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**COUNCIL OF EUROPE COMMITTEE OF EXPERTS  
ON THE EVALUATION OF ANTI-MONEY LAUNDERING  
MEASURES AND THE FINANCING OF TERRORISM**

**MONEYVAL**

**Fifth Round of Mutual Evaluations  
First Compliance Enhancing Procedures Report  
Georgia<sup>1</sup>**

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1. Adopted by MONEYVAL through written procedure (3 June 2025).

## Georgia: First Compliance Enhancing Procedures Report

### 1. INTRODUCTION

1. Rule 23(3) of the Rules of Procedure for MONEYVAL's 5th Round of Mutual Evaluations (RoP) provides for the mandatory application of compliance enhancing procedures (CEPs) at the end of the third year following adoption of a mutual evaluation report (MER) if any of the "big six" FATF Recommendations (R.3, R.5, R.6, R.10, R.11 and R.20) remain NC/PC. The Plenary has discretion only to decide on the appropriate compliance enhancing step to apply.
2. Rule 25(2) of the RoP also allows the plenary to apply CEPs to "non-big-six" Recommendations where a member has not addressed most technical compliance deficiencies by the end of their third year following adoption of a MER.
3. The 5th round MER of Georgia was adopted in September 2020. Georgia was placed into enhanced follow-up and has submitted three follow-up reports. At the time of adoption of the third follow-up report, R.6 was still rated as PC and so Georgia was placed in CEPs in December 2024 (68th Plenary) in respect of that Recommendation.
4. This is the first CEPs report for Georgia. The purpose of this first report is to summarise the progress that Georgia has made to remedy identified shortcomings in respect of R.6.

### II. GENERAL PROGRESS MADE SINCE 68TH PLENARY (December 2024)

5. The objective of CEPs is not to re-rate covered Recommendations, which may be done only under the follow-up process. Instead, CEPs reports provide a general overview on whether a member has made progress addressing shortcomings identified in the MER or subsequent FUR(s) and to what extent.
6. This section reviews progress in addressing shortcomings identified under R.6 in [Georgia's third FUR](#) (adopted October 2024).

Shortcoming 1: With respect to UNSCR 1373, the decisions of the Commission on designating persons or entities pursuant to UNSCR 1373 are not binding for all natural and legal persons within the country. There is no obligation for their application without delay. (c.6.4)

*Action taken to address shortcoming:* Georgia has not reported any steps taken to address the current shortcoming.

*Remaining shortcoming:* With respect to UNSCR 1373, the decisions of the Commission on designating persons or entities pursuant to UNSCR 1373 are not binding for all natural and legal persons within the country. There is no obligation for their application without delay. (c.6.4)

Shortcoming 2: Not all natural and legal persons within the country are required to freeze, without delay and without prior notice, the funds or other assets of designated persons and entities. (6.5(a))

*Action taken to address shortcoming:* Georgia has not reported any steps taken to address the current shortcoming.

*Remaining shortcoming:* Not all natural and legal persons within the country are required to freeze, without delay and without prior notice, the funds or other assets of designated persons and entities. (6.5(a))

**Shortcoming 3:** There is no explicit prohibition extending to nationals of Georgia and any persons and entities within its jurisdiction, to apply the prohibition set out under this criterion. (6.5(c))

*Action taken to address shortcoming:* Georgia has not reported any steps taken to address the current shortcoming.

*Remaining shortcoming:* There is no explicit prohibition extending to nationals of Georgia and any persons and entities within its jurisdiction, to apply the prohibition set out under this criterion. (6.5(c))

**Shortcoming 4:** Georgia does not have a mechanism for communication of designations to the financial sector and DNFBPs immediately upon taking such action. (6.5(d))

*Action taken to address shortcoming:* In September 2024, the Government Commission on Implementation of United Nations Security Council Resolution (UNSCR) (Government Commission) issued a decision to oblige its Secretariat (International Relations and Legal Cooperation Department of the Ministry of Justice of Georgia) to send notifications regarding any changes implemented by United Nations Security Council Sanctions Committees to member authorities of the Commission, inter alia the FIU and supervisory bodies. According to decision of the Government Commission notifications should be sent on the same day that the above-mentioned changes come into effect via an electronic system. Upon receipt of notifications, the 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.

Meanwhile, the Rules and Procedures for Compiling Lists of Persons Involved in Terrorism and/or Terrorism Financing were amended to reduce the previously foreseen two-day term for notifying supervisory bodies and obliged entities. In line with the amended rule, official notifications on any changes introduced into the national list of persons involved in terrorism/terrorism financing should be sent by the Secretariat of the Government Commission on the same day that a change is made.

*Remaining shortcoming:* Georgian authorities did not demonstrate that timelines are in place to oblige FIU staff to forward Government Commission notifications immediately.

**Shortcoming 5:** The Guideline adopted by the Commission on 26 April 2023 on the implementation of UNSCRs would benefit from being adapted to specific businesses of different types of obliged entities. (6.5(d))

*Action taken to address shortcoming:* Georgia has not reported any steps taken to address the current shortcoming.

*Remaining shortcoming:* The Guideline adopted by the Commission on 26 April 2023 on the implementation of UNSCRs would benefit from being adapted to specific businesses of different types of obliged entities. (6.5(d))

Shortcoming 6: No explicit requirement for FIs and DNFBPs to report to competent authorities any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSCRs, including attempted transactions. (6.5(e))

*Action taken to address shortcoming:* Georgia has not reported any steps taken to address the current shortcoming.

*Remaining shortcoming:* No explicit requirement for FIs and DNFBPs to report to competent authorities any assets frozen or actions taken in compliance with the prohibition requirements of the relevant UNSCRs, including attempted transactions. (6.5(e))

Shortcoming 7: Georgia does not have a mechanism for communication of delisting and unfreezing to the financial sector and DNFBPs immediately upon taking such action. (6.6(g))

*Action taken to address shortcoming:* The mechanism described to address shortcoming 4 of this report is equally applicable to communication of de-listings. Hence, the communication mechanism misses one element, i.e. timelines for circulation by the FIU. Also, under Article 42 of the AML/CFT Law of Georgia unfreezing is not an automatic step after delisting. There is no explicit mechanism for communicating unfreezing to the financial sector and the DNFBPs. The Government Commission takes a decision on unfreezing funds following one on de-listing, whereas the Secretariat of the Government Commission is required to send notifications on changes in terrorist-related lists but not on decisions to unfreeze funds.

*Remaining shortcoming:* Georgian authorities did not demonstrate that timelines are in place to oblige FIU staff to forward Commission de-listing notifications immediately. Also, Georgia does not have an explicit mechanism for communicating unfreezing action.

Shortcoming 8: There is no 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. (6.6(g))

*Action taken to address shortcoming:* In September 2024, Georgia amended Guidance on the Implementation of United Nations Security Council Sanctions to include a new chapter on de-listing and unfreezing procedures. This chapter contains: (i) provisions on the applicable legal framework on de-listing and unfreezing; (ii) main definitions; (iii) grounds for the removal of persons or entities from the list of sanctioned individuals; (iv) communication procedures; and (v) responsibilities of competent authorities. The mentioned Guidance explains that obliged entities, upon receipt of information, are obliged to immediately release - from "financial freezing" - assets of a person or entity removed from the list. However, as mentioned in relation to shortcoming 7, there is no explicit mechanism for communicating unfreezing decisions, and obliged entities receive notifications only of de-listing which take place under a separate decision of the Government Commission (Article 42 of the AML/CFT Law). As a result, under Guidance, FIs and DNFBPs are expected to apply automatic unfreezing based on de-listing, whereas the AML/CFT Law provides for an unfreezing action to be based on a decision on unfreezing taken by the Government Commission.

*Remaining shortcoming:* The Guidance provides for basis for unfreezing which is in contradiction with the AML/CFT Law of Georgia. (6.6(g))

### III. CONCLUSION

7. Georgia has made some progress to address shortcomings under R.6.
8. However, most shortcomings remain, and so Georgia should remain under step 1 of CEPs and is expected to report again at the next plenary (December 2025) on additional action that has been taken.