

Press Release

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MONEYVAL publishes its evaluation report on Montenegro

Strasbourg, 07.05.2009 - 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 [report on Montenegro](#) under the third evaluation round.

The 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 anti-money laundering (AML) and combating the financing of terrorism (CFT) system of Montenegro.

The main findings of the evaluation report are:

- This was the first evaluation visit since the declaration of independence in 2006. Overall the Montenegrin authorities have achieved considerable progress in establishing a legal structure and law enforcement and regulatory systems to counter money laundering and the financing of terrorism.
- Money laundering and terrorist financing are criminalised under the Criminal Code although the offences are not fully consistent with international standards. There has been one conviction for money laundering.
- No laws or procedures appear to be in place in Montenegro which specifically relate to the freezing of terrorist funds or other assets of persons designated by the United Nations Al-Qaida and Taliban Sanctions Committee. Lists of designated entities are being distributed to reporting entities. However an effective mechanism to freeze such funds still needs to be created.
- The Administration for the Prevention of Money Laundering and Terrorist Financing is an administrative financial intelligence unit. The fact that the FIU and many of the law enforcement and supervisory bodies are relatively newly formed and were still in the process of recruiting at the time of the visit meant made it difficult for the evaluators to form a view of their effectiveness.
- The Law on the Prevention of Money Laundering and Terrorist Financing entered into force in January 2008. The main elements concerning customer due diligence appeared to be well covered. The main concerns relate to the actual implementation of the legal provisions, in particular regarding the beneficial owner identification and the verification that a person has the relevant authority to act. Although adequate legal provisions were in place with regard to politically exposed persons, financial institutions did not appear to be fully aware of their obligations and had not instituted proper procedures to address the risk.
- The low number of suspicious transaction reports which were filed by a limited number of financial institutions and the absence of reports from designated non-financial businesses and professions raised concerns about the effectiveness of the reporting requirements. There were no reports on financing of terrorism.
- The Central Bank has been monitoring AML/CFT issues for some time and commenced on-site visits in 2006 which included such issues. As regards other financial institutions, the recent establishment of other competent authorities did not allow the evaluators to reach a conclusion as to their effectiveness. More work needed to be done in monitoring the compliance of designated non-financial businesses and professions

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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.

- The framework for international judicial co-operation in money laundering and terrorist financing cases is generally comprehensive and offers all the necessary solutions for rapid and effective legal assistance.

The report was adopted at MONEYVAL's 29th Plenary meeting (Strasbourg 16-20 March 2009). 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>