

Anti-money laundering and counter-terrorist financing measures

Georgia

4th Enhanced Follow-up Report & Technical Compliance Re-Rating

Follow-up report

December 2025



The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism - MONEYVAL is a permanent monitoring body of the Council of Europe entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their systems. Through a dynamic process of mutual evaluations, peer review and regular follow-up of its reports, MONEYVAL aims to improve the capacities of national authorities to fight money laundering and the financing of terrorism more effectively.

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The 4th Enhanced Follow-up Report and Technical Compliance Re-Rating on Georgia was adopted by the MONEYVAL Committee during its 70th Plenary meeting (16-18 December 2025).

Georgia: 4th Enhanced Follow-up Report

I. INTRODUCTION

1. The 5th round mutual evaluation report (MER)¹ of Georgia was adopted in September 2020. Given the results of the MER, Georgia was placed in enhanced follow-up.² Its 1st enhanced follow-up report (FUR) was adopted in November 2022, the 2nd FUR was adopted in December 2023 and the 3rd FUR was adopted in December 2024. This report analyses the progress of Georgia in addressing the technical compliance (TC) deficiencies identified in its MER and/or subsequent FUR, where requested to do so by the country. Re-ratings are given where sufficient progress has been made. Overall, the expectation is that countries will have addressed most, if not all, TC deficiencies by the end of the third year from the adoption of their MER.
2. The assessment of the request of Georgia for technical compliance re-ratings and the preparation of this report were undertaken by the following Rapporteur team (together with the MONEYVAL Secretariat):
 - Isle of Man
3. Section III of this report summarises the progress made by Georgia in improving technical compliance. Section IV sets out the conclusion and a table showing which Recommendations have been re-rated.
4. In line with MONEYVAL's Rules of Procedure, the follow-up process is desk-based – using information provided by the authorities, including revised legislation. It does not address what progress a country has made to improve the effectiveness of changes introduced by the country.

II. OVERVIEW OF PROGRESS TO IMPROVE TECHNICAL COMPLIANCE

5. This section summarises the progress made by Georgia to improve its technical compliance by addressing the technical compliance deficiencies identified in the MER and applicable subsequent FUR for which the authorities have requested a re-rating (Recommendation (R) .6, R.7).
6. For the rest of the Recommendations rated as partially compliant (PC) (R.22, R.23, R.24, R.25, R.28, and R.35) and not compliant (NC) (R.8) the authorities did not request a re-rating.
7. This report takes into consideration only relevant laws, regulations or other anti-money laundering and combating financing of terrorism (AML/CFT) measures that are in force and effect at the time that Georgia submitted its country reporting template – at least six months before the FUR is due to be considered by MONEYVAL.³

III. Progress to address technical compliance deficiencies identified in the MER and subsequent FURs

8. Georgia has not made sufficient progress to address all the technical compliance deficiencies identified in the MER and applicable subsequent FURs. As a result of this progress, Georgia has not been re-rated on R.6 and R.7.
9. Annex A provides a description of the country's compliance with each Recommendation that is reassessed, set out by criterion, with all criteria covered. Annex B provides the consolidated list of remaining deficiencies of the re-assessed Recommendations.

1. MER and previous follow-up reports available at <https://www.coe.int/en/web/moneyval/jurisdictions/georgia>.

2. Regular follow-up is the default monitoring mechanism for all countries. Enhanced follow-up involves a more intensive process of follow-up.

3. This rule may be relaxed in the exceptional case where legislation is not yet in force at the six-month deadline, but the text will not change and will be in force by the time of the plenary. In other words, the legislation has been enacted, but it is awaiting the expiry of an implementation or transitional period before it is enforceable. In all other cases the procedural deadlines should be strictly followed to ensure that experts have sufficient time to do their analysis.

IV. CONCLUSION

10. Overall, in light of the progress made by Georgia since its MER and/or enhanced FUR was adopted, its technical compliance with the Financial Action Task Force (FATF) Recommendations has been re-rated as follows.

Table 1. Technical compliance with re-ratings, September 2025

R.1	R.2	R.3	R.4	R.5
LC (FUR3 2024) PC (FUR2 2023) PC (MER)	LC (MER)	C (MER)	LC (MER)	LC (MER)
R.6	R.7	R.8	R.9	R.10
PC (FUR4 2025) PC (FUR3 2024) PC (FUR2 2023) PC (MER)	PC (FUR4 2025) PC (FUR3 2024) PC (FUR2 2023) PC (MER)	NC (MER)	C (MER)	LC (MER)
R.11	R.12	R.13	R.14	R.15
LC (MER)	C (FUR2 2023) PC	C (MER)	LC (MER)	LC (FUR3 2024) PC (FUR2 2023) PC (MER)
R.16	R.17	R.18	R.19	R.20
LC (MER)	LC (MER)	LC (MER)	LC (MER)	LC (MER)
R.21	R.22	R.23	R.24	R.25
C (MER)	PC (FUR3 2024) PC (FUR2 2023) PC (FUR1 2022) PC (MER)	PC (FUR3 2024) PC (FUR2 2023) PC (MER)	PC (MER)	PC (MER)
R.26	R.27	R.28	R.29	R.30
LC (MER)	LC (MER)	PC (FUR3 2024) PC (FUR2 2023) PC (MER)	LC (FUR1 2022) PC (MER)	C (MER)
R.31	R.32	R.33	R.34	R.35
LC (MER)	LC (MER)	LC (MER)	LC (MER)	PC (FUR3 2024) PC (FUR2 2023) PC (FUR1 2022) PC (MER)
R.36	R.37	R.38	R.39	R.40
LC (MER)	LC (MER)	LC (MER)	C (MER)	LC (MER)

Note: There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

11. The following “big six” recommendation⁴ remains PC: R.6. Accordingly, in line with Rule 26 of the Rules of Procedure for the 5th Round of Mutual Evaluations, Georgia will remain under step 1 of compliance enhancing procedure and is expected to report back at MONEYVAL’s next plenary. If issues of concern have not been adequately addressed by that time, a recommendation may be made to the Plenary to apply step 2 in relation to Georgia.

12. Given that MONEYVAL’s onsite visit for the 6th round mutual evaluation of Georgia is scheduled for April 2029, in line with Rule 23 of the Rules of Procedure, Georgia is no longer subject to the 5th Round follow-up process.

4. The “big six” recommendations are: R.3, R.5, R.6, R.10, R.11 and R.20.

Annex A: Reassessed Recommendations

Recommendation 6 – Targeted financial sanctions related to terrorism and terrorist financing

	Year	Rating and subsequent re-rating
MER	2020	PC
FUR1	2022	PC (no upgrade requested)
FUR2	2023	PC (upgrade requested, maintained at PC)
FUR3	2024	PC (upgrade requested, maintained at PC)
FUR4	2025	PC (upgrade requested, maintained at PC)

1. In its MER and enhanced FUR, Georgia was rated PC with R.6 because of shortcomings in implementation of some measures per c.6.4, 6.5 and 6.6.

2. Since then, Georgia has revised its legislation. Currently the legal framework for implementation of the targeted financial sanctions (TFS) consists of the AML/CFT Law (Chapter X) adopted on 30 October 2019, and the Government Decree N 487 on “Establishment of the Interagency Commission on Implementation of the United Nations Security Council Resolutions” from 21 December 2011, with the latest amendments introduced on 5 June 2023. The latter also adopts the Statute of the Governmental Commission for Implementation of United Nations Security Council Resolutions (Commission Statute).

3. **Criterion 6.1** – In relation to designations pursuant to United Nations Sanctions Committee Resolutions (UNSCR) 1267/1989 and 1988 sanctions regimes:

- (a) Georgia has identified the Governmental Commission on Enforcement of UNSCRs (Commission) as the competent authority responsible for proposing designation of persons or entities to the UNSC Committees 1267/1989 and 1988 (AML/CFT Law, Art. 40 and 43).
- (b) Georgia has established a mechanism for identifying targets for designation pursuant to UNSCR 1267/1989 and 1988. The Working Group of the Commission on the basis of the competent authority's proposal submits to the Committee information and evidence on persons and entities for designation. When proposing designations to the UNSC Committees, the Commission shall consider if criteria set by the respective UNSCRs are met (AML/CFT Law, Art. 43(1); Commission Statute, Art. 4(b), and Art. 6; Rules and Procedure for Compiling Lists of Persons Involved in Terrorism and/or Terrorist Financing” (“Rules and Procedures”), Art. 1(3), Art.2(1-3) and Art.4).
- (c) The Commission shall apply an evidentiary standard of proof of “reasonable suspicion” when deciding whether to make a proposal for designation (AML/CFT Law, Art. 43(1)). In addition, the Rules and Procedures stipulate that when deciding on the person or entity the Commission concludes whether the presented information and evidence is sufficient to convince an objective observer on the person's connection with the financing of terrorism regardless of presence of criminal proceedings (Rules and Procedure, Art. 1(3) and Art. 4).
- (d) The Commission shall follow the procedures and use standard forms for listing, as adopted by the respective UNSCR (AML/CFT Law, Art. 43(2)).
- (e) When submitting a designation proposal, the Commission shall include sufficient information to identify the person (AML/CFT Law, Art. 43(2)). In addition, the appeal submitted to the UN Sanctions Committee shall include information necessary to identify the person, relevant circumstances of the case, and as detailed as possible information on the grounds for designation of the person or entity (Rules and Procedures, Art. 2(4)). There is nothing that prohibits Georgia to specify whether its status as a designating state may be made known should a proposal be made to the 1267/1989 Committee.

4. **Criterion 6.2** – In relation to designations pursuant to UNSCR 1373:

- (a) Georgia has identified the Commission as the competent authority responsible for designating persons or entities pursuant to the UNSCR 1373, as put forward either by Georgia or by foreign states (Commission Statute, Art. 4(b), and Art. 6(4)).
- (b) Georgia has a mechanism for identifying targets for designation pursuant to UNSCR 1373. Measures in place include obligation of the Commission to promptly examine an application of the working group made on the basis of a competent authority's initiative, and to decide based on UNSCR 1373 designation criteria to list, request additional information or reject the application. The legislation stipulates also the basis for the competent authority to initiate the application to the Commission. (AML/CFT Law, Art. 41(2); Commission Statute, Art.4(b)(b) and Art. 6(4); Rules and Procedures, Art-s. 3-4).
- (c) The Commission promptly examines a request of a competent authority of a foreign state on the application of measures referred to in the UNSCR 1373 (2001), and provided that there is a reasonable suspicion that a person meets the appropriate criteria referred to in the UNSCR 1373 (2001), the Commission takes a respective decision on application of measures pursuant to UNSCR 1373 or refusal of the request. (AML/CFT Law, Art. 2(p)(r) and Art. 41 (2-3)).
- (d) The Commission shall apply an evidentiary standard of proof of "reasonable suspicion" when deciding whether or not to designation a person (AML/CFT Law, Art. 41(3)). In addition, the Rules and Procedures stipulate that when deciding on the person or entity the Commission concludes whether the presented information and evidence is sufficient to convince an objective observer on the person's connection with the financing of terrorism regardless of presence of criminal proceedings (Rules and Procedure, Art. 1(3) and Art. 4).
- (e) The Commission, if necessary, decides to request another country to give effect to the actions initiated under its freezing mechanisms. The Commission shall adopt a form for addressing the competent jurisdiction of another state, which shall ensure that the request is substantiated and contains information sufficient for the identification of the person (Commission Statute, Art. 6(5-6)). The form was adopted by the Commission in April 2023 and contains basic information on the listed person and on identity. While it does not explicitly require filling in specific information supporting the designation (e.g., grounds for designation), the authorities clarified that this is expected to be provided under the section "other additional information".

5. **Criterion 6.3** –

- (a) The Commission shall, within its competence, co-operate and exchange information with competent authorities and international organisations. The Task Force operating under the Commission shall collect, process and disseminate information required for performing the Committee's functions (AML/CFT Law, Art. 40(3-4)).
- (b) The Commission shall operate ex-prate when proposing designation to the respective UNSC Committee, when dealing with the requests of the domestic and foreign state authorities (AML/CFT Law, Art. 41 (2) and Art. 43(1)). There is no legal or judicial requirement for the involved competent authorities to hear or inform the person or entity against whom a designation is being considered.

6. **Criterion 6.4** – Georgia implements the TFS without delay. The UN Resolutions on prevention, detection and suppression of TF adopted under the Chapter VII of the UN Charter are binding in Georgia. These are enforced from the moment of publication of those (inclusions, removals and amendments to information on designated persons and entities) on the official website of the UN Sanctions Committee (AML/CFT Law, Art.41(1)).

7. With respect to UNSCR 1373, no provision is available that decisions of the Commission on designating persons or entities pursuant to UNSCR 1373 are binding for all natural and legal persons within the country and shall be applied without delay. Decisions of the Commission enter in force upon

signing the minutes of the meeting and shall be published within 2 working days (Rules and Procedure, Art.3(5-6)).

8. **Criterion 6.5** – Georgia identified the Committee, as a competent authority responsible for implementing and enforcing the TFS. This is supported primarily by the National Bureau of Enforcement (NBE) and Financial Monitoring Service (FMS).

(a) Georgia applies a twofold approach to implementation of freezing measures as further described herewith:

Upon designation of a person by the UNSC pursuant UNSCRs 1267/1989 and 1988, and also by the Committee within the powers provided pursuant UNSCR 1373, the Committee takes a decision on freezing of assets and immediately requests the NBE to include those persons into the Register of Debtors (a public database), for implementation of the assets freezing measures (AML/CFT Law, Art.41(1, 5); Statute of Committee, Art. 4(c); Law on Enforcement Proceedings, Art. 19¹(1, 4)). Upon entry of data to the Register of Debtors the Ministry of Internal Affairs, the NAPR and banks proactively verify and provide the NBE with information on any respective property of a listed person (Law on Enforcement Proceedings, Art.19²(1-3)). In addition, all administrative bodies, banking institutions, natural and legal persons in a contractual relationship with the listed persons shall provide information to NBE (Law on Enforcement Proceedings, Art.17(2)). However, no information is provided whether there is an obligation for natural and legal persons to regularly consult the Register of Debtors; refrain from or not enter into transaction or business relations with those designated persons; report this to any competent authority.

Supplementing the approach described above Georgian legislation envisages that the Obliged entities are prohibited to establish or continue a business relationship, enter into or execute a one-time transaction, if the customer or other person participating in the transaction is a designated person or entity or one of the persons related to those, and shall submit a report to FMS (AML/CFT Law, Art.10(7, 7¹), Art.41(4(a-c))). On the basis of the report submitted to FMS the latter is authorised to issue a suspension order for 72 hours and hand over to LEAs to proceed with the seizure measures in co-operation with the NBE (AML/CFT Law, Art. 36(1)).

(b) In accordance with the AML/CFT Law (Art. 41(4)), a reference to the assets under Chapter X regulating actions of the Committee, including UNSCR 1373, fully extends to all types of funds and other assets covered under (i) to (iv) of this sub-criterion, that are owned or controlled, directly or indirectly, wholly or jointly. There is an express application to funds or assets belonging to people who are acting on behalf of, or at the direction of, designated persons.

(c) The obliged entities are prohibited from establishing or continuing a business relationship or concluding/carrying out an occasional transaction if a customer or any other party to a transaction is one of the persons referred to in c. 6.5(b) (AML/CFT Law, Art. 10(7)). Except for this, there is no explicit prohibition extending to the nationals of Georgia and any persons and entities within its jurisdiction to take the preventive measures set out under this criterion. The Criminal Code (CC), Art. 331.1 criminalises TF. The TF offence, however, requires the proof of intention by the defendant, whereas the prohibition on making funds or other assets available does not have a "*mens rea*" requirement.

(d) Georgia has a mechanism for communication of designations under UNSCRs 1267/1989 and 1988, to the financial institutions (FIs) and the DNFBPs upon taking such action. Secretariat (International Relations and Legal Co-operation Department of the Ministry of Justice of Georgia) is to promptly send notifications regarding any changes implemented by UNSC Committees to all relevant agencies, supervisory bodies and obliged entities (Decision of the of the Commission from 27 September 2024). In practice, upon receipt of notifications, the financial intelligence unit (FIU) forwards them to obliged entities defined by the AML/CFT Law of Georgia via its internal messaging system. However, the Georgian authorities did not demonstrate that timelines for circulation of notifications have been agreed and documented.

In respect to designations made under UNSCR 1373 the Commission is responsible to communicate its decisions to relevant persons or authorities via appropriate means of communication on the same day (Rules and Procedure, Art. (3)6).

Obligated entities are provided with a UNSCR Implementation Guideline adopted by the Commission on 26 April 2023 (revised in 2024). This document would benefit from adapting to specific business of different types of Obligated entities and specifying that any assets should be frozen immediately to prevent asset flight and to allow appropriate checks to be carried out by the Obligated entities

- (e) The obligated entities are prohibited from establishing or continuing a business relationship or concluding/carrying out an occasional transaction if a customer or any other party to a transaction is one of the persons referred to in c. 6.5(b), and required to submit to FMS a report on suspicious transaction or an attempt to prepare, conclude or carry out a suspicious transaction (AML/CFT Law, Art. 10(7), Art. 25(1)). This, however, does not amount to reporting to the FMS any assets frozen.
- (f) Art. 41(4¹) and Art. 28(5) of AML/CFT Law vests the Commission with the powers to protect the rights of “bona fide” third parties.

9. **Criterion 6.6** – Georgia has publicly known procedures to submit de-listing requests to UNSC Committees 1267/1989 and 1988 and UNSCR 1373.

- (a) The Commission is the competent authority of Georgia for submitting requests for removal of persons designated pursuant to UN Sanctions Regimes (AML/CFT Law, Art. 43(4); Commission Statute, Art. 8)). The Commission shall, at appropriate times, but at least once a year or upon a grounded request of an interested party, examine if sufficient grounds for listing of persons still exist. If not, the Commission shall take necessary measures to immediately submit the proposal to the respective UNSC Committee (AML/CFT Law, Art. 43(3, 5)).
- (b) The Commission is the competent authority of Georgia for taking a decision on de-listing of persons and unfreezing of assets under the UNSCR 1373. The Commission shall, at appropriate times, but at least once a year or upon a grounded request of an interested party, examine if the grounds for listing still exist. If not, Commission shall take a decision for lifting the freezing order (AML/CFT Law, Art. 42 (1-3)).
- (c) An interested party listed under the 1373 UNSCR regime can submit a request for de-listing to the Commission (AML/CFT Law, Art. 42 (1)). An interested party also has the right to appeal the decision of the Commission either to Commission or to the court (Commission Statute, Art. 8).
- (d) and (e) The Commission shall ensure that interested parties are informed about a UN mechanisms for examining petitions on removing a relevant person from the list of sanctioned persons in line with the procedures adopted by the UNSCR 1267/1989 and 1988 Committees, including those of the Focal Point mechanism established under UNSCR 1730, and Office of the Ombudsperson, pursuant to UNSCRs 1904, 1989, and 2083 (AML/CFT Law, Art. 43(6)).
- (f) At a request of an interested party Commission verifies whether the person is a designated entity and if not, takes a decision on the release of the frozen assets (Commission Statute, Art. 8(4)).
- (g) The deficiencies described in the analysis of c.6.5 (d) with regard to the mechanisms for communicating designations to obligated entities apply in respect of compliance with this criterion. The Guidance also provides for basis for unfreezing which is not harmonised with the AML/CFT Law (Art.42), i.e., for an unfreezing action to be based on a decision on unfreezing taken by the Government Commission.

10. **Criterion 6.7** – The AML-CFT Law (Article 42 (3)) provides for mechanisms through which the Commission, upon due notification of, and no-objection from the respective UN Committee, may partially lift the freezing order on assets frozen under UNSCRs, if that is necessary to cover a person’s

basic expenses, including payments for foodstuffs, rent, mortgage, medicines and other medical treatment, taxes and public utility charges, legal aid and maintenance of frozen assets.

11. The AML Law (Article 42 (4)) provides for mechanisms through which the Commission, upon due notification of, and approval from the respective UN Committee, may partially lift the freezing order on assets frozen under UNSCRs, for the extraordinary expenses.

12. The Commission is vested with the rights to take decision on the partial removal of order on freezing of assets and for access to funds or other assets frozen pursuant to UNSCR 1373 (Commission Statute Art.9(5)).

Weighting and conclusion

13. Georgia has made a serious effort to improve compliance with the relevant UN instruments on freezing of terrorist assets. There are, however, still some moderate shortcomings in the system, the ones weighted more heavily related to coverage of all natural and legal persons under freezing requirements. The Georgian authorities did not demonstrate that timelines for circulation of notifications have been agreed and documented. **R.6 remains rated PC.**

Recommendation 7 – Targeted financial sanctions related to proliferation

	Year	Rating and subsequent re-rating
MER	2020	PC
FUR1	2022	PC (no upgrade requested)
FUR2	2023	PC (upgrade requested, maintained at PC)
FUR3	2024	PC (upgrade requested, maintained at PC)
FUR4	2025	PC (upgrade requested, maintained at PC)

1. These requirements were added to the FATF Recommendations when they were revised in 2012 and, therefore, were not assessed under the 4th round mutual evaluation of Georgia in 2012. Until October 2019 there was no explicit legislative basis secured for implementation of the proliferation financing (PF)-related UNSCRs. The amended AML/CFT Law clarified the mandate of the Commission and requirements for the obliged entities with respect to implementation of the PF-related UNSCRs.

2. Georgia was rated PC in the 5th round of evaluations. Since then, Georgia introduced amendments to the AML/CFT Law (adopted on 16 May 2023) in order to enhance the compliance with R.7.

3. **Criterion 7.1** – Georgia implements the TFS without delay. The UN Resolutions on prevention, detection and suppression of financing of terrorism adopted under the Chapter VII of the Charter of the United Nations are binding in Georgia. These are enforced from the moment of publication of those (inclusions, removals and amendments to information on designated persons and entities) on the official website of the UN Sanctions Committee (AML/CFT Law, Art.41(1)). (see c.6.4).

4. **Criterion 7.2** – Georgia identified the Committee as competent authority responsible for implementing and enforcing the TFS.

- (a) The regulatory framework and the identified deficiencies as described under c.6.5(a) apply.
- (b) The regulatory framework as described under c.6.5(b) apply.
- (c) The regulatory framework and the identified deficiencies as described under c.6.5(c) apply.
- (d) The regulatory framework and deficiencies as described under c.6.5(d) apply. Obligated entities are provided with a UNSCR Implementation Guideline adopted by Commission on 26 April 2023. This document would benefit from adapting to specific business of different types of Obligated entities.
- (e) The regulatory framework and deficiencies as described under c.6.5(e) apply.
- (f) Art. 41.4¹ and Art. 28(5) of AML/CFT Law vests the Commission with the powers to protect the rights of “bona fide” third parties.

5. **Criterion 7.3** – As proliferation of mass destruction falls under the scope of the AML/CFT Law adopted in 2019, the regime of monitoring/sanctions applied to the compliance of AML/CFT obligations (Chapter IX) is also applied to obligations related to proliferation. Specific sanctions for breaching the obligations on prohibition from establishing or continuing a business relationship or concluding/carrying out an occasional transaction and reporting are set in the respective sectorial legal acts as follows: for banks - Order 242/01 of the President of National Bank of Georgia (NBG) Art 2.1; for microfinance organisations – Order 25/04 of the President of NBG, Art. 2.2; for payment service providers - Order 87/04 of the President of NBG, Art. 2; for Currency Exchange bureaus - Order 25/04 of the President of NBG, Art. 5; Securities Market Participants - (brokers and securities registrars) - Order N35/04 of February 14, 2012 of the Governor of NBG, Art. 5; for Non-Bank Depository Credit Unions (Credit Unions) - Order N257 of the President of NBG, Art. 6.; for the Investment funds - Order N70/04, 2022 of the President of NBG, Art. 2; for the Lending entities – Order N218/04, 2018 (changes introduced on 22.12.2020) of the President of NBG Art. 2; for Notaries – Order N69 of the Ministry of Justice, Art. 5 and 8; for insurance sector – Order N2 of the Head of Insurance State supervision Service of Georgia “On Determining, Imposing and Enforcing Fines on Insurers”, Art.3. No information is provided on specific sanctions applied to other covered DNFBPs.

6. In addition, the CC Art. 377 criminalises “Unlawful acts related to inventoried or seized property or property subject to forfeiture”.

7. **Criterion 7.4** – Georgia has publicly known procedures to submit de-listing requests to respective UNSC Committees dealing with the PF-related designations.

- (a) The Commission shall ensure that interested parties are informed about a UN mechanism for examining petitions on removing a relevant person from the list of sanctioned persons (AML/CFT Law, Art. 43(6)).
- (b) The regulatory framework as described under c.6.6(f) applies.
- (c) Pursuant to AML/CFT Law (Article 42 (3-4)) the Commission ensures access to funds or other assets in line with exceptions provided under the UNSCRs 1718 and 2231.
- (d) The deficiencies described in the analysis of c.7.2 (d) with regard to the mechanisms for communicating designations to obliged entities apply in respect of compliance with this criterion. The Guidance also provides for basis for unfreezing which is not harmonised with the AML/CFT Law of Georgia (Art.42), i.e., for an unfreezing action to be based on a decision on unfreezing taken by the Government Commission.

8. **Criterion 7.5** –

- (a) Georgia permits the addition to accounts of designated persons under the seizure for contractual obligations set prior to introduction of limitations (AML/CFT Law, Art. 10(8)).
- (b) According to article 42 (5) of the AML/CFT Law, based on grounded motion of an interested party and in compliance with the requirements and conditions of the relevant UNSCRs on non-proliferation, the Commission is authorised to lift the sanctions on funds and assets of designated person or entity, which are necessary to make payments due under a contract entered into prior to the listing of such person or entity.

Weighting and conclusion

9. Georgia has made a serious effort to improve compliance with the relevant UN instruments on freezing of terrorist assets. There are, however, still some moderate shortcomings in the system, the ones weighted more heavily related to communication of TFS, requirements for natural and legal persons to freeze the assets of persons designated by the UN, and lack of information on sanctions to be applied to some of the covered DNFBPs for failing to comply with the requirements. **R.7 remains rated PC.**

Annex B: Summary of Technical Compliance – Deficiencies underlying the ratings

Recommendations	Rating	Factor(s) underlying the rating ⁵
6. Targeted financial sanctions related to terrorism & TF	PC (MER 2020) PC (FUR2 2023) PC (FUR3 2024)	<ul style="list-style-type: none"> With respect to UNSCR 1373, no provision is available that decisions of the Commission on designating persons or entities pursuant to UNSCR 1373 are binding for all natural and legal persons within the country and shall be applied without delay. (c.6.4) There is no explicit requirement under the Georgian legislation for all natural and legal persons within the country to freeze, without delay and without prior notice, the funds or other assets of designated persons and entities. (c.6.5(a)) There is no explicit prohibition extending to the nationals of Georgia and any persons and entities within its jurisdiction to take the preventive measures set out under this criterion. (c.6.5(c)) Georgian authorities did not demonstrated that timelines for circulation of notifications have been agreed and documented. (c.6.5.(d)) Guidance provided to Obliged entities would benefit from adapting to specific business of different types of Obliged entities. (c.6.5(d)) The reporting obligation under Art. 10(7) in conjunction with Art. 25(1) of AML/CFT Law does not amount to reporting to the FMS any assets frozen. (c.6.5(e)) The deficiencies described in c.6.5(d) with regard to the mechanisms for communicating designations to obliged entities apply in respect of compliance with this criterion. (c.6.6(g)) There is a guidance provided to FIs and other persons or entities, including DNFBPs, that may be holding frozen funds or other assets, on their obligations to respect a de-listing or unfreezing action but it is not harmonised with the AML/CFT Law. (c.6.6(g))
7. Targeted financial sanctions related to proliferation	PC (MER 2020) PC (FUR2 2023) PC (FUR3 2024)	<ul style="list-style-type: none"> There is no explicit requirement under the Georgian legislation for all natural and legal persons within the country to freeze, without delay and without prior notice, the funds or other assets of designated persons and entities. (c.7.2(a)) There is no explicit prohibition extending to the nationals of Georgia and any persons and entities within its jurisdiction (except for Obliged entities) to take the preventive measures set out under this criterion. (c.7.2(c)) The deficiencies described in c.6.5(d) with regard to the mechanisms for communicating designations to obliged entities and improvements required to Guidance apply in respect of compliance with this criterion. (c.7.2(d)) The deficiencies described in c.6.5(e) with

5. Deficiencies listed are those identified in the MER unless marked as having been identified in a subsequent FUR.

	<p>regard to the reporting obligation under Art. 10(7) in conjunction with Art. 25(1) of AML/CFT Law apply in respect of compliance with this criterion. (c.7.2(e))</p> <ul style="list-style-type: none"> • There are no specific sanctions to apply to covered DNFBPs (except for the Notaries and Insurance sector). (c.7.3) • The deficiencies described in the analysis of c.7.2(d) with regard to the mechanisms for communicating designations to obliged entities apply in respect of compliance with this criterion. (c.7.4(d)) • There is guidance provided to FIs and other persons or entities, including DNFBPs, that may be holding frozen funds or other assets, on their obligations to respect a de-listing or unfreezing action but it is not harmonised with the AML/CFT Law. (c.7.4(d))
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GLOSSARY OF ACRONYMS

AML/CFT	Anti-money laundering and combating financing of terrorism
C	Compliant
CC	Criminal Code
DNFBPs	Designated non-financial business and professions
EU	European Union
FATF	Financial Action Task Force
FIs	Financial institutions
FIU	Financial intelligence unit
FMS	Financial monitoring service
FUR	Follow-up report
LC	Largely compliant
MER	Mutual evaluation report
ML	Money laundering
NC	Non-compliant
NBE	National Bureau for Enforcement
NBG	National Bank of Georgia
PC	Partially compliant
PF	Proliferation financing
R.	Recommendation
TC	Technical compliance
TF	Terrorist financing
TFS	Targeted financial sanctions
UN	United Nations
UNSCR	United Nations Sanctions Committee Resolutions

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Anti-money laundering and counter-terrorist financing measures - **Georgia**

4th Enhanced Follow-up Report & Technical Compliance Re-Rating

This report analyses Georgia's progress in addressing the technical compliance deficiencies identified in the September 2020 assessment of their measures to combat money laundering and terrorist financing and in subsequent follow-up reports.