

# Hungary

## Fifth Round Mutual Evaluation Report Executive Summary

This report provides a summary of the anti-money laundering/counter-terrorism financing (AML/CFT) measures in place in Hungary as at the date of the on-site visit (7 March to 18 March 2016). It analyses the level of compliance with the Financial Action Task Force (FATF) 40 Recommendations and the level of effectiveness of Hungary's AML/CFT system and provides recommendations on how the system could be strengthened.

### *Key Findings*

- Hungary has a rather mixed understanding of its ML/FT risks. The NRA does not include sufficient depth with regard to potential ML/FT threats, vulnerabilities and their consequences. It also does not demonstrate the characteristics of a comprehensive assessment based on a robust methodology. The Hungarian authorities have not yet adopted a national AML/CFT strategy in the light of the outcome of the NRA, nor have they defined consequential policies and necessary actions coherently.
- Hungary's use of financial intelligence and other information for ML/FT and associated predicate offence investigations demonstrates to a large extent the characteristics of an effective system. The good quality, timely and relevant work produced and assistance provided by the Hungarian Financial Intelligence Unit (HFIU) to other competent authorities contributes significantly to the efforts to detect and disrupt ML threats and deprive criminals of ill-gotten gains. However, law enforcement and other competent authorities did not demonstrate that they make appropriate use of financial intelligence and other relevant information for ML/FT investigations.
- Although the number of investigations and prosecutions for ML are on the rise, the fight against ML activity is not a priority objective. The ML prosecutions are not commensurate with the risks and threats identified in the NRA. ML is treated mostly in a self-laundering context, with a limited number of cases highlighting structured ML schemes. The dependence of the ML offence on the identification of a specific predicate offence is a factor that has weighed on the effectiveness of the AML-system.
- The mandatory seizure/confiscation regime is legally sound and stringent, although the dependence on the predicate offence is a restraining factor. The statistics do not

demonstrate the actual effective and successful application of the seizure/confiscation rules. However, some case examples are indicative of large amounts of proceeds susceptible to confiscation. The potential of the Asset Recovery Office (ARO) to provide support to investigations should be further exploited.

- Hungary adopts a proactive approach against terrorism, albeit not particularly focused on the FT-aspect. In the absence of FT-targeted investigations and prosecutions, an effectiveness assessment must rely mainly on structural elements. Although the professionalism and good intelligence work of the Counter Terrorism Centre (TEK) and the HFIU are recognised, there are a number of considerations highlighting some weaknesses that should be addressed to achieve a better performing CTF regime.
- Hungary has a legal basis to apply targeted financial sanctions regarding terrorist financing, but implementation has technical and effectiveness-related deficiencies. The Application of freezing measures under the EU framework results in delays. Moreover, there are concerns related to the implementation procedures under the FRM Act. Deficiencies were also identified with regard to the national freezing mechanisms under the AML/CFT Act, in relation to communicating information to service providers and the application of criminal procedural measures for the enforcement of freezing measures.
- Hungary has not undertaken a formal domestic review to determine if there is a subset within the NPO sector which may potentially be at risk of being misused for FT. There are doubts about the level of transparency of the NPO sector. No authority or mechanism has been designated to conduct outreach to the NPO sector on FT issues and to monitor the NPOs posing a higher FT risk.
- AML/CFT supervisory activities in Hungary are not fully commensurate with the perception of ML/FT risks. While the Central Bank of Hungary (MNB) demonstrated a basic understanding of ML/FT risks for some FIs, this is not the case for all FIs. DNFBP supervisors do not identify and in principle maintain an understanding of ML/FT risks in their respective sectors, even though there are exceptions to this. Onsite inspections for compliance with AML/CFT obligations do not focus on areas of higher ML/FT risks. While the MNB and DNFBP supervisors are equipped with powers to impose administrative sanctions, the dissuasiveness of the sanctions imposed could be enhanced in order to create a greater incentive for all obliged entities to fully comply with the AML/CFT obligations.
- Hungary takes steps in relation to combating proliferation. However, the country's reliance on the EU framework for implementing the UNSCRs relating to targeted financial sanctions to combat PF results in a time-gap which has a negative impact on the system's effectiveness. Even though in practice there is a mechanism in place for the dissemination of information by the authorities on updates made in the relevant UNSC lists, no legal basis exists for implementing sanctions before these are transposed into EU Law.
- Hungary demonstrates many characteristics of an effective system of international cooperation. Respective authorities use a wide and comprehensive framework of multilateral, bilateral and national legal instruments and other cooperation mechanisms to seek and provide good quality and timely international cooperation. The countries that gave

input on the international co-operation of the Hungarian authorities found it to be generally satisfactory.

### *Risks and General Situation*

1. Hungary has a primarily cash-based economy with a GDP of about EUR 110.100 billion in 2015. Although the country is not a financial centre, it has a well-developed financial services industry. The banking sector (comprised of thirty-two banks) is the largest part of Hungary's financial sector. Between 1-3% of the banks' customers are in general classified as high-risk (e.g. offshore companies, foreign clients, clients from high risk jurisdictions, or certain types of businesses). The level of financial inclusion is considered as high, with 76% of the adult population maintaining an account at a formal financial institution.
2. Hungary's national risk assessment (NRA) was finalised in 2015. It was adopted by the Anti-Money Laundering Sub-Committee (the main coordination and policy making body regarding the fight against ML and FT, chaired by the Ministry for National Economy, MNE). The scope of the NRA includes money laundering, crimes-generating assets and terrorist financing. Participation comprised representatives of the most relevant departments of the ministries involved in the AML/CFT sphere, the competent authorities as well as the private sector. Two working groups were established, notably the law enforcement task force (led by the Hungarian Financial Intelligence Unit, HFIU) and the task force of supervisory agency (led by the Hungarian Central Bank, MNB).
3. The NRA indicates as "risks/threats" fraud, corruption, trafficking in human beings and drug trafficking. With regard to the latter, Hungary has been identified as a transit country for illegal drugs coming from Turkey and Asia and moving to other European destinations. Hungary is primarily a country of origin and transit for victims of trafficking in human beings. The statistics provided also refer to other predicate offences, such as kidnapping and illicit arms trafficking, which usually also generate significant proceeds. The law enforcement authorities have observed an increase in organised crime groups, using Hungary for operations for cyber-related fraud, and the use of shell companies and the banking system to launder the proceeds.
4. The relatively large shadow economy is a major risk factor in a considerable number of suspicious transaction reports made by financial service providers. The widespread use of cash and the lack of cash limitations are considered as ML-vulnerabilities in the NRA. The latter also indicates that foreign companies domiciled in Hungary, as well as off-shore companies holding current accounts at Hungarian banks, pose significant risks if misused for illegal activities, mostly related to VAT frauds and "social engineering" frauds. The NRA also points to the use of straw men in the establishment of companies, opening of bank accounts and execution of transactions as high risks.
5. There are no serious indications of a terrorism-favorable environment in the Hungarian context. The competent authorities have under scrutiny the recent phenomenon of foreign terrorist fighters. Even if as to date there have been no concrete indications of terrorist-related activities, the authorities have identified several risk situations that need to be monitored. Amongst those are

potential risks posed by charity NPOs, increased use of virtual currencies as well as Hungary's geographical proximity of countries with higher risks and cross-border movements of cash on the so-called Balkan route.

### ***Overall Level of Effectiveness and Technical Compliance***

6. Since the last evaluation, Hungary has improved the level of technical compliance with the FATF recommendations in areas related to the ML offence and the HFIU. There are still significant shortcomings related to the terrorist financing offence, terrorist financing, financing of proliferation, CDD, PEPs, as well as transparency/beneficial ownership of legal persons and arrangements. The evaluation team noted the efforts made by the authorities to conduct a national risk assessment. However, additional measures are required to understand the potential ML/TF threats and vulnerabilities and their consequences.

7. In terms of effectiveness, Hungary achieves a substantial ratings in IOs 2 and 6, moderate ratings in IOs 3, 4, 9, 10 and 11, as well as low ratings in IOs 1, 5, 7 and 8.

### ***Assessment of Risks, Coordination and Policy Setting (Chapter 2 – IO.1; R.1, R.2, R.33)***

8. While commending the efforts of the Hungarian authorities with their first NRA, based on their own domestic methodology that involved numerous authorities and representatives of the private sector, the evaluation team takes the view that there is more to build on the foundation laid by this document. The NRA does not make a critical analysis of the outcomes of the risk factors identified by the two working groups and of their consistency, which may have led to different conclusions. The analysis of proceeds-generating crimes is very limited and not related to the presence of organised crime groups or foreign threats.

9. The evaluation team finds that that the NRA does not include sufficient breadth and depth with regard to potential ML/FT threats and vulnerabilities and their consequences. It fails to identify the underlying sources, causes and interdependencies of ML risks, as well as the most salient ML risks. Despite the shortcomings of the NRA, the HFIU appeared to have a better grasp of the overall risks, as perceived from the SARs it receives. The LEAs also seemed to understand the risks within the areas in which they operate, but no overall appreciation of ML risks was apparent to the assessment team. The FT component of the NRA seems to be limited and focused only on the preventive measures (i.e. sanctions by the EU and UNSCRs, domestic and international cooperation) rather than on the analysis of the existing cases related to FT. Other areas of significance within the context of Hungary, such as cash movements, have not been considered. The evaluation team thus concluded that the NRA process does not demonstrate characteristics of a comprehensive assessment based on a robust methodology.

10. The Hungarian authorities have not yet adopted a national AML/CFT strategy in the light of the outcome of the NRA, nor have they defined consequential policies and necessary actions coherently and which measures to take (and by which authority) in order to mitigate the risks. Moreover, the lack of requirement for FIs and DNFBPs to conduct their own risk assessments at the

level of costumers and products with which they deal impact on the overall understanding of risk by the obliged entities.

*Financial Intelligence, Money Laundering and Confiscation (Chapter 3 - IOs 6-8; R.3, R.4, R.29-32)*

11. Hungary's use of financial intelligence and other information for ML/FT and associated predicate offence investigations demonstrates characteristics of an effective system, while moderate improvements are needed. In general, respective competent authorities have unfettered access to and share a wide variety of financial intelligence and other relevant information for ML investigations. The HFIU efficiently uses the available data. The good quality, timely and relevant work produced and assistance provided by the HFIU to other competent authorities contributes significantly to the efforts to detect and disrupt ML threats and deprive criminals of ill-gotten gains. In particular, the recently increased number of suspended transactions followed by individual coercive measures and the higher number of disseminations involving suspicion of money laundering show a welcome progress and positive development made by the HFIU.

12. However, other stakeholders do not sufficiently make use of the intelligence, operational and strategic analysis produced and disseminated by the HFIU. In particular in respect of law enforcement authorities (LEAs), the overall potential presented by intelligence and investigative leads generated by LEAs work or received from the HFIU and other sources is not sufficiently exploited for the purpose of pursuing large and complex money laundering investigations. The prevailing predicate offence-orientated focus, priorities, objectives and related activities of LEAs are considered to undermine the efforts made by the HFIU. In light of the ML risks associated with respective DNFBP sectors in Hungary, the persistently low number of SARs reported by DNFBPs remains a matter of concern.

13. Although the number of investigations and prosecutions for ML are on the rise, the law enforcement and judicial practice shows that the fight against ML activity is not considered a priority objective. Almost all investigations and prosecutions combined the predicate with the money laundering offence, with a clear emphasis on self-laundering cases. Third-party laundering prosecution is sporadic. Professional money launderers are not prosecuted or convicted. No statistical information is available on the types of ML (e.g. self- or third-party laundering, stand-alone laundering). It is also not recorded how many of the self-laundering cases were related to foreign predicate offences. The ML prosecutions are not commensurate with the risks and threats identified in the NRA. As the vast majority of the convictions relate to several (predicate) offences, to which ML has been added, it is difficult to conclude whether the sanctions for ML are effective, proportionate and dissuasive. The dependence of the ML offence on the identification of a specific predicate offence is a factor that has weighed on the effectiveness of the AML-system. However, there has been recently a move towards drawing inferences from facts and circumstances to establish underlying predicate criminality in ML cases, which should be further developed.

14. The mandatory seizure/confiscation regime is legally sound and stringent, although the dependence on the predicate offence is a restraining factor. Although the Office of the General Prosecutor (GPO) considers this aspect a priority, the statistics do not demonstrate the actual effective and successful application of the respective rules. However, some case examples are

indicative of large amounts of proceeds susceptible to confiscation. In any event, the low seizure numbers seem partly due to a lack of awareness of and focus by the investigating authorities. The Asset Recovery Office (ARO), which fulfils an increasing role in asset-tracing and recovery, has a potential to provide support to the investigations which is not fully exploited, and its lack of resourcing is a matter of concern.

*Terrorist Financing and Financing Proliferation (Chapter 4 - IOs 9-11; R.5-8)*

15. There have been no FT related investigations and prosecutions. Although there are no serious indications of a terrorism-favorable environment in the domestic context, and even if the chances of terrorist activity taking place in Hungary may be considered low, this does not extend to the financing of terrorism. The NRA's low rating of the FT risk does not seem to be fully substantiated. The remaining technical deficiencies in the full criminalisation of FT and with regard to foreign terrorist fighters should be remedied. The possibility of parallel financial investigations should be formalised.

16. The Hungarian authorities are taking steps to implement targeted financial sanctions. However, shortcomings remain related to the implementation of UNSCRs without delay. The country should reconsider the role of their domestic courts in the asset-freezing process. More guidance is needed to raise the awareness of the private sector on the implementation of the targeted financial sanctions. The country should take further steps to ensure that service providers are promptly updating their databases in line with new listings/designations for FT.

17. Hungary's NRA rated the FT-risks related to the NPO sector as low, while the Counter-Terrorism Centre opined that there is a potential risk amongst charity NPOs. Despite of this, Hungary has not undertaken a formal domestic review to determine if there is a subset within the NPO sector which may potentially be at risk of being misused for FT. Transparency of the NPO sector and control over funds raised by NPOs should be improved. There is no designated authority or mechanism to conduct outreach to the NPO sector on FT issues and to monitor the NPOs posing a higher FT risk.

18. Hungary is taking steps to address requirements relating to proliferation financing. The country relies on the EU framework for implementing UNSCRs relating to targeted financial sanctions on PF, with the result that the transposition time-gap has a negative impact on the system's effectiveness. Even though in practice there is a mechanism in place for the dissemination of information by the authorities on updates made in the relevant UNSC lists, there is no legal basis for implementing sanctions before these are transposed into EU Law. Further awareness-raising activities by the supervisory authorities are recommended to enhance knowledge and understanding by the private sector of PF-issues. Clarifying the role and status of the relevant governmental committees/bodies and increasing their cooperation and coordination could improve Hungary's effectiveness in this area.

*Preventive Measures (Chapter 5 - IO4; R.9-23)*

19. Financial institutions demonstrated a basic understanding of ML and FT risks. They have not formally amended their internal control mechanisms in line with the risks identified therein.

The banks met on-site have internal procedures to divide their business relationships into different risk categories. The understanding of the AML/CFT measures among the DNFBPs is generally less well-developed than in the financial sector. There is a lack of understanding of the identification requirements for the beneficial owners among the financial institutions as well as DNFBPs. Given that the use of “phantom companies” and straw men in the establishment of companies, opening of bank accounts and execution of transactions are considered as high risk, this has an impact on the effectiveness of the AML/CFT preventive system.

20. The application of adequate CDD measures is hindered because of legislative shortcomings connected with domestic PEPs and with the identification of beneficiaries of wire transfers. There seems to be no common approach among the service providers in requesting information on sources of funds. As in practice real estate agents are not involved in the financial side of transactions, CDD measures related to the real estate transactions are performed by lawyers. Existing technical deficiencies relating to the identification of beneficial ownership thus have an impact on the CDD measures applied by lawyers with regards to legal entities. Casinos seem to apply CDD measures, but difficulties were identified with the verification of declarations on the source of funds. Dealers in precious metals and stones encounter some difficulties in applying CDD measures.

21. The HFIU notes improvements in the quality of the reports submitted by service providers. While most ML-related SARs are reported by banks, the level of reporting by the DNFBP sector (especially by notaries, lawyers and casinos) is not considered adequate, given their involvement in transactions with high risk customers and products.

22. FT-related SARs have been made mostly by banks. Some financial institutions and DNFBPs seem to focus on UNSCR- and EU-lists, but do not further consider any other risks.

*Supervision (Chapter 6 - IO3; R.26-28, R. 34-35)*

23. While the MNB demonstrated a basic understanding of ML/FT risks for *Core Principles* FIs, this is not the case for all FIs. It has not assessed the ML/FT risks at the sectorial level and for each FI. Although the MNB has conducted supervisory activities on some relevant issues related to higher risk factors (e.g. relevant cash operations), the AML/CFT supervisory activities are not commensurate with the perception of ML/FT risks.

24. DNFBP supervisors (except the HFIU and the NTCA Gambling Department) do not identify and maintain an understanding of ML/FT risks in their respective sectors. While they mostly verify through onsite inspections compliance with AML/CFT obligations, they do not focus such inspections on areas of higher ML/FT risks. This related in particular to the Hungarian Bar Association and the Chamber of Notaries with regard related to the establishment and the management of companies identified in the NRA.

25. “Fit and proper” tests for applicants, including shareholders and senior managers, are conducted by the MNB. The evaluation team identified as the main shortcoming the proper mechanism for verifying the information on beneficial owner of financial institutions. Similar criticism relates to the gambling sector, if applicants or persons involved in the process are foreign legal persons or arrangements. In case of agents acting as exchange offices, specific controls on “fit

and proper” tests of legal and beneficial owners should be carried out by the MNB, while specific measures should be adopted in respect of real estate agents and dealers in precious metals and stones.

26. While the MNB and DNFBPs supervisors are equipped with powers to impose administrative sanctions, the amount of sanctions remains rather modest. The statistical data on administrative fines applied by the MNB for the AML/CFT do not demonstrate that the sanctioning regime is dissuasive. Minimum AML/CFT sanctions for all DNFBPs (other than casinos) have been recently reduced, considering that most of the DNFBPs receiving such sanctions are small and micro enterprises. This puts in doubt their dissuasiveness and proportionality.

*Transparency of Legal Persons and Arrangements (Chapter 7 - IO5; R. 24-25)*

27. Although there is no risk assessment of the ML/FT risks associated with the various types of legal entities, the NRA includes information on certain types that are misused for illegal purposes, mostly associated with the use of “straw men”. Basic information on legal entities is maintained in the Register of Companies, with certain minor exceptions.

28. Information on beneficial ownership is held by FIs and DNFBPs, which mostly rely on the declarations made by customers. This raises questions with regard to the accuracy of the information gathered. The competent authorities (i.e. prosecutors, LEAs and the HFIU) are able to obtain this information in due time.

29. Several shortcomings have been identified with regard to the legislation related to trusts and trustees. There are no other mechanisms in place to ensure that beneficial ownership information regarding trusts administered by “non-professional trustees” is available. Trustees considered as “non-professional trustees” under the Hungarian legislation are not subject to the AML/CFT obligations (including CDD measures). The AML/CFT Act does neither require trustees (regardless of whether they are professional or non-professional) to disclose their status to the service providers, nor to provide information on beneficial owner(s).

30. As regards beneficial ownership, the AML/CFT Act does not contain such notion for trusts. No information was provided on the sanctions imposed to legal entities for the failure to provide basic information or for providing incorrect information.

*International Cooperation (Chapter 8 - IO2; R. 36-40)*

31. With regard to international cooperation, Hungary demonstrates many characteristics of an effective system and only moderate improvements are needed. The authorities use a wide and comprehensive framework of multilateral, bilateral and national legal instruments and other cooperation mechanisms to seek and provide good quality and timely international cooperation. There have been some positive developments to increase the capacity and technological capability of law enforcement agencies and the HFIU. Judicial authorities actively seek and deliver international cooperation and utilise available tools and mechanism to effectively tackle cross-border criminality. The countries that gave input on the international co-operation of the Hungarian authorities found it to be generally satisfactory.



32. However, there are elements in the Hungarian system weakening the ability to achieve higher effectiveness of international cooperation. These concern the failure to ratify the Council of Europe's Second Additional Protocol to the European Convention on Mutual Assistance in Criminal Matters of 1959 (and to use this treaty as a complementary basis for mutual assistance with 17 Council of Europe member States which are not in the EU) and a lack of comprehensive and reliable statistics maintained by judicial authorities.

### ***Priority Actions***

33. The prioritised recommendations for Hungary, based on these findings, are as follows:
- A more detailed ML/FT-threat and vulnerability analysis (including the collection of in-depth data) should be undertaken through updating the NRA. A national AML/CFT strategy and related action plan relevant for all competent authorities should be determined on the most relevant ML/FT risks identified, with appropriate coordination of action and allocation of resources. More information should be shared with the private sector about the results of the NRA. Its main stakeholders should be encouraged to conduct their own individual risk assessments.
  - Hungary should ensure that it pursues investigations for the different types of ML consistent with its risk profile. It should review its statistical system to enable an objective understanding of the performance of its repressive AML/CFT system and an internal assessment of its effectiveness. The prosecutorial authorities should test in the courts the limits of the evidentiary requirements on the illegal origin of the laundered assets, taking into account the all-crimes scope of the ML offence. Parallel financial investigations should be systematically organised, particularly in serious and complex proceed-generating cases.
  - With regard to the confiscation of proceeds and instrumentalities of crime, Hungary should review its statistical system in order to produce reliable, comprehensive and sufficiently detailed figures. It is recommended to reinforce the role of the Asset Recovery Office (ARO), allowing it to function as both a financial police capable to conduct parallel investigations and as a criminal assets bureau. Steps should be taken to create a central bank register, as increasingly practiced in other Council of Europe member States.
  - The MNB and DNFBP supervisors should carry out their AML/CFT supervisory activities commensurate with the perception of ML/FT risks. They should issue (or amend the existing) procedures that take into account national and sectorial ML/FT risks. The MNB should adopt measures to assess the ML/FT risks at the sectorial level and for each financial institution, in order to obtain an overall perception of such risks for the entire financial sector. The authorities should reconsider the overall AML/CFT sanctioning regime in terms of dissuasiveness and proportionality. Supervisory activities on financial institutions should focus on straw men and "phantom companies".
  - Hungary should undertake an assessment of the vulnerabilities related to legal entities, having regard to the possible use of "straw men" by organised crime. The country should

ensure that competent authorities have access to accurate beneficial ownership information. Amendments should be introduced to the Trust Act or to the AML/CFT Act to unambiguously clarify that identities of the beneficial owner of trusts must be made available for CDD purposes to FIs and DNFBPs. Measures should be taken to ensure that non-professional trustees also disclose their status to FIs and DNFBPs upon opening a business relationship or when carrying out an occasional transaction above a certain threshold. Legal provisions should be introduced for prompt reporting of changes to the legal ownership of companies to the Court of Registry, with dissuasive sanctions for breaches of such requirement.

- Hungary should remedy the remaining technical deficiencies affecting the full criminalisation of financing of terrorism and foreign terrorist fighters. Effectiveness of border controls should be improved by providing a legal basis for the possibility to administratively stop and restrain suspect assets. Parallel financial investigations should be formalised for future FT cases. The establishment of law enforcement sections specialised in countering the financing of terrorism should be considered.
- Hungary should undertake further steps for the prompt implementation of UNSCR-targeted financial sanctions, and reconsider the role of their domestic courts in the asset-freezing process. Hungary should take the necessary legislative measures in order to improve the implementation of the UNSCRs relating to targeted financial sanctions. It should be further ensured that service providers are promptly updating their databases in line with new listings/designations for FT and PF. Hungary should conduct a formal review of the entire NPO sector in order to identify NPOs that could potentially pose a higher FT risk. The country should establish an effective mechanism to conduct outreach to the NPO sector concerning FT issues and monitor the NPOs posing a higher FT risk.
- The authorities should take steps to ensure that financial institutions and DNFBPs are adequately applying preventive measures. They should take further steps to raise awareness of FT risks amongst all sectors. Hungary should amend the legislative framework in line with the international standards, and safeguard rapid implementation by financial institutions and DNFBPs of these provisions.

## Effectiveness and Technical Compliance Ratings

### Effectiveness Ratings

<b>IO.1</b> Risk, policy and coordination	<b>IO.2</b> International cooperation	<b>IO.3</b> Supervision	<b>IO.4</b> Preventive measures	<b>IO.5</b> Legal persons and arrangements	<b>IO.6</b> Financial intelligence
<b>Low</b>	<b>Substantial</b>	<b>Moderate</b>	<b>Moderate</b>	<b>Low</b>	<b>Substantial</b>
<b>IO.7</b> ML investigation & prosecution	<b>IO.8</b> Confiscation	<b>IO.9</b> FT investigation & prosecution	<b>IO.10</b> FT preventive measures & financial sanctions	<b>IO.11</b> PF financial sanctions	
<b>Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Moderate</b>	<b>Moderate</b>	

### Technical Compliance Ratings

#### AML/CFT Policies and coordination

<b>R.1</b>	<b>R.2</b>
<b>PC</b>	<b>PC</b>

#### Money laundering and confiscation

<b>R.3</b>	<b>R.4</b>
<b>LC</b>	<b>C</b>

#### Terrorist financing and financing of proliferation

<b>R.5</b>	<b>R.6</b>	<b>R.7</b>	<b>R.8</b>
<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>

## Preventive measures

<b>R.9</b>	<b>R.10</b>	<b>R.11</b>	<b>R.12</b>	<b>R.13</b>	<b>R.14</b>
<b>C</b>	<b>PC</b>	<b>LC</b>	<b>PC</b>	<b>PC</b>	<b>LC</b>
<b>R.15</b>	<b>R.16</b>	<b>R.17</b>	<b>R.18</b>	<b>R.19</b>	<b>R.20</b>
<b>PC</b>	<b>PC</b>	<b>LC</b>	<b>PC</b>	<b>PC</b>	<b>C</b>
<b>R.21</b>	<b>R.22</b>	<b>R.23</b>			
<b>LC</b>	<b>PC</b>	<b>PC</b>			

## Transparency and beneficial ownership of legal persons and arrangements

<b>R.24</b>	<b>R.25</b>
<b>PC</b>	<b>PC</b>

## Powers and responsibilities of competent authorities and other institutional measures

<b>R.26</b>	<b>R.27</b>	<b>R.28</b>	<b>R.29</b>	<b>R.30</b>	<b>R.31</b>
<b>LC</b>	<b>LC</b>	<b>PC</b>	<b>C</b>	<b>C</b>	<b>LC</b>
<b>R.32</b>	<b>R.33</b>	<b>R.34</b>	<b>R.35</b>		
<b>PC</b>	<b>PC</b>	<b>PC</b>	<b>PC</b>		

## International cooperation

<b>R.36</b>	<b>R.37</b>	<b>R.38</b>	<b>R.39</b>	<b>R.40</b>
<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>	<b>LC</b>

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