)
- Reporting suspicious transactions (Articles 22 - 24);
- Keeping information confidential (Article 21);
- Establishment of internal procedures and units for AML/CFT control (Articles 5, 38 - 40).

27. On a general point it should be noted that several provisions of the AML Law only contain a reference to money laundering but not to terrorist financing. This could be misunderstood by the obliged entities that their obligations are limited to money laundering only. It should be clarified in the AML Law which obligations relate both to the prevention of money laundering and terrorist financing (unless this cannot be done with a clear catch-all provision).

28. A certain deficiency is that there are no laws or regulations which would prohibit the opening of anonymous accounts, numbered accounts or accounts in fictitious names[10]. It is also unclear whether such accounts (still) exist and to which extent.

29. Moreover concerning implementation of Recommendation 5, there is a long list of deficiencies and the following can be seen as the most severe shortcomings:
    - There is no comprehensive legal obligation which covers customer identification when carrying out occasional transactions that are wire transfers in all the circumstances covered by the Interpretative Note to SR VII;
    - There is no legal obligation which covers customer identification when the financial institution has doubts about the veracity or adequacy of previously obtained identification data.
    - There are no requirements for financial institutions:
        - to obtain information on the purpose and nature of the business relationship,
        - for ongoing CDD,
        - for enhanced CDD or
        - conducting CDD on existing customers.
    - The documents which can be used for verification of identification are not sufficiently determined.
    - For customers that are legal persons or legal arrangements, there are no requirements that financial institution should verify that any person purporting to act on behalf of the customer is so authorised, and identify and verify the identity of that person.
    - There is no legislation which provides for a concept of "beneficial owner" as required by the Methodology. Financial institutions are not required to take reasonable measures to verify the identity of beneficial owners using relevant information or data obtained from reliable sources.

30. There are no requirements in Law or Regulation with regard to PEPs and across the whole financial sector is a widespread unawareness of this concept[11]. Furthermore, "the former Yugoslav Republic of Macedonia" has not implemented any enforceable AML/CFT measures concerning establishment of cross-border correspondent banking relationships[12].

31. The legal framework of "the former Yugoslav Republic of Macedonia" does not comprehensively cover the issue of shell banks[13].

32. The AML Law does not allow the withdrawal or suspension of a financial institution's licence for not observing the requirements of the AML Law. From the sectoral laws, the Banking Law, the Law on Securities and the (amended) Law on Fast Money transfer allow a licence to be revoked in

[10] Art. 26 of the new AML/CFT Law now explicitly prohibits banks to open and keep anonymous accounts.

[11] The new AML/CFT Law now expressively addresses PEPs.

[12] The new AML/CFT Law now addresses in Art. 14 para 3 the issue of correspondent banking.

[13] The new AML/CFT Law now explicitly addresses shell banks and prohibits their establishment or any business relationships with shell banks.

the case of infringements related to AML obligations but not when it comes to obligations related to CFT. The other sectoral laws do not provide for withdrawing or suspending a financial institution's licence for not observing AML/CFT obligations.

33. The authorities will have to address further the issue of supervision. Currently, apart from the NBM and (to an unclear extent) the Securities and Exchange Commission (SEC), no other designated supervisory body includes AML/CFT issues as an integrated part in its supervisory activities. For the operations of pension companies and pension funds no supervisor concerning AML/CFT issues is designated[14].

34. Also the sanctioning system needs amending as for infringements of the AML Law the respective supervisory authority has to apply to courts. This does not work in practice as no sanctions have been imposed so far.

35. Concerning market entry, the legislation to prevent criminals or their associates from holding or being the beneficial owner of a significant or controlling interest or holding a management function in a bank, savings house, insurance company, brokerage house, money or value transfer service, foreign exchange office and investment fund management company is insufficient; for companies issuing credit/debit cards, pension companies and pension funds no such preventive legislation exists at all.

36. For companies issuing debit/credit cards, no special licensing or registration system exists. As a consequence, there are also no requirements to prevent criminals or their associates from holding or being the beneficial owners of a significant or controlling interest or holding a management function, including in the executive or supervisory boards, councils, etc in such entities.

4. Preventive Measures – Designated Non-Financial Businesses and Professions

37. As for financial institutions, the core obligations for DNFBP are based on the AML Law. The coverage of DNFBP in the AML Law is very complete and in line with both international standards and the EU Directive. It comprises *inter alia* casinos; audit; accounting and tax consulting, dealers in real estate; notaries, attorney and other legal services; activities related to trading with works of fine arts; processing and trading with precious metals and stones. Additionally "the former Yugoslav Republic of Macedonia" has added other categories (which are not required by international norms) to the obliged entities: e.g. travelling and tourist agencies.

38. Since the core obligations for both DNFBP and financial institutions are based on the same law (i.e. the AML Law), it can be noted, that the obligations and also the deficiencies in the AML/CFT preventive measures framework as described for financial institutions apply to DNFBP in the same way as for financial institutions. To recap, DNFBP (leaving aside the special regime for lawyers and notaries public under Art. 34) are obliged to perform client identification; gather and keep information on transactions; submit cash transaction reports and suspicious transaction reports to the MLPD; and keep information confidential. Only for attorneys and notaries public do some exceptions exist, as Art. 34 of the AML Law stipulates that "*attorneys and notaries during execution of their task to defend or represent the client or at the time of the court procedure or other procedure*" are exempted from the obligations of the AML Law.

39. It needs to be noted that most categories of DNFBP seem to be not very much aware of their obligations and, moreover, some of them even protest against their obligations: e.g. the Bar

[14] This shortcoming was obviously also acknowledged by the legislator of the new AML/CFT Law which included the "Agency for supervision of fully funded pension insurance" (MAPAS) as supervisory authority (Art. 46).

Association handed the evaluators a letter in which they describe their duties under the AML Law as "*attacks against professional secret*". Perhaps as a consequence of this unwillingness, the number of reports (STR/CTR) to the MLPD from these entities and from the DNFBP sector in general is very low; only notaries appeared to be active in this regard which could also be seen by the number of reports submitted and the seminars they organised and attended. While most interviewees were to a certain extent informed about money laundering issues in general, familiarity with combating financing of terrorism issues was very limited and practically non-existent.

40. Supervision of DNFBP concerning AML/CFT issues appears very low. Though supervisory authorities responsible for monitoring compliance with the AML Law have been assigned for the major DNFBP, in practice, some of these supervisory commissions have either not yet been established (auditors and accountants) or have not yet conducted any kind of supervision (lawyers). For real estate agents, dealers in precious metals, dealers in precious stones, dealers in high value and luxury goods, AML/CFT supervision should be conducted by the Public Revenue Office (PRO); however, the PRO has not yet started with this supervision. Only the commissions for notaries has already commenced with supervision, but also very late (more than two years after its formation) and consequently without any results. So far, only the Public Revenue Office seems to be active in supervising casinos (though also no sanctions have yet been imposed). For those supervisory authorities which had or have to be created on the basis of Art. 39 of the AML Law is it unclear which supervisory powers they have as the law is silent on this issue. As a consequence, the Bar Association created such a supervisory commission but does not conduct supervision.

5. Legal Persons and Arrangements & Non-Profit Organisations

41. There are various forms of companies established in "the former Yugoslav Republic of Macedonia" for the purpose of undertaking business and they have to be registered by the commercial register; trusts cannot be established in "the former Yugoslav Republic of Macedonia". The commercial register is public, and anyone, without having to prove legal interest, can peruse the particulars entered into the registration files and request that they be issued a copy or verified transcript. There is, as yet, no information from the commercial registry available on-line though the authorities are making efforts to make it possible. The company registration system contains no provision concerning the recording, registering or public availability of any data specifically related to the beneficial owner. A further shortcoming is that the Central Register only determines whether all registration requirements as set out by the law have been met, but there is no kind of verification process. Thus the information available is not necessarily reliable.

42. Though the AML Law covers associations and foundations as obliged entities, it seems that there has been no formal review of the adequacy of laws and regulations that relate to entities that can be abused for the financing of terrorism. There is no supervision exercised by any authority that would at least indirectly cover this issue.

6. National and International Co-operation

43. While cooperation between the MLPD and the Financial Police seems to be quite close, cooperation with the other authorities appears to be more distant and formal. A certain shortcoming is the widespread uncertainty concerning money laundering investigations as to which investigative authority is competent for which cases: particularly there are no clear rules in which cases the Ministry of Interior and in which cases the Financial Police is investigating.

44. As a consequence of the second round evaluation report, the Government of "the former Yugoslav Republic of Macedonia" established a so-called "Council for Combat against Money Laundering

and Financing Terrorism" in July 2005. This Council is headed by the Director of the MLPD, and its members are high-level representatives of other state bodies. It is competent for monitoring the realisation of the objectives set in the National Strategy. It also considers the issues and problems of the current operations and exchanges experiences; so far it already organised joint trainings. However, this advisory body has no competence to coordinate the activities of the different authorities and bodies and has a solely advisory role (though the authorities interpret the National Strategy in a broader sense and consider that this Council has also competencies for coordination).

45. The Criminal Procedure Code provides the legal basis for mutual legal assistance in criminal matters and also for extradition. Though the Criminal Procedure Code contains no rules that would explicitly require dual criminality, this requirement is implicitly incorporated in the respective rules. Consequently, the shortcomings related to the criminalization of money laundering and terrorist financing apply also for mutual legal assistance: this means that "the former Yugoslav Republic of Macedonia" could not provide legal assistance to foreign countries in money laundering cases where the proceeds laundered would not reach the sum of five officially declared monthly salaries in "the former Yugoslav Republic of Macedonia" (the minimum value threshold required by the money laundering offence). The same situation applies for terrorist financing cases concerning conducts which are not criminalized by the domestic legislation.

7. Resources and Statistics

46. At the time of the onsite visit, the MLPD did not have a sufficient number of staff to cover all its tasks satisfactorily. Also the investigative bodies and agencies are insufficiently staffed and as a consequence money laundering cases are only investigated in relation to tax matters. There is a presumed backlog of money laundering cases at courts which seriously reduces the effectiveness of the entire AML system. The reasons for this backlog at courts were said to be insufficient training of judges and presumably also understaffed courts.

47. Statistics are a very weak point in the AML/CFT system of "the former Yugoslav Republic of Macedonia". Apart from some basic data kept by the Customs and the Financial Police which can serve as a basis to produce statistics and the limited statistics from the Ministry of Interior and the MLPD, no authority keeps comprehensive and detailed statistics on money laundering investigations, prosecutions and convictions or other verdicts indicating not only the number of persons involved but also the number of cases/offences and, in addition, providing information on the underlying predicate crimes and further characteristics of the respective laundering offence (whether it was prosecuted autonomously etc.).