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Technical Support Instrument (TSI)

23BG03 – ENHANCING THE CAPABILITIES FOR RISK-BASED AML SUPERVISION AND FINANCIAL INTELLIGENCE IN BULGARIA

Project Summary

Project title	Enhancing the capabilities for risk-based AML supervision and financial intelligence in Bulgaria (23BG03)
Project area	Bulgaria
Budget	583,333 EUR
Funding	European Commission DGREFORM (90%) and Council of Europe (10%)
Implementation	Economic Crime and Cooperation Division
Duration	27 months (1 September 2023 – 30 November 2025)

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 2023, 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 Framework Contribution Agreement REFORM/IM2023/009. 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 September 2023 twelve EU member states (Austria, Bulgaria, Czech Republic, Cyprus, Denmark, France, Hungary, Lithuania, Malta, Romania, Slovenia and Spain) in implementing anti-money laundering/countering terrorist financing (AML/CFT) reforms, as well as in implementing the EU sanctions' regime.

2. PROJECT IMPACT, OBJECTIVE AND OUTCOMES

The general objective of the Project is to support Bulgaria in its efforts to implement reforms, which could encourage investment, increase competitiveness and assist in achieving sustainable economic and social convergence, resilience and recovery. More specifically, Bulgarian authorities will benefit from support in implementing Moneyval recommendations

and EU AML/CFT requirements through targeted technical assistance efforts. The expected long-term effect of this Project (impact) is an enhanced AML/CFT regime in Bulgaria through strengthening Financial Intelligence Directorate of State Agency for National Security (FID-SANS)' risk-based supervision and its operational and strategic analytical functions.

The Project shall contribute to enhancing the effectiveness of FID-SANS' AML/CFT supervision of selected sectors of obliged entities (OEs) by conducting an expert review of its methodology for conducting risk-based supervision, by providing recommendations for further enhancing the data collection, as well as by training FID-SANS representatives on conducting risk-based supervision. The Project will moreover contribute to strengthening FID-SANS' strategic and operational analysis functions, by conducting training activities in this area, as well as by developing internal procedures on conducting strategic analysis. Training and related guidance document will also be provided in the field of open-source intelligence (OSINT) for operational and strategic analysis purposes. Finally, the project will also organise awareness raising workshops for selected sectors of OEs (DNFBPs, VASPs, electronic wallet providers) on current and emerging ML/TF risks, trends and typologies, as well as on the submission of Suspicious Transaction Reports (STR). This will be accompanied by the development of guidance documents on STR reporting and on the implementation of their Terrorist Financing and Targeted Financial Sanctions obligations.

The Outcomes of the Project are:

Outcome 1	Improved risk-based AML/CFT supervision of selected sectors of obliged entities supervised and operational and strategic analysis capacity by FID-SANS.
Outcome 2	Enhanced understanding of selected obliged entities' sectors as regards their AML/CFT obligations.

3. IMPLEMENTATION ARRANGEMENTS AND CONTACTS

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 national coordination for the beneficiary country is conducted by the Financial Intelligence Directorate of State Agency for National Security (FID-SANS).

Economic Crime and Cooperation Division (ECCD) EU Member States and Neighbourhood Unit Council of Europe F-67075 Strasbourg, Cedex FRANCE	Edmond Dunga Head of Unit Council of Europe Tel: +33 3 90 21 66 52, e-mail: edmond.dunga@coe.int
	Tomislav Sertic Programme Manager Council of Europe Tel: + 33 3 90 21 46 16, e-mail: tomislav.sertic@coe.int
	Sabina Sinjerean Junior Professional Council of Europe Tel: +33 3 88 41 24 93, e-mail: sabina.sinjerean@coe.int

