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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
2nd Compliance Enhancing Procedures Report

GEORGIA[1]

[1] Adopted by the MONEYVAL Committee at its 71st Plenary Meeting (Strasbourg, 27 - 29 May 2026)

Georgia: Second Compliance Enhancing Procedures Report

I. 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 CEPs at the end of the third year following adoption of a 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 mutual evaluation report (MER) of Georgia was adopted in September 2020. Georgia was placed into enhanced follow-up and has submitted four follow-up reports. At the time of adoption of the fourth 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. In May 2025, Georgia provided its first CEPs report, which highlighted some progress in relation to shortcomings under R.6. However, as progress was limited, the plenary decided to continue to apply step 1.

5. This is the second CEPs report for Georgia. The purpose of this report is to summarise the progress that Georgia has made to remedy identified remaining shortcomings in respect of R.6.

II. GENERAL PROGRESS MADE SINCE THE 69th PLENARY (June 2025)

6. 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.[2]

7. This section reviews progress in addressing shortcomings identified under R.6 in Georgia's fourth FUR (adopted December 2025).

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 the shortcoming: Targeted financial sanctions are implemented pursuant to Article 1 paragraph 3 of Georgia's AML/CFT law, dated 26 November 2025, stating that all natural and legal persons shall be obliged to comply with the requirements set forth in Article 41 (Enforcement of sanctions) with respect to the persons listed in the list of sanctioned persons established by the United Nations Sanctions Committees acting in accordance with the UN Security Council resolutions adopted under Chapter VII of the UN Charter on Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction and with respect

[2] Where a technical deficiency is addressed through legislation or other enforceable means, it should be in force and effect at the time of the plenary that is linked to the follow-up cycle (Rule 27(7) of the RoP and p.16 of the Guidance Note on CEPs).

to the persons listed in the list of sanctioned persons by the Governmental Commission on Matters of Enforcement of UNSCRs acting pursuant to UN Security Council Resolution 1373 (2001). Georgia has further amended its AML/CFT Law by adding Article 41 Paragraph 7. This provision further stipulates that actions by all natural and legal persons must be taken without delay and without prior notice.
Remaining shortcoming: No shortcoming remains.

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 the shortcoming: Georgia has adopted an amendment to Article 1 of its AML/CFT Law by adding Paragraph 3. This provision provides that all natural and legal persons are obliged to comply with the requirements established within Article 41 in relation to designated persons by the United Nations Sanctions Committees acting in accordance with the UNSC regulations Chapter VII of the UN Charter on Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction and with respect to the persons listed in the list of sanctioned persons by the Governmental Commission on Matters of Enforcement of UNSCRs acting pursuant to UN Security Council Resolution 1373 (2001). Georgia has also adopted Paragraph 7, Article 41 within its the AML/CFT Law further stipulating that all natural and legal persons must freeze without delay and without prior notice funds or other assets of designated persons.
Remaining shortcoming: No shortcoming remains.

Shortcoming 3: There is no explicit prohibition extending to the nationals of Georgia and any persons and entities within its jurisdiction to apply the prohibition set out under this criterion. (c.6.5(c))
Action taken to address the shortcoming: Georgia has adopted amendments to its AML/CFT Law, specifically in relation to Article 41 Paragraph 7. This provision provides that no funds or other assets, economic resources, or financial or other related services, shall be made available to the persons in the list of sanctioned persons, directly or indirectly, wholly or jointly, for the benefit of the person in the list of sanctioned persons; entities owned or controlled, directly or indirectly, by designated persons; and persons acting on behalf of, or at the direction of, designated persons or entities, unless otherwise authorized in accordance with UNSCRs.
Remaining shortcoming: No shortcoming remains.

Shortcoming 4: Georgian authorities did not demonstrate that timelines for circulation of notifications have been agreed and documented. (c.6.5(d))
Action taken to address the shortcoming: The Secretariat of the Governmental Commission has adopted amendments to the Rules and Procedures for Compiling Lists of Persons Involved in Terrorism and/or Terrorist Financing. These amendments introduced a new regulation prescribing a communication procedure in cases of designation, de-listing, and unfreezing measures (i.e., upon the inclusion or removal of a person from the sanctions list) regarding any changes implemented by the United Nations Security Council Committees or by the

Governmental Commission pursuant to UNSCR 1373 (2001). Article 6.1 of these Rules and Procedures provide that the Secretariat of the Commission shall notify all members of the Commission, the supervisory authorities provided under the AML/CFT Law, and the National

Bureau of Enforcement of newly designated persons. Likewise, pursuant to article 6.2, supervisory authorities shall communicate this information accordingly to obliged entities under their supervision pursuant to Article 4 of the AML/CFT Law.

The Methodology, International Relations and Legal Department within the Financial Monitoring Service, as a member of the Governmental Commission, has been given responsibility to alert all obliged entities on any changes in UNSCR lists. This includes the domestic list adopted under Resolution 1373. The Statue of the Financial Monitoring Service (the FMS Statute) has been amended to read that it is responsible for the transmission of information, without delay, to all obliged entities on any updates to the sanctions lists established by the United Nations Security Council Resolutions and the Governmental Commission on Matters of Enforcement of UNSCRs.

Overall, while article 6.2 of the Rules and Procedure Document (Annex 3) does not provide specific reference to the immediate notification of obliged entities by supervisory authorities, the FMS' Statute ensures that all obliged entities are notified without delay.

Remaining shortcoming: No shortcoming remains.

Shortcoming 5: The Guideline relating to the implementation of United Nations Security Council Sanctions provided to obliged entities is not adapted to specific businesses or different types of obliged entities. (c.6.5(d))

Action taken to address the shortcoming: Chapter 3 of Georgia's UNSC Sanctions Implementation Guideline provides concise and practical guidance to all obliged entities (i.e., both financial institutions and DNFBPs). Specifically, section 3.1.1 provides guidance on (1) freezing financial assets and (2) prohibiting the provision of financial assets and services. This guidance does not specifically address virtual asset service providers.

Remaining shortcoming: No shortcoming remains in relation to providing guidance to financial institutions and DNFBPs as required by criterion 6.5(d). However, specific reference to virtual asset service providers is not included at this stage.

Shortcoming 6: The reporting obligation under Art. 10(7) in conjunction with Art. 25(1) of AML/CFT Law does not amount to reporting to the FMS any assets frozen. (c.6.5(e))

Action taken to address the shortcoming: Article 10 (7^1) provides that if an obliged entity, while carrying out activities, discovers the assets in a name of the person under subparagraphs "a" – "c" of Article 41(4) of this Law, obliged entity shall submit a report to FMS as provided for in Article 25(1) of this Law. Article 10 (7^2) of the AML/CFT law requires obliged entities to include information on any assets frozen, in accordance with the requirements of the relevant UNSCRs, when submitting a report pursuant to Article 25(1) of the AML/CFT Law. However, the AML/CFT Law does not explicitly include reporting attempted transactions.

Remaining shortcoming: No shortcoming remains in relation to reporting to the FMS any assets frozen. The amendment made to the AML/CFT Law in relation to this shortcoming is considered to address the identified shortcoming in relation to criterion 6.5(e). However, a gap remains in relation to reporting attempted transactions.

Shortcoming 7: The deficiencies described in c.6.5(d) with regard to the mechanisms for communicating designations to obliged entities apply in respect of compliance with this criterion. (c.6.6(g))
Action taken to address the shortcoming: The mechanisms applicable here are the same as apply for the notification of obliged entities for listing new designations. Please refer to the analysis provided under shortcoming 4.
Remaining shortcoming: No shortcoming remains.

Shortcoming 8: 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 is not harmonised with the AML/CFT Law. (6.6(g))
Action taken to address shortcoming: Chapter 4 of Georgia's UNSC Sanctions Implementation Guideline provides guidance to both the FIs and DNFBPs on their obligations to lift financial restrictions, restore property rights over movable and immovable assets, and provide services requested. This guidance does not specifically address virtual asset service providers.
Remaining shortcoming: No shortcoming remains in relation to providing guidance to financial institutions and DNFBPs as required by criterion 6.6(g). However, specific reference to virtual asset service providers is not included at this stage.

III. CONCLUSION

8. Georgia has made sufficient progress in addressing the shortcomings under R.6. Out of eight shortcomings that remained following the CEPs report from June 2025, five are addressed fully and three are addressed largely. Overall, the identified shortcomings can be considered adequately addressed.

9. Taking into consideration the progress made by Georgia in rectifying the deficiencies in relation to R.6, the Plenary confirmed that CEPs for Georgia are terminated.