

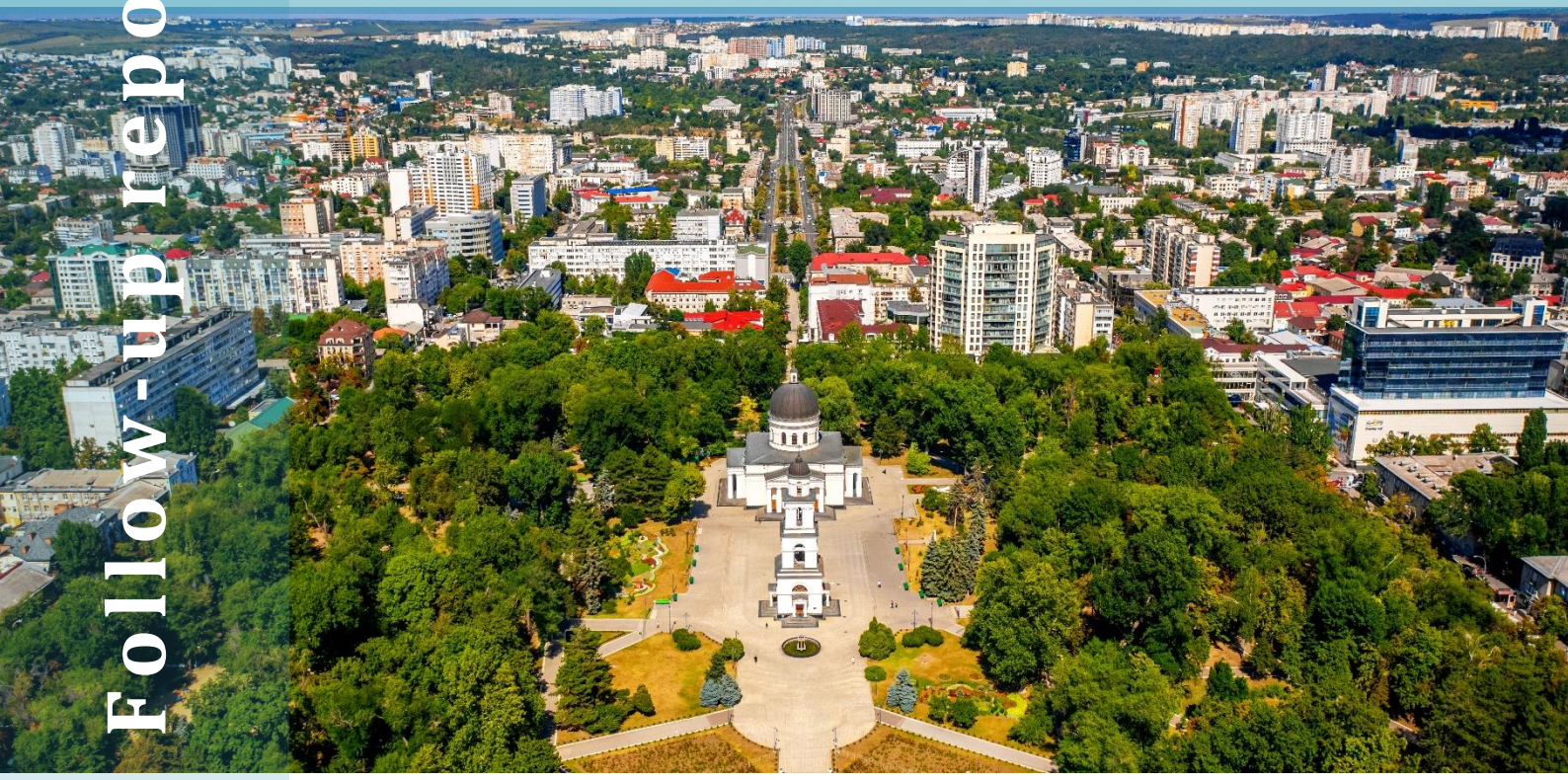
Anti-money laundering and counter-terrorist financing measures

Republic of Moldova

3rd Enhanced Follow-up Report & Technical Compliance Re-Rating

May 2025

Follow-up report



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 3rd Enhanced Follow-up Report and Technical Compliance Re-Rating on Republic of Moldova was adopted by the MONEYVAL Committee through written procedure (12 May 2025).

Republic of Moldova: 3rd Enhanced Follow-up Report

I. INTRODUCTION

1. The mutual evaluation report (MER) of the Republic of Moldova was adopted in July 2019.¹ Given the results of the MER, the Republic of Moldova was placed in enhanced follow-up.² Its 1st Enhanced Follow-up Report (FUR) was adopted in May 2022.³ The Republic of Moldova did not ask any upgrade to be discussed at the May 2023 plenary. The 2nd FUR of the Republic of Moldova was adopted in May 2024.⁴ This report analyses the progress of the Republic of Moldova in addressing the technical compliance (TC) deficiencies identified in its MER or subsequent FUR. 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 the Republic of Moldova for technical compliance re-ratings and the preparation of this report were undertaken by the following Rapporteur team (together with the MONEYVAL Secretariat):

- Montenegro
- North Macedonia

3. Section III of this report summarises the progress made by the Republic of Moldova 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. BACKGROUND, RISK AND CONTEXT

5. A number of significant changes have been made since adoption of the MER or subsequent FUR that are relevant for considering Recommendations that have been reassessed.

6. In particular, the Republic of Moldova: (i) introduced changes to its Law on Prevention and Combating Money Laundering and Terrorism Financing (AML/CFT Law), Contravention Code, and Law on Registration of Legal Entities (all three laws entered into force on 29.11.2024); (ii) adopted the Law on Cash Payments on 29.02.2024 (entered into force on 01.01.2025), the Regulation on the Requirements in the Field of Preventing and Combatting ML and TF for Entities Supervised by the Service for Prevention and Fight of Money laundering (SPCML), as well as the Guidance on the Identification and Monitoring of Politically Exposed Persons (PEPs) (in force since 2023)

7. The Republic of Moldova has also conducted national risk assessment (NRA) on ML/TF risks associated with: (i) virtual assets (VAs) and virtual assets service providers (VASPs) (endorsed in December 2024); (ii) Legal Entities and Trusts (endorsed in December 2024). In addition, the Republic of Moldova has prepared an interim report on NRA on ML/TF risks associated with non-profit organisations (NPOs).

III. OVERVIEW OF PROGRESS TO IMPROVE TECHNICAL COMPLIANCE

8. This section summarises the progress made by the Republic of Moldova to improve its technical compliance by addressing the technical compliance deficiencies identified in the MER and applicable

1. MER of the Republic of Moldova, available at <https://rm.coe.int/moneyval-2019-6-5th-round-mer-repmoldova/168097a396>.

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

3. First Enhanced Follow-up Report, available at <https://rm.coe.int/fur-moldova-1st/1680a6d980>.

4. Second Enhanced FUR, available at <https://rm.coe.int/moneyval-2024-4-md-5thround-2ndenhfur/1680b05e46>.

subsequent FUR for which the authorities have requested a re-rating recommendations (R.)8, 15, 22, 24 and 25).

9. For R.38 rated as partially compliant (PC) the authorities have requested a re-rating, however this request has not been considered as the country's legal, operational and institutional framework has not changed since its last review.

10. 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 the Republic of Moldova submitted its country reporting template – at least six months before the follow-up report (FUR) is due to be considered by MONEYVAL⁵.

IV. PROGRESS TO ADDRESS TECHNICAL COMPLIANCE DEFICIENCIES IDENTIFIED IN THE MER AND SUBSEQUENT FURS

11. The Republic of Moldova has made progress to address the technical compliance deficiencies identified in the MER and applicable subsequent FURs. As a result of this progress, the Republic of Moldova has been re-rated on R. 22, 24 and 25. The country asked for a re-rating for R. 8 and 15, which is also analysed but no re-rating has been provided.

12. 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.

13. Attention is drawn to the following parts of Annex A, where further explanation is necessary:

a) Criterion 8.3 contains analysis on the actions that the Security and Intelligence Service (SIS) takes for the purpose of detecting and preventing terrorism and TF, including assessments of risks that could lead to TF. This activity does not aim at oversight or monitoring of NPOs. Under c.8.3 of FATF 2013 Methodology risk-based measures linked to oversight or monitoring should be taken by countries. In line with the amendments made to FATF Methodology in 2024 in relation to R.8 countries should: (i) take steps to promote focused, proportionate and risk-based oversight or monitoring of NPOs; (ii) demonstrate that they have focused proportionate and risk-based measures applying to NPOs. As the Republic of Moldova does not meet the criterion of FATF 2013 methodology and it does partially meet the requirement of the new Methodology with respect to point (ii) mentioned above, the latter is applied retrospectively. Therefore, with no legal, institutional or operational changes the Republic of Moldova has been recognised as partly met with c.8.3.

b) Criterion 8.4(a) contains reference to SIS' monitoring for risk-assessment purposes. Though these measures are risk-based, they are not aimed at oversight or monitoring of NPOs, thus causing confusion on country's compliance on criterion in question. Therefore, a reference to "SIS' monitoring for risk-assessment purposes" is deleted from sub-criterion in question.

V. CONCLUSION

14. Overall, in light of the progress made by the Republic of Moldova since its MER or 2nd enhanced FUR was adopted, its technical compliance with the Financial Action Task Force (FATF) recommendations has been re-rated as follows.

5. 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.

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

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

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

15. On the adoption of the 2nd FUR on the Republic of Moldova at the 67th plenary of MONEYVAL, it was decided to issue a warning to the Republic of Moldova on applying step 1 of compliance enhancing procedures (CEPs) - on the basis of partial compliance with six “non-big six” recommendations. Subsequently, MONEYVAL adopted the Guidance Note on Application of Compliance Enhancing Procedures (Guidance on CEPs), and so it is necessary to review this decision in light of that guidance. According to the Guidance on CEPs, the plenary has discretion to apply the procedures in relation to “non-big six” recommendations, taking into account the member’s risk and context. However, it is not expected that this option will be widely used.

16. Accordingly, it is not proposed to apply CEPs to the Republic of Moldova. The MONEYVAL onsite visit to the Republic of Moldova for the 6th round mutual evaluation will take place in April 2028. Taking this into account and in line with Rule 23 of MONEYVAL’s Rules of Procedure, the Republic of Moldova will no longer be subject to the fifth-round follow-up process.

Annex A: Reassessed Recommendations

Recommendation 8 - Non-profit organisations

| | Year | Rating and subsequent re-rating |
|------|------|--|
| MER | 2019 | PC |
| FUR1 | 2022 | PC (upgrade requested, no re-rating) |
| FUR2 | 2024 | PC (upgrade requested, maintained at PC) |
| FUR3 | 2025 | PC (upgrade requested, maintained at PC) |

1. In its 2019 5th round MER, the Republic of Moldova was rated PC for R.8. Amongst other, deficiencies were identified with respect to the application of risk-based supervision of NPOs and the risk assessment for NPOs. There were also no measures in place to encourage NPOs to conduct transactions via regulated financial channels beyond the obligation to have bank accounts.

2. The Republic of Moldova requested an upgrade for this Recommendation under the first and second follow-ups, however at the time the progress made was insufficient to justify an upgrade.

3. **Criterion 8.1** – The general legal framework that regulates the legal status, registration, functioning as well as the rights, obligations and accountability of NPOs in the Republic of Moldova is largely the same as it was at the time of the previous evaluation. The Civil Code regulates the legal status of all legal persons (registration, readjustment, liquidation and deregistration procedures), and Chapter II Section 5 provides specific provisions with regard to the NPOs, (which can operate in three legal forms: associations, foundations and institutions) and the compulsory clauses to be stipulated in their statutes.

(a) The Republic of Moldova has completed a specific study of the TF risks and use of NPOs in TF the results of which were adopted in 2022. This study was developed in the context of the analysis of data and trends in the target segment for the 2017-2020 years. At the beginning of 2020, 13850 NPOs were registered in the Republic of Moldova, and according to the authorities, only 5592 were active. The identified subset of NPOs at risk has been analysed. The authorities have identified a set of TF risk indicators that apply to NPOs and have concluded that in Moldova the NPOs more vulnerable to TF risk are religious NPOs, in places also separatist groups. Moldovan authorities have initiated a new analysis of NPO sector for TF risks, which covers the period of 2020 to 2023, however this analysis is incomplete.⁶ Authorities prepared the Interim report, approved by the OPFML Order No. 27/2024 and published on official web-site The Interim report took into account statistical data from the period of 2020-2023 mainly concerning convictions, prosecutions, investigations, intelligence actions, suspicious transaction reports (STRs) and mutual legal assistance requests, open-source information about suspicions of TF abuse of NPOs, as well as interviews and comparative analysis of NPO risk assessments from other countries. According to the State Register of Legal Entities in the period 2021-2023, 17,061 NPOs were registered in the Republic of Moldova, and 9151 were active NPOs with activities consistent with the FATF definition of NPO. The subset of NPOs falling within the definition of the FATF definition has been updated and includes: (i) public associations; (ii) religious cults; (iii) unions of legal persons; (iv) foundations; (v) private institutions; (vi) branches of international organisations; and (vii) local action groups. In the meantime, the available interim analysis identifies the nature of the TF threat to NPOs and those NPOs likely to be at TF risk. According to the findings of the Interim report, NPOs linked to the Islamic community pose higher risk the amount of which does not exceed 10. In order to identify the types of NPOs vulnerable for being used in TF, the SIS uses for its information the open sources, non-public information, as well as the line of co-operation and exchange of information at the national level with other competent authorities (Public Services Agency, Ministry of Justice, State Tax Service (STS), Service for Prevention and Fight against Money Laundering (SPCML), National Bank of Moldova,

6. The risk assessment work was on-going at the time of writing, with final approval of the risk document scheduled at multi-stakeholder meetings to take place later on.

National Anticorruption Centre, Ministry of Internal Affairs), FIs, as well as at the international level especially with partner special services. The SIS undertakes periodical assessment of certain categories of NPOs which are considered as vulnerable from TF perspective and are therefore subject to an enhanced monitoring (including with regard to their financial activities). The Authorities informed that from the total number of religious NPOs the SIS analysed approximately 2 400 transactions performed with external partners and no link to TF were found among them.

- (b) In establishing the nature of threats posed by terrorist organisations to NPOs, the SIS conducts the assessment of investigated cases, in terms of transfers with high-risk countries, connections with organised crime, promotion by the NPOs of extremist, fundamentalist-religious, hate, intolerance, discrimination messages and other destabilisation forms. No indications of TF associated with NPOs were identified.
- (c) The 2020 Moldovan NPO risk assessment was focused on review of laws and regulations and adequacy of supervisory measures related to the NPO sector and mainly those that can be abused for TF support.

Following the NPO risk assessment, the Republic of Moldova developed an Action Plan for the Implementation of the National Prevention and Combat Strategy of ML/TF for the years 2020-2025 (approved by Parliament and published in February 2021 – see Decision 239/2020). Specific objective 4.2 focuses on reducing the risk of misuse of NPOs by terrorist organisations. Recommendations under this objective include: 1) elaboration of guidance and provision of training on risks to NPOs (action point 4.2.9/4.2.10), 2) monitoring NPOs for compliance with measures to mitigate identified risks and fiscal obligations which covers the submission of financial activity reports (action point 4.2.13 and 4.2.15); and 3) elaboration of guidelines for reporting entities (REs) for monitoring NPOs financial activity (action point 4.2.16).

The 2020 NRA moreover made the following recommendations relative to the NPO sector: 1) limit the use of cash in NPO sector; 2) promote risk-based approach and improve legal framework for the NPO sector; 3) enhance the records on financial activities; 4) increase the financial transparency of NPOs and strengthen state supervision; 5) increase the transparency of data on beneficial owners (BOs) of NPOs; and 6) promote a culture of security and increase the involvement of the sector of NPOs in prevention policies.

Moldovan authorities also took action to address some of these recommendations: (i) SIS held approximately 20 meetings/trainings, between 2020-2023, with representatives of NPOs identified as having a potential risk of being used for TF some of which aimed at discussing TF risks to which NPOs are exposed as identified in the NRA, (ii) clarified the definition of BO in case of NPOs (Law 66/2023 amending the AML/CFT Law) followed up by guidance issued by the SPCML (Order No. 34/2023) and Public Service Agency (PSA) Order 573/2023 that provides instructions regarding the verification, registration and update of data regarding the effective beneficiaries and (iii) STS provided a guide on the income tax regime related to NPOs (<https://sfs.md/ro/document/ghid-privind-regimul-fiscal-afere-veniturilor-organizatiilor-necomerciale>) which provides guidance on the keeping of accounts and preparation of financial statements, and helps promote financial transparency.

Moldova has also improved its legal framework of NPOs specifically in relation to limiting use of cash by NPOs and introducing collecting, verifying, recording and updating data on BOs of NPOs. These were specific actions foreseen in the 2020 NRA recommendations.

- (d) The NRA Action Plan for 2017 – 2019 included the action 2.1 “Identifying measures to periodically evaluate the non-profit sector from the perspective of terrorism financing risks”. As described under paragraph (a) an NPO sector risk assessment has been conducted. Moreover, the 2020-2025 National Strategy and Action Plan includes action point 4.2.11 requiring the review of categories of NPOs considered to be at high risk of TF misuse, which is to be conducted on a necessary basis. The SIS also undertakes periodical assessment of certain NPOs which are considered as vulnerable from TF perspective. The MoJ is required to provide the SIS with information on the initiation of the procedure for registration of NPO by citizens of countries

from risk areas, as well as any changes in their incorporation, within 5 days from the date of the submission of an application (Art. 11 of Law 120/2017).

4. **Criterion 8.2 –**

- (a) The Republic of Moldova has policies to provide transparency in the setting up and activities of NPOs, to promote accountability, integrity and public confidence in the administration and management of the sector. The responsible authority for registration of any type of NPOs is the PSA. In order to establish the legal framework for creation, registration, activity rules, rights and obligations, and cessation of activity, the Moldovan Parliament adopted the Law No. 86/2020 on non-commercial organisations (NPO Law), repealing Law No. 837-XIII/1996 and Law No. 581/1999.

According to paragraph 3 Art. 7, NPOs are required to publish their annual activity report, or submit it to any requesting person if not published. The annual activity report contains information on the activities carried out, the value of financial means and materials obtained and used, as well as other relevant information. NPOs must also indicate in their charter, the purposes for which they are constituted, the procedure for establishing, reorganising and terminating the activity, management and control bodies, the method of appointment, competence and duration of their mandate and the way in which it will ensure the transparency of its activity. (Art. 12).

Accounting Law No. 113/2007 applies also for NPOs (Art. 2), so the NPOs are obliged, like any other type of legal entity, to respect the accountability, transparency of information and reporting rules. All the financial information reported on annual basis by NPOs is included in the database of the STS, which is accessible to authorities. In addition, in accordance with Art. 14(9-11) of the AML/CFT Law, the registering competent authority (PSA) shall verify whether the founder, administrator or beneficial owner of an NPO is not included in the financial sanctions lists, or (suspected) affiliation to persons, groups and entities involved in terrorism. In case such suspicion occurs, a suspicious transaction report shall be submitted to the SPCML.

- (b) The SIS undertook outreach and educational programs to raise and deepen awareness among NPOs about the potential vulnerabilities of NPOs to TF abuse and TF risks, and the measures that NPOs can take to protect themselves against such abuse. During 2015 – 2017 awareness raising programs were organised to which over 800 persons participated, with the main subject being the risk of abuse of NPOs by terrorist entities and other related topics. This practice continued over the period of 2020-2024 when SIS organised 30 awareness raising meetings for NPOs posing high risk.

The SPCML, in November 2022, organised an event, for the civil society to discuss the TF risks associated with NPOs and to strengthen the co-operation between civil society organisations and public authorities, to better understand risks faced by NPOs and to identify the most effective mitigation solutions.

- (c) The authorities informed the (assessment team) AT that best practices to address the TF risk and vulnerabilities to protect NPOs from TF abuse have been developed together with a consortium of private institutions and independent experts. However, no document has been provided.
- (d) The NPOs are obliged to have bank accounts. According to Art.161 of the Fiscal Code, in order to be registered, the non-commercial organisations should present documents confirming the existence of bank accounts. In addition, the Law on State Registration of Legal Persons and Individual Entrepreneurs limits the use of cash at the amount of 100 000 Moldovan lei (MDL).

5. **Criterion 8.3⁷ –** There are several state bodies involved in the supervision of NPOs and the Republic of Moldova imposed a broad range of obligations. Until March 2018, the MoJ ensured the registration, recording and monitoring of the activities of NPOs and now ensures the power to develop

7. See the explanation provided in para. 13 of this report.

and promote policies for this sector. It also retains the power to issue warnings for management of NPOs and to request the court to liquidate NPOs whose activities are considered, amongst others, to go against the prevention of crimes (Art. 16(3) – NPO Law). This would include activities related to instigation and justification of terrorism or terrorist propaganda (see Art. 44 of the Law on combating terrorism). The failure by an NPO to present its annual activity report also constitutes a ground for liquidation (Art. 16(3) – NPO Law).

6. The PSA became responsible for NPOs' registration after March 2018. In October 2023 (order 675/2023) the PSA approved risk criteria to identify suspicious activities and transactions in ML/TF throughout the registration process of legal entities. These however are mainly intended for commercial entities, and only refer to one risk factor specific to NPOs (i.e. cases where founders, administrators or beneficiaries are designated under TF/PF sanction lists).

7. The STS monitors the economic and financial activity of NPOs insofar it concerns their tax obligations, and conditions for exemption or taxation on income tax (Art. 52 of the Fiscal Code).

8. The National Council of Statistics monitors the consumption and expenditure of NPOs on a quarterly basis (Art. 13(1) of Law on Official Statistics). The Customs Service monitors their compliance according to legal provisions on the goods crossing the customs border of the Republic of Moldova, the collection of import duties and customs export, customs clearance, customs control and surveillance (Art. 2 of the Customs Code).

9. The SIS carries out actions to detect and prevent the factors and elements which can lead to terrorism and/or TF including through the involvement of NPOs. (Art. 11(2) of Law No. 120/2017). In this context, the SIS constantly carries out assessments of the threats and risks that could lead to TF. This measure is not considered as risk-based monitoring relevant for c.8.3. It is rather considered as "other measure" which is conducted in a risk-based manner.

10. Despite steps forward made by SPCML and PSA, apart from the SIS's abovementioned measures, the measures applied by Moldovan authorities, are not risk based and targeting NPOs at risk of TF abuse. Art. 5(10) of the NPO Law stipulates that the state may establish rules for NPOs to prevent ML/TF. The authorities provided no information on any such rules, but in the Interim report they identify small minority of NPOs that may be at risk. Reference was made to Art. 44 of the Law on Combating Terrorism which prevents NPOs from being established to pursue terrorist activities and bans NPOs from being involved in any activities of instigation and justification of terrorism or terrorist propaganda, which are monitored by the SIS.

11. Criterion 8.4 –

- (a) Monitoring of the NPO sector was carried out by the Ministry of Justice (MoJ) (until March 2018) and by the PSA (since March 2018) based on the provisions of the Law 86/2020 in relation to compliance of the activity of the NPO (public association, foundation and private institution) with its statutory purposes and tasks. The sources of income, the obtained amount of the means, the payment of taxes and other financial activity of the NPOs is monitored by the bodies of the financial control and fiscal administration and specifically for fiscal purposes (Law No. 113/2007 and Fiscal Code).

Even though the study of the TF risks of NPOs established the criteria for determining the subset of NPOs at TF risk (see c.8.1), this is not enough to confirm that the monitoring of those NPOs is risk based. As set out under c.8.3, the NPOs' compliance with requirements of R.8 is not monitored based on risks.

- (b) Sanctions for violations by NPOs or persons acting on behalf of these NPOs are available. The NPO may be forcibly liquidated, by court order, at the request of the Ministry of Justice, if its activity is contrary to the interests of national security, public safety, the defence of order or the prevention of crimes, the protection of health, morals and the rights and freedoms of others and this measure is necessary in a democratic society. The non-presentation of the annual activity

report after the repeated request of the Ministry of Justice constitutes grounds for the initiation of the forced liquidation procedure if the activity report was not presented within 6 months of the second request. The examination of the application for forced liquidation is under the jurisdiction of the Chisinau Court. The court may offer the non-commercial organisation the opportunity to remove, within up to 6 months, the deficiencies cited in the application for forced liquidation. (Art. 16 Law No. 86/2020).

For fiscal breaches, the general tax regime - which provides a complex set of sanctions including fines - applies. In this case, the sanctions shall be imposed by the STS (Art. 235, Art. 236 from Fiscal Code).

Sanctions (fines) can be also applied based on Art. 330 of Contravention Code (presentation of false or delayed statistics). The Customs can impose sanctions on NPOs for specific breaches related to regime of import and export of goods, since the custom contravention are applicable also to legal persons (Art. 229 from Custom Code). The sanctions available in relation to NPOs seem to be proportionate and dissuasive.

12. **Criterion 8.5 –**

- (a) Generally, the data regarding NPOs can be found in the PSA Register. The information is publicly available and accessible by MoJ, STS, National Bureau of Statistics, Ministry of Foreign Affairs, SPCML, SIS etc. The PSA ensures access of the competent authorities to the information of the registered entities. As described under R.40, the co-operation between relevant authorities on AML/CFT issues is regulated by the provisions of the AML/CFT Law which provides the comprehensive legal basis for exchange of information between competent authorities (Art. 17 from AML/CFT Law).
- (b) In relation to TF, the Republic of Moldova has established authorities with a range of powers, especially through Law No. 120/2017 and AML/CFT Law and as consequence, the SIS, among other authorities, appears to have adequate investigative expertise and capability to examine NPOs suspected of either being exploited by, or actively supporting, terrorist activity or terrorist organisations.
- (c) The authorities have full access to information on the administration and management of NPOs as this is publicly available in the PSA Register. As described in previous ECs, the NPOs are obliged to keep and present the tax declarations in paper or electronic format which include: primary documents, accounting registers, financial reports and other documents afferent to the organisation and keeping of accounting records (hereinafter called accounting documents). The accounting documents may be seized by the authorities as any other object. Both the NPOs and the accountants would be under an obligation by law to provide the requested information to the police, supplemented by coercive means available.
- (d) The Republic of Moldova has in place a legal framework to ensure that information is shared between competent authorities. According to Art.19 (b) of the AML/CFT Law the SPCML shall inform immediately SIS in case of TF pertinent suspicions. According to Art.14 of the AML/CFT Law when there are suspicions regarding the affiliation of the founder, administrator or beneficial owner of the non-commercial organisation to terrorism entities and organisations, the PSA shall notify immediately the SPCML and the SIS. The natural and legal persons, irrespective of the type of property and legal form of organisation, are obliged to provide assistance to authorities with competences in the area, including to immediately make available at their disposal the movable and immovable goods, other objects and documents, as well as information held about activities, events, circumstances or persons of interest that are necessary for performing special investigative measures (Art.16 (2) of the LPCT).

13. **Criterion 8.6 –** The SPCML uses procedures and mechanisms for international co-operation that are provided under the AML/CFT Law (Art. 17), to handle requests regarding to NPOs. In cases investigated at the level of Law Enforcement Agencies (LEAs), the information may be obtained from abroad in relation to investigated NPOs, through SPCML, as part of indirect co-operation. At

international level, the SPCML may exchange information with competent authorities of other countries, regardless of their status, ex officio or upon request. Within the competent authorities, especially SPCML and SIS have set up specialised units that are entrusted with specific competences and attribution for performing exchange of information on NPOs. On the basis of Art. 48 of the Law No. 120/2017, the SIS co-operates with law enforcement agencies and special services of other states, as well as with international organisations according to the international treaties to which the Republic of Moldova is party.

Weighting and Conclusion

14. The Republic of Moldova adopted various laws and specific provisions pertaining to NPOs through which is ensured the transparency of the activity of the sector and of the founders and beneficiaries of the dedicated actions of the NPOs. Nevertheless, moderate deficiencies remain in particular relating to: (i) the recommendations made by the NRA of 2020 relating to NPO sector have been implemented partially, and (ii) supervision and monitoring measures applied by Moldovan authorities, are not risk based and targeting NPOs at risk of TF abuse. **R.8 remains PC.**

Recommendation 15 - New Technologies

| | Year | Rating and subsequent re-rating |
|-------------|------|--|
| MER | 2019 | LC |
| FUR1 | 2022 | NC (following re-assessment in view of amendments to R.15) |
| FUR2 | 2024 | ↑ PC (upgrade requested) |
| FUR3 | 2025 | PC (upgrade requested, maintained at PC) |

1. Under the 2019 MER, the Republic of Moldova was rated LC with R.15. The FATF standards were in the meantime revised, introducing new requirements for virtual assets (VAs) and Virtual assets services providers (VASPs). The application of the new requirements for VASPs in the Republic of Moldova was intended to be re-assessed as part of the first enhanced follow-up. The Republic of Moldova however provided no information to assess its compliance with these new requirements nor on the materiality of the VASP sector. As a result, the Republic of Moldova was re-rated as non-compliant (NC) for R.15. The Republic of Moldova requested an upgrade for this Recommendation under second follow-up with the actions undertaken and progress made and R.15 was upgraded to PC.

2. **Criterion 15.1** – The AML/CFT Law requires financial institutions (FIs) to assess the impact of launching and developing new products and services, and the use of new or developing technologies for new or pre-existing products and services on their ML/TF risk exposure (Art. 6(10)).

3. While the 2022 NRA does not contain a dedicated assessment of ML/TF risks related to new products and technologies as new payment methods or non-face to face verification systems of customers, it analyses the products and services offered by some of the FIs and designated non-financial businesses and professions (DNFBPs) (covering banks, being by far the most material, Payment Service Providers (PSPs), being the ones to have relatively sophisticated products and gambling organisers). It hence includes any new products/services being offered, and new ways of doing business. With respect to banks and non-bank payment service providers it identifies which products and services pose a ML/TF risk, including products such as, virtual assets/currency transaction services, anonymous e-money based services and provision of e-wallets to unknown third parties. It also highlights the lack of specific precautionary measures in respect of non-face to face relationships. With respect to on-line casinos the NRA also highlights an emerging trend that is the organisation of gambling tours for foreigners to play in Moldovan casinos.

4. With respect to other sectors the NRA lacks a holistic analysis of the products and services offered including new products and business practices. These sectors however are either not considered to be significant or mainly provide traditional services with limited innovation.

5. **Criterion 15.2** –

(a) The AML/CFT Law provides for the timing when FIs must identify and assess ML/FT risks (Art. 6(10)): (i) before launching and developing new products and services; and (ii) before the use of new or developing technologies for new or pre-existing products and services.

(b) The AML/CFT Law provides for the general requirement for FIs to put in place procedures for managing and mitigating ML/FT risks (Art. 6 (3)). The National Bank of Moldova's AML/CFT regulations for banks (paragraph 12.13) and non-bank PSPs (paragraph 11.11) specifically require the inclusion of procedures in AML/CFT programs aimed at minimising ML/FT risks related to the use of information technologies acquired or developed by banks and non-bank PSPs. The National Commission for Financial Markets (NCFMs)' AML/CFT Regulation provides a similar requirement (paragraph 9(1)).

6. **Criterion 15.3** – In 2023, the Republic of Moldova prohibited the activity of providing VA services on the territory of the Republic of Moldova (Art. 4(1¹) – AML/CFT Law), except when provided by foreign VASPs and to local clients. The latter permissible services are also subject to limitations which are sought to be enforced through the intervention of REs. In fact REs are required: (i) not to open or maintain accounts for non-resident clients to transact with foreign VASPs; (ii) not to open or maintain accounts for foreign VASPs or to open or maintain accounts at foreign VASPs; (iii) prohibiting the conduct of occasional transactions for/at foreign VASPs; (iv) limit activity of local residents only with authorised foreign VASPs and up to a monthly threshold of approximately 2600 Euro (EUR) (MDL 50 000) - (Art. 5(4¹⁻⁴)). When providing such services REs are required to apply enhanced due diligence including opening special accounts and the implementation of information technology (IT) solutions for traceability of transactions.

7. The Republic of Moldova has adopted VA and VASPs definitions aligned with the FATF Standards.

8. The authorities explained that they interpret the prohibition to provide services on the territory of the Republic of Moldova to capture both the provision of VASP services to persons located in the Republic of Moldova, as well as the provision of VASP services from the Republic of Moldova (i.e. being offered by persons or entities based in the Republic of Moldova) to persons or entities based outside the Republic of Moldova. The authorities also provided case law supporting this interpretation.

(a) In December 2024 the Republic of Moldova has successfully concluded its NRA which represents a comprehensive document for undertaking systemic measures at the national level and addressing the risks of ML and TF associated with VAs and VASPs. The authorities employed the World Bank's methodology to identify threats and vulnerabilities, evaluate inherent risks, and existing mitigating measures, thereby assessing the residual risks related to VAs/VASPs. The risk assessment underline that Moldova is highly vulnerable to virtual asset (VA) risks due to an (1) insufficient regulatory framework; (2) limited institutional capacity for monitoring VA transactions; (3) challenges in identifying illegal virtual asset service providers (VASPs); and (4) enforcing sanctions. The report highlights that the existing risk mitigation measures are hampered by restrictive legislation and a lack of necessary tools, leaving significant vulnerabilities unaddressed. Additionally, while VA-related services are generally prohibited, this measure is not comprehensive enough to fully cover all VA-related risks. As a result, the overall ML/TF residual risk associated with VAs/VASPs is rated as "high" after considering current mitigating efforts and taking into consideration Moldova's geographical proximity to conflict zones that increases its exposure to ML/TF threats involving VAs.

(b) While neither the 2020-2025 National Action Plan, nor other strategic documents or action plans include specific objectives or actions aimed to reduce the risk of misuse of VAs/ VASPs, (beside the newly adopted Recommended Actions on VA and VASPs from December 2024) particularly by addressing the vulnerabilities related to the misuse of VAs and VASPs highlighted in the 2022 NRA⁸, the authorities took some actions aimed at addressing these risks.

- The lack of knowledge by competent authorities in this field – representatives of the National Bank of Moldova, LEAs, the SPCML and supervisors attended a number of training events and seminars to continuously boost their capacities to analyse, investigate and mitigate the risks associated with VAs;

8. As the latest NRA was adopted in December 2024, at the same time when the Republic of Moldova submitted its country report, this report covers actions taken based on the former NRA adopted in 2022. Under 2022 NRA, the Republic of Moldova the identified vulnerabilities were: (i) the lack of regulation of the sector, (ii) the lack of knowledge by competent authorities in this field, (iii) limited tools available for authorities to detect and analyse VA transactions, and (iv) the potential exposure of financial organisations to ML/TF risks when acting as intermediaries for VA transactions.

- Limited tools available for authorities to detect and analyse VA transactions – The Prosecution’s Office, SPCML and the General Inspectorate of Police (the Centre for Combating Cybercrime) have been granted access to specialised analytical IT tools.

Lack of regulation of the sector - the Republic of Moldova took the high-level policy decision to limit the provision of VASP services. The authorities explained that this was mainly taken as a result of the potential misuse of VA transactions to circumvent financial sanctions. Particularly given that sanction evasion risks increased significantly following the war in Ukraine which unfolded following the conclusion of the NRA. While this demonstrates the authorities’ ability to react to emerging risks, the country is concerned by the fact that it is not able to fully identify all VASP acting illegally (see in particular c.15.5. and the concerns related to measures to fully identify unauthorised activities). This is especially relevant in light of the continued operations of unauthorised cryptocurrency exchanges recognised by the country itself.⁹

Additionally, although authorities did not provide more details on policy related aspects of the Recommended Actions on VA and VASP’s from 2024, it has to be noted that the WG has outlined several recommendations based on its findings. These include strengthening the regulatory framework in line with EU acquis in this area and FATF standards, focusing on the licensing, registration, and oversight of VASPs, improving international collaboration, and enhancing the capacities of law enforcement agencies and regulatory authorities by equipping them with the necessary expertise on VA activities. Considering that such recommendations indicate the need to change the system from a restrictive to a permissive approach, the authorities informed that such recommendations would be implemented within 3 years.¹⁰

(c) Not applicable in view of the prohibition of VA services.

9. **Criterion 15.4** – Not applicable in view of the prohibition of VA services (see c.15.3).

10. **Criterion 15.5** – The Republic of Moldova explained that a specialised unit within the General Inspectorate of Police (the Centre for Combating Cybercrime) is responsible for identifying unauthorised VASP activities. Art. 15(21) of the AML/CFT Act requires that supervisory authorities inform the criminal investigation body and the prosecutor’s office when cases of unauthorised VASPs are identified. Authorities noted that between 2022 and 2024, the Financial Intelligence Unit (FIU) of Moldova recorded a significant increase in STRs and suspicious activity reports associated with VAs and VASPs, receiving 63 such reports primarily from banks and payment service providers (PSPs). Since 2024 17 cases of unauthorised provision of VA services have been uncovered which resulted in sanctions (approx. Eur 42 000). However, as per the 2024 NRA, the Republic of Moldova has lack of institutional capacity to identify all natural and legal persons engaged in VA services illegally. The Republic of Moldova has established sanctions for providing services on the territory of the Republic of Moldova illegally. Sanctions range from 1000 to 1500 conventional units (i.e MDL 50 000 – MDL 75 000 - approximately EUR 2 500 – EUR 3 900 - Art. 263(9) of the Administrative Offences Code) and may increase up to triple the amount in case of repeated breaches (Art. 34(22) and (23)).

11. When the illegal activity results in large scale or especially large-scale profits (i.e. equivalent to or more than 20 or 40 average monthly salaries¹¹ respectively) the offender is criminally liable for sanctions up to a maximum of MDL 167 500 – approximately EUR 8 500 (in the case of natural persons) and MDL 300 i.e. approximately EUR 15 000 (for legal persons). In the case of legal persons

9. Source available at <https://www.imf.md/pub-memo.html>.

11. Recommendations include developing a medium-term (3-year) Action Plan that includes clear objectives and concrete actions, specifying deadlines and the responsible institutions for each action. This plan should be incorporated in the existing Action Plan for implementing AML/CFT National Strategy.

11. Average monthly salary in 2023 was 11700 MDL (approximately EUR 640), source available at <https://statistica.gov.md/en/statistic-indicator-details/2>.

the deprivation of the right to practice certain activities or liquidation is also foreseen (see Art. 241(1) and (2) of the Criminal Code (CC) and Art. 126 of the CC for the definition of large-scale and especially large-scale profits.

12. The fines for more serious infringements (i.e. in cases of large-scale profits and especially large-scale profits) are however not considered to be appropriate. This when considering that the maximum fine that can be imposed on a legal person in such cases is that of EUR 15 000, and this is applicable when the profit derived from the breach is equivalent to or more than 40 average monthly salaries (i.e. approximately EUR 25 600).

13. **Criterion 15.6 to 15.10** – Not applicable in view of the prohibition of VA services (see c.15.3).

14. **Criterion 15.11** – Competent authorities are able to provide mutual legal assistance and other forms of international co-operation in the manner outlined under R.37-40, and there is nothing prohibiting or limiting such co-operation in respect of suspicions or cases that involve VAs. Thus, the analysis and deficiencies outlined in the analysis of R.37-40 apply also to this criterion (with the account of analysis under c.24.14).

Weighting and Conclusion

15. The Republic of Moldova has analysed and assessed ML/FT risks related to VA and VASPs and demonstrated significant understanding of its risk highlighting the issues and shortcomings in its restrictive regulatory approach. Although one of the major shortcomings in terms of the RA on VA/VASP was successfully overcome, still the lack of application of risk-based approach to prevent or mitigate the ML/TF risks identified and lack of information is available on any measures being taken to identify natural or legal persons that carry out VASP activities in the Republic of Moldova against the law still humpers the overall rating on R.15 taking into considerations the shortcomings in c.15.3 (b) and c.15.5. Additionally, the restrictive approach has created a gap in the ability to gather essential statistical data to properly assess the materiality of the sector and engagement of Moldovan citizens in VA space. The Republic of Moldova has however not been identified as having materially important VASP activity.¹² **R.15 remains PC.**

12. Source available at <https://www.fatf-gafi.org/en/publications/Virtualassets/VACG-Snapshot-Jurisdictions.html>.

Recommendation 22 – Designated Non-financial Businesses and Professions (DNFBPs): Customer Due Diligence

| | Year | Rating and subsequent re-rating |
|-------------|------|---------------------------------|
| MER | 2019 | PC |
| FUR1 | 2022 | PC (no upgrade requested) |
| FUR2 | 2024 | PC (no upgrade requested) |
| FUR3 | 2025 | ↑LC (upgrade requested) |

1. Moldova was rated as partially compliant with R.22 in the 5th round MER. The deficiencies identified in relation to FIs under R.10, 11, 12 and 17 were also relevant for DNFBPs. In addition, not all DNFBPs listed under R.22 were subject to CDD requirements; limited financial transactions in casinos triggered CDD measures; real estate agents were not specifically required to apply CDD measures with respect to both purchasers and vendors of the property; and there was no requirement to keep records that would permit reconstruction of individual occasional transactions.

2. **Criterion 22.1** – CDD requirements apply to DNFBPs in the same way that they apply to FIs, with the account of the following. Therefore, the deficiency under c.10.20 is also applicable to this criterion. The AML/CFT Law applies to all persons trading in goods when they engage in cash transactions in an amount of MDL 200 000 (approx. EUR 10 000) or more.

- (a) Gambling operators including internet casinos are reporting entities according to Art. 4 (1) d of the AML/CFT Law and are required to apply CDD measures when customers place a bet or receive winnings in an amount of MDL 40 000 (approx. EUR 2 000) or more through a single operation or several operations that appear to be linked (Art. 5.1 (c)). However, other financial transactions such as the payments for the use of gaming machines and depositing to or withdrawal of funds from online gambling accounts are not covered.
- (b) The real estate agents are subject to CDD requirements, applicable to both purchasers and vendors of the property.
- (c) Dealers in precious metals and stones (DPMS) are subject to AML/CFT Law when they engage in cash transactions in an amount of MDL 200 000 (approx. EUR 10 000) or more through a single operation or several operations that appear to be linked (Art. 5.1.f, the AML/CFT Law).
- (d) Lawyers and notaries are required to apply CDD measures when they engage in financial or real estate transactions on behalf of their clients or prepare for, or carry out, transactions for their clients concerning activities listed under this essential criterion (Art. 4.1.j, the AML/CFT Law). Audit firms, and legal entities and individual entrepreneurs providing accounting services are subject to general CDD requirements (Art. 4.1.k, the AML/CFT Law).
- (e) TCSPs are subject to CDD requirements in line with sub-criterion 22.1(e) (Art. 3, the AML/CFT Law).

3. **Criterion 22.2** – Record-keeping requirements provided in the AML/CFT Law apply to DNFBPs in the same way that they apply to FIs (See R.11). Respectively, DNFBPs are not required to maintain the results of any analyses undertaken except those aimed at identifying complex and unusual transactions. DNFBPs are obliged by the AML/CFT Law to keep records on occasional transactions that would be sufficient to permit their reconstruction in such a way as to serve, if necessary, as evidence in criminal, contravention and other legal proceedings (Art. 9(1)).

4. **Criterion 22.3** – PEP requirements provided in the AML/CFT Law apply to DNFBPs in the same way that they apply to FIs (See R.12). The order 21/2023 issued by SPFML prescribes measures in case of activities, transactions or business related to PEPs, their family members or persons known to

be close associates of PEPs. There is a list of positions which qualify a person as politically exposed under the Guidance on identification and monitoring of PEPs. However, the definition of a close associate is too narrow and covers only those who are connected to a PEP through ownership of a company or other business relationship.

5. **Criterion 22.4** – Requirements related to the development of new products and business practices, and the use of new or developing technologies provided in the AML/CFT Law apply to DNFBPs in the same way that they apply to FIs (See R.15).

6. **Criterion 22.5** – Requirements related to the reliance on third parties provided in the AML/CFT Law apply to DNFBPs in the same way that they apply to FIs (See R.17). There are no specific requirements in relation to groups when relying on a third party.

Weighting and Conclusion

7. The deficiencies identified in relation to FIs under R.10, 11, 12 and 17 are also relevant for DNFBPs. In addition, limited financial transactions in casinos trigger CDD measures. **R. 22 is re-rated LC.**

Recommendation 24 - Transparency and Beneficial ownership of legal persons

| | Year | Rating and subsequent re-rating |
|-------------|------|--|
| MER | 2019 | PC |
| FUR1 | 2022 | PC (No upgrade requested) |
| FUR2 | 2024 | PC (upgrade requested, maintained at PC) |
| FUR3 | 2025 | ↑LC (upgrade requested) |

1. The Republic of Moldova was rated as PC with R.24 under its 5th round of evaluations. The Republic of Moldova had made progress in making most of the basic information on legal entities available online and establishing mechanisms for obtaining the BO information and making it easily accessible to some competent authorities. However, deficiencies were identified in relation to a number of criteria, most importantly the lack of assessment of ML/TF risks related to all types of legal persons and the inability of the PSA to impose sanctions for failure to comply with the requirements. The Republic of Moldova requested an upgrade for R.24 as part of its 2nd FUR, however there was not sufficient progress made to upgrade the rating from PC to LC.

2. In 2023, an amendment to the AML/CFT Law introduced improvements on the procedures of submitting BO information to the PSA, as well as provisions such as on reporting of discrepancies and access to BO information.

3. **Criterion 24.1** – Moldova regulates the creation of a range of legal entities, such as limited liability and joint stock companies, collective and limited partnerships, co-operatives, and state-owned and municipal enterprises, as well as non-commercial foundations, associations and institutions. Information about the types, forms and basic features of these entities is provided in the relevant pieces of legislation. The Law on State Registration of Legal Entities sets out the registration requirements and procedures for legal entities, and designates the PSA as the registration authority (Art. 11).

4. The processes for obtaining and recording information referred to in c.24.3 and identification data of founders (members) of legal entities by PSA are provided in the Law on State Registration of Legal Entities (Art. 7 and Art. 33). The shareholder registries of Joint Stock Companies (JSCs) and record-keeping requirements therein are dealt with under the Law on Joint-Stock Companies (Art. 17 and Art. 18). Moreover, the AML/CFT Law requires legal entities to obtain and record their beneficial ownership information (Art. 14(1)), to submit this information to the PSA. The PSA provides on its website (<http://asp.gov.md/en>) a description of the data and documents in Romanian, which must be submitted by applicants to register different types of legal entities.

5. **Criterion 24.2** – The Republic of Moldova conducted an NRA on legal entities based on the methodology of the World Bank which analyses: (i) the materiality of each type of legal entity in the overall sector; (ii) the threat of ML, inter alia, taking into account of data stemming from STRs, investigations, indictments and convictions; (iii) the threat of TF; (iv) ML/TF vulnerabilities, including risk mitigating measures; and (v) conclusions on the residual risk level for each type of legal entity. While the analyses of the exposure of legal entities to ML threat is based on both quantitative and qualitative data, in case of the exposure of legal entities to TF threat the absence of triggers for the abuse of legal entities for TF purposes lays under the findings on the threat related to TF.

Basic information

6. **Criterion 24.3** – All types of legal persons must be registered by the PSA to be considered created. The information obtained and recorded by PSA in the process of registering legal persons under the Law on State Registration of Legal Entities covers all requirements of c.24.3 (Art. 33). Most of this information is available online for free (<http://www.cis.gov.md/>) in Romanian, while a

certificate of registration and copies of statutory documents can be obtained in 3 working days subject to a fee (Art. 34 and Art. 34¹).

7. **Criterion 24.4** – The identification data on founders (members) of legal persons (except for members of co-operatives) and where appropriate, their ownership interest, as well as information referred to in c.24.3 for all legal persons must be submitted to and maintained by the PSA under the Law on State Registration of Legal Entities (Art. 33).

8. JSCs are required to maintain shareholder registries either on their own or via third party registrars (Art. 10, Sections 5 and 6, the Law on Capital Market). These registries contain information about the number and class of shares (including the nature of associated voting rights) held by each shareholder (Art. 17 of the Law on Joint-Stock Companies).

9. The shareholder registries of JSCs must be maintained within the Republic of Moldova, although there is no requirement to notify the PSA about their location. Nonetheless, the AML/CFT Law requires all legal persons including JSCs to obtain and record BO information and to submit it to PSA (Art. 13, (2)). In case of public interest entities, which include some FIs and listed companies, shareholdings over 5% must also be notified to NCFM (Art. 125 (1)), the Law on Capital Market).

10. **Criterion 24.5** – The PSA examines the legality of the documents submitted for registration and verifies the identities of executive directors and founders (members), and repeats the same procedure whenever changes to the recorded data and documents are provided by legal persons under the Law on State Registration of Legal Entities (Art. 11 (1), Art. 16 (2) and Art. 36 (2)(b). Such changes must be notified to the PSA within 30 days of their occurrence and unless notified, they won't be considered valid (Art. 16 (2)). PSA will also refer to LEAs those instances where forged documents have been identified (Art. 27 (4)).

11. The mechanism employed to ensure that changes in JSCs' shareholding are notified to JSCs or third-party registrars in due course (3 days) is that such changes are only deemed valid once reflected in the registry (Art. 18(2) of the Law on JSCs). JSCs and third-party registrars are also required to register the categories of shares (including the nature of associated voting rights).

Beneficial ownership information

12. **Criterion 24.6** – The AML/CFT Law requires legal persons to obtain and hold up-to-date information on their beneficial owners and provide this information to the PSA at the time of registration (Art. 14(2)). In relation to investment funds, investment firms managing those funds are required to obtain information on the identity of customers and their beneficial owners, as well as of founders and beneficiaries of funds. Additionally, the AML/CFT Law requires reporting entities to not rely exclusively on the BO information recorded by PSA when carrying out customer due diligence (CDD) measures, but to apply a risk-based approach (Art. 14(8)).

13. Amendments to the AML/CFT Law in 2023 introduced obligations on beneficial owners of legal persons to provide to the respective legal entities all the information necessary to comply with their BO transparency obligations.

14. **Criterion 24.7** – The PSA verifies the accuracy of BO information submitted by legal persons in accordance with the AML/CFT Law (Art. 14(1)). Legal persons must submit any subsequent changes to the BO information to the PSA immediately upon their occurrence (Art. 14(2)). As noted above, the investment firms, which are REs, must ensure that the information they hold about BOs of investment funds is up-to-date (Art. 14(12) the AML/CFT Law). Moreover, in order to reinforce accuracy, the Republic of Moldova has established a mechanism for REs to report discrepancies between beneficial ownership information available in the public register and information obtained through CDD. Following such notification, the PSA indicates within the state register the existence of an

inconsistency and proceeds to solve it. The RE is barred from conducting any further activity for the customer, until the customer legal entity submits any necessary updates to the BO information on the state register (Art. 5²(3)-(5) – AML/CFT Law).

15. **Criterion 24.8** – The failure to provide accurate, complete or updated BO information to the PSA will result in the refusal of registration under the AML/CFT Law (Art. 14(3)). Moreover, where a legal entity fails to declare, or provides incomplete or incorrect BO information, or fails to update the respective information sanctions are envisaged under art 263² of the Code of Contravention. The authorities explained that as from July 2023 registered legal entities were given an 18-month period to provide and/or update BO information, with the above sanction regime being thereafter applicable in case of non-compliance.

16. Legal persons are required to appoint one or more persons resident in the country who will be accountable to competent authorities for the provision of BO information and giving further assistance (Art. 2¹ of the AML/CFT Law).

17. **Criteria 24.9** – The PSA keeps the BO information obtained from legal persons and subsequent updates indefinitely based on its internal regulations (Art. 15 of Law 220/2007).

18. FIs and DNFBPs including investment firms and registry societies are required to keep the information and records on their customers and BOs collected through CDD measures for 5 years from the day the customer ceases to be a customer as detailed in R.11 and R.22. In case of dissolution, the documents related to the economic and financial operations of a legal entity, as well as the minutes of general meetings of shareholders and executive boards are kept by the National Archive for 10 years. The authorities stated that these documents and records should normally include the relevant BO data.

Other requirements

19. **Criteria 24.10** – The basic information on legal persons recorded by the PSA (except for the identities of members of co-operatives that are not recorded by PSA), is publicly available. The SPCML and supervisory authorities are entitled to request and receive all data held by the PSA, hence including shareholder information – Art. 14(5) of the AML Law. Moreover, all public authorities have access to information held by the PSA through the MConnect Platform, without any fee – Art. 4(3) of the Law on State Registration of Legal Entities. Competent authorities and LEAs have access to shareholder data of JSCs that is held by the Registrar (Art. 10⁴(2) of the Law on Capital Market).

20. LEAs, SPCML and supervisory authorities are also granted access to the information maintained by the PSA through the MConnect Platform (see AML/CFT Law Art. 14(5)) and Art. 4(3) of the Law on State Registration).

21. LEAs and the FIU may obtain basic and beneficial ownership information also directly from legal entities and REs through their investigatory and analytical powers (see c.31.1(a) and c.29.3 respectively). Supervisory authorities, for the purpose of carrying out their supervisory functions, are empowered to request from REs any necessary documents and information (see Art. 15(2)(d) of the AML/CFT Law).

22. **Criteria 24.11** – Legal persons in the Republic of Moldova are not able to issue bearer shares or bearer share warrants since 2007. The Law on Capital Market says that securities can only be issued in a dematerialised nominative form, which permits the identification of shareholders (Art. 7(7)). The authorities explained that bearer shares and warrants had not been issued prior to 2007.

23. **Criteria 24.12** – Nominee shareholders in the Republic of Moldova are restricted to regulated capital market intermediaries (e.g. investment firms) and their nominee status is recorded by registry societies, which mitigates the risks of abuse. The NCFM may refuse the request for, or suspend, a

licence of an investment firm if there are objective and demonstrable grounds to believe that the respective firm's management is not sound and prudent (Art. 39(5) Law on Capital Market). There are no legal provisions prohibiting the use of nominee directors. Under Moldovan legislation a legal person exercises its rights and obligations through administrators. the legislation prescribes responsibility for the misconduct of both an appointed and registered administrator and a "de facto" administrator. In particular, an administrator is obliged to take decisions in good faith and avoid the conflict of interest (Art. 185-188, the Civil Code). No other mechanisms were mentioned to prevent the misuse of nominee directors.

24. **Criteria 24.13** – In terms of Art. 263² of the Contravention Code of the Republic of Moldova (Law 218/2008), legal entities are subject to sanctions in the event of failure to declare, of incomplete declarations, or incorrect declarations regarding BO information, or failure to update respective information. The applicable sanction is a fine from 1 000 to 1 500 conventional units (i.e. 50 000 to MDL 75 000 approximately EUR 2 500 to EUR 3 900). These fines are considered appropriate considering the economical context of the Republic of Moldova.¹³

25. It is also a criminal offence to make false declarations to a competent body for the purpose of generating legal consequences, which is punishable by a fine of MDL 12 000 (approximately EUR 600) or by imprisonment for up to 1 year (Art. 352¹, Criminal Code).

26. REs are subject to sanctions for violating AML/CFT obligations including for failure to identify and verify the identity of clients that are legal entities, their beneficial owners and to keep this information updated (see R.35).

27. Also, if the legal entity fails to appoint a responsible resident person, a fine from 1 000 to 1 500 conventional units will be applied thereto.

28. **Criteria 24.14** – As described above (see c.24.1), most of the basic information on legal persons (except for the identities of members of co-operatives and JSCs' shareholder registries), recorded by PSA is available online for free, although in Romanian only. The certificates of registration and statutory documents of legal entities are provided by PSA in 3 working days upon request in accordance with the Law on State Registration of Legal Entities (Art. 34(3)). The data recorded in shareholder registries of JSCs can be rapidly exchanged internationally via SPCML, as well as by the NCFM, which may co-operate with international organisations, similar entities in foreign jurisdictions as well as with supervisory authorities of other states (Art. 5 – Law 192 of 1998).

29. LEAs can use general investigative powers to obtain the BO information on behalf of foreign counterparts (see R.40). LEAs also have direct access to the State Register of Legal Persons. The deficiencies identified under R.40 and namely (i) the possibility of the SPCML to refuse to provide information where this is considered irrelevant for the purposes it is sought for (c.40.5); (ii) lack of explicit requirements for the NBM to exchange information for the AML/CFT purposes (c.40.12 – c.40.14); (iii) lack of specific requirements to conduct inquiries on behalf of foreign counterparts (c.40.15) and (iv) lack of explicit reference in the legislation to ensure that requesting authorities make it clear for what purpose and on whose behalf the request is made in case of diagonal international co-operation (c.40.20) impact this criterion.

30. **Criteria 24.15** – The SPCML monitors the quality of responses provided by other FIUs to its requests for information including on basic and BO information of legal entities. The findings of this exercise are then reflected in the SPCML's annual activity reports. The GPO and STS analyse the quality

13. Total annual profit made by SMEs in 2021 amounted to MDL 20 237 mn (approximately EUR 1050 mn), generated by 59 000 SMEs, source available at https://statistica.gov.md/en/activity-of-small-and-medium-enterprises-in-the-republic-of-9557_59645.html.

of overall information requested from foreign countries, including the quality of basic and BO information.

Weighting and Conclusion

31. The Republic of Moldova has made progress in making most of the basic information on legal entities available online and establishing mechanisms for obtaining the BO information and making it easily accessible to competent authorities. However, minor deficiencies still remain in respect of some criteria, most importantly: (i) measures to prevent the misuse of nominee directors would benefit from extension; (ii) shortcomings under c. 40.5, c.40.12-c.40.14, c.40.15 and 40.20 apply to R.24. **R.24 is re-rated LC.**

Recommendation 25 - Transparency and Beneficial ownership of legal arrangements

| | Year | Rating and subsequent re-rating |
|-------------|------|--|
| MER | 2019 | PC |
| FUR1 | 2022 | PC (no re-rating requested) |
| FUR2 | 2024 | PC (upgrade requested, maintained at PC) |
| FUR3 | 2025 | ↑LC (upgrade requested) |

1. In the 5th round MER, R.25 was rated PC. The Republic of Moldova's legal framework, at the time of the on-site mission, did not recognise express trusts or similar legal arrangements, and thus, a number of sub-criteria did not apply. There were: no obligations on trustees to disclose their status to REs, no direct obligation on a trustee to meet the requirements set out in R.25 (except for lawyers) and thus trustees (except for lawyers) were not subject to any sanctioning regime. It was also unclear what specific sanctions can be used when competent authorities are not given timely access to information concerning trusts.

2. In November 2018 the Moldovan Civil Code was amended by virtue of Law 133/2018,¹⁴ which introduced the possibility of establishing "fiducia" (i.e. trust relationships). Art. 2055 of the Civil Code defines the fiducia or trust as: a legal relationship in which a party (trustee) is obliged to become the owner of a patrimonial mass (fiduciary patrimonial mass), to administer it and dispose of it, in accordance with the conditions governing the relationship (terms of the trust), for the benefit of a beneficiary or to promote a purpose of public utility.

3. Moreover in 2023 (by virtue of Law 66/2023) the AML/CFT Law was amended to include a BO definition in the case of trusts (see Art. 5²(2)) which is in line with the BO definition for trusts under the FATF Standards, and also provided for the setting up of a Register of Trust administered by the STS (see Art. 14(21)). R.25 was re-assessed during the 2nd follow-up, however the progress was not considered enough to upgrade the rating of R.25.

4. **Criterion 25.1 –**

- (a) Art. 4(1) of the AML/CFT law includes as REs all natural/legal persons that carry out fiduciary activities, as well as legal professionals involved in the creation, functioning, or administration of trusts. There is no definition under the AML/CFT law to clearly establish what constitutes fiduciary activity. The authorities explained that this is interpreted to include trustees. The AML/CFT law also foresees TCSPs as REs.

As all other REs, legal professionals and persons carrying out fiduciary activity must undertake CDD measures when they conduct a business relationship (which is defined as a professional or commercial relationship). In addition, trustees or persons holding an equivalent position in a trust or similar legal arrangement are required to obtain and hold adequate, correct, and up-to-date information regarding the parties of the trust or similar legal arrangements. The trustee(s) or persons holding an equivalent position in a trust or similar legal arrangement who are residents of the Republic of Moldova or who administer a trust or similar legal arrangement in the Republic of Moldova are required to obtain and hold adequate, correct and up-to-date information regarding the parties to the trust or similar legal arrangement (settlor, trustee, the protector if any, their beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust), as provided for in Art. 52(2), clause 2. Where the parties to the trust or similar legal arrangement are legal persons, trust or similar legal arrangement, trustees or persons holding an equivalent position in a trust or similar legal arrangement are required to obtain and maintain information regarding state registration and

14. These amendments came into force in March 2019.

their BOs. CDD measures include the identification and verification of BOs of trusts (see Art. 5(2)(b)), and the carrying out of on-going monitoring obligations including keeping BO information up-to-date (see analysis under c.10.7 which likewise applies). REs are also bound to keep records of BO information (see paragraph (c)).

- (b) The authorities indicated no legal provisions requiring trustees of trusts governed under Moldovan law to hold basic information on other regulated agents and service providers of the trust.
- (c) Art. 4(1)(n) of the AML/CFT law includes as REs all natural/legal persons that carry out fiduciary activity, other than legal professionals or investment management companies. While there is no definition under the AML/CFT law of what constitutes fiduciary activity, this is interpreted to include all trustees.

Lawyers are designated as REs under the AML/CFT Law (see Art. 4(1)(j) when involved in the creation, functioning, or administration of trusts, hence including when they act as trustees. As all other REs lawyers, persons providing fiduciary services and TCSPs must undertake CDD measures including the identification and verification of BOs of trusts (see art 5(2)(b)), and record keeping obligations covering also CDD (and BO) information for a period of 5 years after a business relationship ends or an occasional transaction is executed (Art. 9(2)).

5. **Criterion 25.2** – All trustees are required to obtain and update adequate and correct information foreseen in c.25.1(a). In addition, trustees are obliged to provide this information to the STS as registration authority within 30 days after the change in relevant data.

6. Information envisaged under c.25.1(b) is not required to be kept, and hence also impacts compliance with this criterion.

7. **Criterion 25.3** – Art. 14 (paragraph 2²) of the AML/CFT Law obliges trustees to communicate the status they hold and provide reporting entities with respective information when in their capacity as a trustee they establish a business relationship or carry out an occasional transaction.

8. **Criterion 25.4** – Trustees are not prevented by legislation from providing competent authorities or FIs and DNFBPs with any information about trusts.

9. **Criterion 25.5** – LEAs are authorised to obtain information held by trustees and other parties such as FIs and DNFBPs via their general investigative powers (see R.30 and R.31). SPCML and supervisors also have necessary powers to be able to obtain timely access to information held by reporting entities (see R.27, R.28 and R.29).

10. Moreover Art. 14(21) of the AML/CFT law caters for the setting up of a Register of Trusts which contains information on beneficial owner of trusts. The Republic of Moldova however provided no further information on how this register is populated, given that there is no obligation posed on trustees to submit BO information of trusts they administer to the STS. The authorities also explained that this Register is likewise accessible to all competent authorities via the MConnect Platform (see c.24.10).

11. **Criterion 25.6** – The Republic of Moldova's ability to provide rapid access to basic information held by domestic registries and authorities, and LEAs powers to obtain the beneficial ownership information on behalf of foreign counterparts is discussed in c.24.14. Deficiencies identified under R.40 impact the implementation of c.25.6 (see c.24.14).

12. **Criterion 25.7** – Under the Contravention Code, administrative sanctions are envisaged for failure to: (i) declare information regarding BOs (which includes: the settlor, trustee(s), the protector (if any), their beneficiaries or class of beneficiaries, and any other natural person exercising ultimate

effective control over the trust), (ii) to update respective information; (iii) for submission of false, incomplete or incorrect information upon state registration of trusts. Fine in the amount of 300-800 conventional units (Euro 750-2 000) is prescribed for natural persons who commit the breach foreseen under point (iii) above. For other occasions a fine amounting to 1 000-1 500 conventional units (Euro 2 500 - 3 750) would be applied. These fines are considered as appropriate and dissuasive considering the economical context of the Republic of Moldova. In the meantime, the sanctions under Art. 35 of the AML/CFT Law are also applicable for the failure of points (i) –(iii) stated above, as they constitute infringements in the field of AML/CFT. Sanctions envisaged under the AML/CFT Law are stricter (as described under R.35). The Authorities have not provided information on the applicable law in case of competition between provisions of the mentioned laws.

13. Also, there are no requirements to hold the information set out under c.25.1(b). These deficiency impact compliance with this criterion.

14. **Criterion 25.8** – Competent authorities have access to Bo register of trusts and similar arrangements, as well as State register where they are registered. Failure to provide information necessary for registration, as well as to declare and failure to update BO information results in sanctions under the Contravention Code and the AML/CFT Law, however the deficiencies in 25.1(b) and c.25.7 apply to this criterion. Also, the failure to comply with requests for information made by LEAs may incur criminal liability for persons acting as trustees or other parties.

Weighting and Conclusion

15. There are minor deficiencies that impact compliance with R.25: (i) it is unclear which provision would be applicable for infringements listed in c.25.7; (ii) the Republic of Moldova indicated no requirements obliging trustees to hold information on other regulated agents or service provider of the trust (c.25.1(b)); (iii) the deficiency outlined under c.25.1(b) also impacts technical compliance with c.25.2, c.25.7, and c.25.8; (iv) deficiencies under R.40 impact c.25.6; and (v) the deficiency under c.25.7 apply to c.25.8. **R.25 is re-rated LC.**

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

| Recommendations | Rating | Factor(s) underlying the rating ¹⁵ |
|--|---|---|
| 8. Non-profit organisations | PC (MER) PC (FUR1 2022) PC (FUR2 2024) PC (FUR3 2025) | <ul style="list-style-type: none"> No supporting information is provided in relation to the implementing of actions on risk-based supervision and involvement of the NPO sector in prevention policies. (c.8.1(c) – FUR1) Except for measures applied by the SIS to assess the risk of NPOs against terrorism and TF, there are no other risk-based measures for the NPO sector. (c.8.3 – FUR1) The monitoring of NPOs' compliance with requirements of R.8 is not risk-based (c.8.4(a)) |
| 15. New Technologies | LC (MER) NC (FUR1 2022) PC (FUR2 2024) PC (FUR3 2025) | <ul style="list-style-type: none"> In relation to sectors other than banks, PSPs and gaming operators, the NRA conducted in 2022 does not contain the assessment of ML/TF risks related to new products and technologies as new payment methods or non-face to face verification systems of customers. (c.15.1 - FUR2) Measures undertaken to prevent or mitigate the risks associated with misuse of VAs and VASPs are not commensurate to risks identified. (c.15.3(b) – FUR2) The Republic of Moldova has lack of institutional capacity to identify all natural and legal persons engaged in VA services illegally. (c.15.5 – FUR3) The pecuniary fines applicable for serious infringements of the prohibition to provide VASP services are not considered appropriate. (c.15.5 – FUR2) Deficiencies identified under R.37-40 impact compliance with c.15.11 with the account of analysis under c.24.14. (c.15.11 – FUR2) |
| 22. DNFBPs: Customer due diligence | PC (MER) LC (FUR3 2025) | <ul style="list-style-type: none"> Limited financial transactions in casinos trigger CDD (c.22.1). There are no legal provisions permitting DNFBPs not to pursue CDD measures where this would tip-off the customer in cases of ML/TF suspicion (10.20) Financial transactions such as the payments for the use of gaming machines and depositing to or withdrawal of funds from online gambling accounts, do not seem to be covered. DNFBPs are not required to maintain the results of any analyses undertaken except those aimed at identifying complex and unusual transactions. (c.11.2) The definition of a close associate lacks relationships other than of business nature or ownership in legal persons. (c.22.3) FIs are not required to immediately obtain CDD data from third parties (c.22.5) There are no specific requirements in relation to groups when relying on a third party. (c.22.5) |
| 24. Transparency and Beneficial ownership of legal persons | PC (MER) PC (FUR1 2022) | <ul style="list-style-type: none"> The mechanisms to prevent the misuse of nominee directors are not considered as enough. (c.24.12) Deficiencies identified under Rec. 40 have an impact on the implementation of c.24.14. (c.24.14) |

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

| | | |
|---|---|---|
| | PC (FUR2 2024) LC (FUR3 2025) | |
| 25. Transparency and Beneficial ownership of legal arrangements | PC (MER) PC (FUR1 2022) PC (FUR2 2024) LC (FUR3 2025) | <ul style="list-style-type: none"> • The Republic of Moldova indicated no requirements obliging trustees to hold information on other regulated agents or service providers of the trust. (c.25.1(b) – FUR2) • The deficiency under c.25.1(b) impacts compliance with c.25.2, c.25.7, and c.25.8. (c.25.2, c.25.7 – FUR2, c.25.8 – FUR3) • The deficiency identified in c.24.14 has an impact on the implementation of c.25.6. (c.25.6) • It is unclear which provision would be applicable for infringements foreseen under c.25.7 (c.25.8 - FUR3) • Deficiency under c.25.7 apply to c.25.8 (c.25.8 - FUR3). |

GLOSSARY OF ACRONYMS

| | |
|-------------|--|
| AML/CFT Law | Law on prevention and combating money laundering and terrorism financing |
| AML/CFT | Anti-money laundering and combating financing of terrorism |
| BO | Beneficial owner |
| C | Compliant |
| CC | Criminal Code |
| CDD | Customer due diligence |
| CEPs | Compliance Enhancing Procedures |
| DNFBPs | Designated non-financial businesses and professions |
| DMPS | Dealers in precious Metals and Stones |
| EU | European Union |
| FATF | Financial Action Task Force |
| FI | Financial institution |
| FIU | Financial Intelligence Unit |
| FUR | Follow-up report |
| IT | Information technology |
| JSC | Joint Stock Companies |
| LC | Largely compliant |
| LEA | Law Enforcement Agency |
| MDL | Moldovan Lei |
| MER | Mutual evaluation report |
| ML | Money laundering |
| MoJ | Ministry of Justice |
| NC | Non-compliant |
| NCFM | National Commission for Financial Markets |
| NPO | Non-profit organisation |
| NRA | National risk assessment |
| PC | Partially compliant |
| PEP | Politically Exposed Person |
| PF | Proliferation financing |
| PSA | Public Service Agency |
| PSPs | Payment Service Providers |
| R. | Recommendation |
| RE | Reporting entity |
| SIS | Security and Intelligence Service |
| SPCML | Service for Prevention and Fight of Money Laundering |
| STS | State Tax Service |
| TC | Technical compliance |
| TF | Terrorist financing |
| VA | Virtual asset |
| VASP | Virtual assets services provider |

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Anti-money laundering and counter-terrorist financing measures -

Republic of Moldova

3rd Enhanced Follow-up Report &

Technical Compliance Re-Rating

This report analyses Republic of Moldova's progress in addressing the technical compliance deficiencies identified in the July 2019 assessment of their measures to combat money laundering and terrorist financing and in subsequent follow-up reports.

Follow-up report