

Press Release

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MONEYVAL publishes its 3rd Round Evaluation Report on the Russian Federation

Strasbourg, 01.10.2008 - 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 today the [Third Round Evaluation report on the Russian Federation](#). This report analyses the implementation of international and European standards to combat money laundering and terrorist financing, assesses levels of compliance with the Financial Action Task Force (FATF) 40+9 Recommendations and includes a recommended action plan to improve the Russian anti money laundering and combating the financing of terrorism (AML/CFT) system.

The Mutual Evaluation Report on the Russian Federation is a joint evaluation undertaken by the FATF, MONEYVAL and the Eurasian Group (EAG).

The main findings of the report are:

- The threshold for the criminalisation of money laundering has been abolished. Russia follows an "all crimes approach" and all designated categories of offences are covered apart from insider trading and market manipulation. The previous MONEYVAL examiners recommended that consideration be given to negligent money laundering. This still has not been criminalised and neither has Russia established criminal liability for legal persons.
- Russia now possesses a dual procedure for dealing with confiscation. The Criminal Code and the Criminal Procedure Code both contain provisions that authorise the confiscation of proceeds of crime.
- Since September 2007 the Russian Financial Intelligence Unit (*Rosfinmonitoring*) is placed directly under the authority of the Prime Minister, though it still enjoys full operational autonomy. Rosfinmonitoring supervises all designated non financial businesses and professions which do not have a supervisory authority. Law enforcement authorities now have full access to banking information at an early stage of the investigation though a court order is required. The regional bodies of Rosfinmonitoring now have full access to the headquarters databases. Suspicious Transaction Reports (STRs) have increased significantly during the last year and so have the number of convictions. The majority of STRs are from the credit institutions and the financial sector.
- Effective implementation of Recommendation 33 and Special Recommendations III, VI, VIII and IX needs addressing.
- The systems for record keeping and suspicious transaction reporting are generally sound and in line with the FATF Standards. Improvements in the customer due diligence area are required.

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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.

- Russia should review and update all its supervisory laws and practices. None of the supervisory authorities in Russia currently possesses an adequate level of sanctioning powers, and criminal ownership of financial institutions is not specifically prohibited. The Bank of Russia is nonetheless to be commended for performing its tasks at an acceptable level despite the lack of legal tools. Progress by the Russian Federation in addressing these issues should be monitored.
- International co-operation by the Russian Federation is generally sound, based on practical mechanisms and supported by numerous treaties.

The report was adopted at MONEYVAL's 27th Plenary meeting (Strasbourg, 7 – 11 July 2008). 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.