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Technical Support Instrument (TSI)

22LT08 – STRENGTHENING RISK-BASED AML/CFT SUPERVISION IN LITHUANIA

Project Summary

Project title	Strengthening Risk-Based AML/CFT Supervision in Lithuania (22LT08)
Project area	Lithuania
Budget	644,445 Euros
Funding	European Commission DG REFORM
Implementation	Economic Crime and Cooperation Division
Duration	27 months (29 June 2022 – 28 September 2024)

1. BACKGROUND

The Technical Support Instrument (TSI) is the EU programme that provides tailor-made technical expertise to EU Member States to design and implement reforms. The support is demand driven and does not require co-financing from Member States. The TSI is the successor programme of the Structural Reform Support Programme (2017-2020) and builds on its experience in building capacity in Member States.

In 2022, the European Commission Directorate-General for Structural Reform Support (DG REFORM) continued its cooperation with the Council of Europe to support member states in effectuating structural reforms in governance and public administration and the financial sector. The technical support will be provided under the conditions set in the Contribution Agreement REFORM/IM2022/002. As part of this envelope and in order to contribute to reforms in EU countries, the Economic Crime and Cooperation Division of the Council of Europe will be supporting as of June 2022 two EU member states (Lithuania, Poland) in implementing anti-money laundering/countering terrorist financing reforms.

2. NEEDS, OBJECTIVES, EXPECTED RESULTS AND ACTIVITIES

The overall objective of the Project on Strengthening Risk-Based AML/CFT Supervision in Lithuania is to support Lithuania in its efforts to implement reforms, which could encourage investment, increase competitiveness and assist in achieving sustainable economic and social convergence, resilience and recovery. This should also strengthen their institutional and administrative capacity, including at regional and local levels, to facilitate socially inclusive, green and digital transitions, to effectively address the challenges identified in the country-specific recommendations and to implement Union law. Implementation of the Project

contributes to the ongoing reform on the anti-money laundering/combatting the financing of terrorism (AML/CFT) regime in Lithuania. The expected long-term effect of this Project (impact) is an enhanced AML/CFT regime in Lithuania, through strengthening the FCIS' risk-based supervision and its consequent supervisory approach to the sectors within its remit. Specific activities will include development of ML/TF Sectoral Risk Assessment Methodology for relevant higher-risk sectors of OEs identified by the recent National ML/TF Risk Assessment, review of the existing framework and tools for exchanging information between the AML-CFT Supervisory Unit (AML-CFTSU) of the Financial Crime Investigation Service (FCIS) with other AML/CFT and prudential supervisors, provision of guidance to authorities in conducting Sectoral Risk Assessments of Virtual Assets (VA) and Virtual Asset Service Providers (VASPs) pursuant to the Methodology developed by the Council of Europe, development of the AML/CFT Risk-Based Supervision Manual for the AML-CFTSU, and development of training materials and provision of trainings on the risk-based supervision for the AML-CFTSU staff.

The Outcomes of the Project are:

Outcome 1	Improved understanding of the AML/CFT risks regarding sectors supervised by the FCIS
Outcome 2	Strengthened AML/CFT risk-based supervision performed by the FCIS

3. IMPLEMENTATION ARRANGEMENTS

The Project is being implemented by the Economic Crime and Cooperation Division (ECCD) of the Action against Crime Department, Directorate General I of the Council of Europe. The coordination of the project will be conducted by the Advisory Group, composed of representatives of the key stakeholders, namely: Financial Crime Investigation Service (FCIS) under the Ministry of Interior, the Council of Europe and the European Commission DG REFORM.

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