

## RESULTS FACTSHEET

### Partnership for Good Governance in Ukraine

January 2022

#### Key figures

- Two successive phases since 2015.
- 16 projects under the PGG II
- 1 country-specific project in Ukraine with a budget of EUR 543,000
- 4 regional projects covering Ukraine

#### What is the Partnership for Good Governance?

Through the Partnership for Good Governance (PGG) the European Union and the Council of Europe are working together to strengthen governance in the Eastern Partnership region (Armenia, Azerbaijan, Georgia, Republic of Moldova, Ukraine, Belarus).

The PGG provides tailor-made support to Eastern Partnership countries to bring legislation and practice closer to European standards in the fields of human rights, rule of law and democracy.

#### Project: Strengthening measures to counter money laundering and financing of terrorism (Jan 2019-Feb 2023)

The PGG II contributes to **strengthening legislative and institutional frameworks for Anti-money laundering and Counter terrorist financing (AML/CFT)** in Ukraine in accordance with European standards.

#### Legislative/policy framework improved

- The Anti-money laundering/Counter-terrorist financing (AML/CFT) Law was approved by the Parliament in 2019 and entered into force in April 2020**, transposing key provisions of the 4th EU AML Directive into Ukrainian legislation, and fulfilling the Financial Action Task Force (FATF) and MONEYVAL recommendations, thus enhancing the efficiency of the Ukrainian AML/CFT system.
- The Parliament **adopted a new Law in 2019 reinstating illicit enrichment as a criminal offence**, for which the PGG II contributed with analysis and legal advice, following the Constitutional Court's rule that the provisions of the Criminal Code on illicit enrichment were unconstitutional.
- National proliferation financing indicators**, (facilitating the application of risk-based mitigating measures by competent authorities and obliged entities), **were shared with national authorities**. This is a useful starting point for a proliferation financing risk assessment under the FATF criteria, which calls on countries to identify and assess the risks of non-implementation or evasion of targeted financial sanctions related to proliferation financing.
- The PGG II assisted the authorities in developing the secondary legislation of the AML/CFT system** to implement the supervisory powers entrusted to them under the new AML/CFT Law.

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- **Legal opinions**, provided by the PGG II, on draft legislative amendments **advised against the adoption of provisions undermining the compliance of the AML/CFT Law with international standards which were finally prevented.**

### *Institutional frameworks/capacities strengthened*

- **The process of mandatory disclosure by all Ukrainian companies of their structure and the real ultimate beneficial owners was initiated**, following the approval of the Ministry of Finance of Ukraine of the form and content of the “ownership structure” – this official document was conceived with the support of the PGG II.
- **The Prosecutor General’s Office established a specialised unit dealing with money laundering cases**, addressing the recommendations of MONEYVAL, and contributing to the improvement of the quality of investigations.
- **Ukraine made progress towards improving its position on the rating on FATF Recommendation 33** (on statistics on relevant matters to effectiveness and efficiency) **and ensuring an effective monitoring of the AML/CFT system** through developing and adopting a list of indicators for the complex AML/CFT administrative reporting as recommended by MONEYVAL.
- **Nearly 100 law-enforcement and financial-intelligence agents** improved their knowledge and skills in financial investigations, confiscation of proceeds from crime and related topics for use in their daily work. In total, 199 representatives of various beneficiaries benefitted from the capacity building support of the PGG II.
- **The guidance on financial investigations and the handbook** entitled “Money laundering: identification, investigation and prosecution for Ukraine” offer practical resources to prosecutors and financial intelligence and law enforcement agents, thus **contributing to a co-ordinated and enhanced response from the state officials to fighting economic crime.**
- **The effectiveness of the investigation, prosecution and adjudication of money laundering was supported by strengthening the capacity of the Training Centre for Prosecutors and the National School of Judges** through specialised training courses on money laundering and related topics. A total of **229 judges and 70 prosecutors** were trained as practitioners, and **31 judges and 24 prosecutors were trained as trainers.** In addition, 18 representatives from the Security Service of Ukraine enhanced their understanding of terrorist financing detection, disruption and investigation and improved the adherence of national stakeholders to international standards on countering terrorist financing.
- **The national authorities of Ukraine received extensive guidance** (16 technical papers in total) from the PGG II on preventing and countering money laundering and terrorism financing, to sustain the effectiveness of the AML/CFT sector.
- 16 representatives of the **Ministry of Finance** of Ukraine benefitted from **support on AML/CFT risk assessment for Designated Non-Financial Businesses and Professions (DNFBPs), with a focus on the gambling sector, accountants, tax advisors and auditors.**

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- The **capacities of entities of the banking and non-banking sectors were improved to better deliver their AML/CTF obligations** through activities organised jointly with the Central Bank: awareness of 864 representatives of the non-banking sector that offer money transfer services as well as currency transactions services, and of 420 banking professionals was enhanced on their financing obligations and the relevant regulatory framework, and their practical skills in applying AML/CTF measures were improved.

### **Public awareness raised**

- **An e-learning course on Beneficial Ownership (BO)**, targeting state registrars, legal entities, civil society and the media, was developed by the Ukrainian government, in co-operation with a local NGO and with the support of the PGG II. **The course has reached over 15 000 users and it aims to provide target groups with a basic understanding of BO requirements and on its disclosure, and thus further strengthen the transparency of beneficial ownership in Ukraine.**

[A background information sheet on this project is available on the website.](#)


#### **More information:**

<https://pjp-eu.coe.int/en/web/pgg2/ukraine>

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#### **Regional projects implemented in Ukraine:**

- ▶ Strengthening measures to prevent and combat economic crime
- ▶ Strengthening the profession of lawyer in line with European standards
- ▶ Women's Access to Justice: delivering on the Istanbul Convention and other European gender equality standards
- ▶ Strengthening the access to justice through non-judiciary redress mechanisms for victims of discrimination, hate crime and hate speech

For more information, consult the Factsheet on Regional projects.

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