

Press Release

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MONEYVAL publishes its 3rd Round Evaluation Report on Moldova

Strasbourg, 20.02.2008 - The Council of Europe's MONEYVAL Committee (Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism) has published the Third Round Evaluation report on Moldova. This report analyses the implementation of international and European standards to combat money laundering and terrorist financing, assesses levels of compliance with the FATF 40+9 Recommendations and includes a recommended action plan to improve the Moldovan anti-money laundering (AML) and combating the financing of terrorism (CFT) system.

The two previous evaluation rounds highlighted a large number of shortcomings. The Moldovan authorities have tried to address some of them through the modification of the existing laws, the adoption of new ones and regulations. The AML law, in force since 2001, has been amended regularly since then, to address a range of issues, particularly in relation to the suspicious transaction reporting regime and the competences of the authorities in charge of AML matters. Efforts to implement the CFT dimension remain modest but under development.

The main findings of the evaluation report are:

- The money laundering offence which is currently in force could serve as an adequate tool to combat money laundering if further refined and clarified. The limited data on cases investigated and brought to court indicate a lack of effective implementation and serious efforts need to be made to increase the effectiveness of the system, particularly in the court phase.
- The terrorist financing offence does not presently meet international standards and needs to be reviewed. There have been no TF cases as yet.
- The authorities still make insufficient use of new provisions enabling them to seize, freeze and confiscate and a number of deficiencies still need to be addressed.
- At the time of the on-site visit very limited action had been taken to ensure compliance with the respective UN Security Council resolutions, and despite several measures taken in 2006, the legal structure for the implementation of the resolutions remained incomplete.
- Generally, there are serious doubts about the current structure and capacity of the FIU to properly perform its tasks and functions. The autonomy and powers of the FIU need reviewing and its identity should be established clearly in legislation.
- The preventive side of the AML/CFT regime is based on the AML law and the recommendations of the National Bank of Moldova (NBM). The legal requirements in the AML law cover only simple identification at the time of account opening. The requirement for a CDD process, including verification, is not provided for. Record-keeping requirements are generally not satisfactory.
- Moldova's supervisory and oversight system is fairly complex and raises serious concerns regarding the allocation of powers and responsibilities among competent authorities. Moldova should address these shortcomings, in particular through the explicit designation of supervisory bodies for AML/CFT purposes and through adequate powers to ensure compliance.

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A political organisation set up in 1949, the Council of Europe works to promote democracy and human rights continent-wide. It also develops common responses to social, cultural and legal challenges in its 47 member states.

- Although DNFBPs are covered by the AML law, there are major concerns regarding the effective implementation of AML/CFT measures by the non-financial businesses and professions and their level of awareness and commitment. Moldova should urgently address this issue.
- Moldova has a sufficient framework for providing international cooperation. Gaps in the framework to enable financial supervisory bodies to exchange information and to cooperate with foreign counterparts need addressing.
- The authorities also need to put in place a co-ordinated national strategy on AML/CFT matters, involving all the different key players and, as far as possible, the private sector.

The report was adopted at MONEYVAL's 24th Plenary meeting (Strasbourg, 10-14 September 2007). MONEYVAL will follow-up implementation of the recommendations through its progress report procedure, under which all MONEYVAL countries are required to update the Committee on action taken on the mutual evaluation report one year after its adoption.

This report is available at <http://www.coe.int/moneyval> .