

Press Release

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MONEYVAL Publishes its 3rd Round Evaluation Report on Romania

Strasbourg, 17.10.2008 - The Council of Europe's MONEYVAL Committee (Committee of Experts on the Evaluation of Anti-Money Laundering Measures and Financing of Terrorism) has published today the [Third Round Evaluation report on Romania](#). 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 Romanian Anti Money Laundering and Counter Terrorist Financing (AML/CFT) system.

The main findings of the evaluation report are:

- Since the second evaluation in April 2002 the Romanian authorities have moved to a full "all crimes" approach for predicate offences. The "tipping off" offence has been criminalised and corporate liability has been introduced. Confiscation of proceeds are applied in cases of money laundering and terrorist financing and if the proceeds are not found, their equivalent value shall be confiscated.
- The AML/CFT legislation (no. 656/2002) is in place and appears to be sound and largely in line with the international requirements under the new Methodology. The reporting obligation, however, seems not to cover the full width of Recommendation 13. There have been final convictions in five money laundering cases and tax evasion is still the most common predicate offence. The evaluation team was none-the-less concerned that the time frame between indictment and final conviction appears unreasonable long.
- Since the second round, separate criminal offences of terrorist financing were introduced in Law 535/2004 on Preventing and Fighting Terrorism. Attempt is not covered under the reporting obligation. At the time of the on-site visit these provisions had not been tested in any investigation or prosecution.
- The Romanian FIU (NOPCML) undertakes a leading role in the development, coordination and implementation of the AML/CFT system. Although the NOPCML appears to be well staffed the number of persons who may perform on-site inspections seems to be insufficiently for the large number of entities to be supervised.
- On the preventive side Romania's legal framework addresses in detail a substantial number of the FATF requirements on customer due diligence. However, in certain key areas there are a number of gaps: this is particularly relevant in those areas on which FATF places a considerable emphasis including identification of beneficial owners and identification of politically exposed persons. AML/CFT preventive measures also need to be enhanced for designated non financial businesses and professions.

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- The NOPCML supervises all reporting entities, which do not have other supervisory authorities. It should be noted that joint supervision between the NOPCML and the prudential supervisory authorities is currently being undertaken. However, in the light of the number of reporting entities and the limited resources of the NOPCML Romania should consider either increasing NOPCML's supervisory capacity, or redefining responsibilities between the various supervisors.

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.

MONEYVAL's report is available at: <http://www.coe.int/moneyval>