

Press Release

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MONEYVAL publishes its 3rd Round Evaluation Report on Andorra

Strasbourg, 28.07.2008 - 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 3rd round Evaluation report on Andorra. 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 Andorran anti-money laundering (AML) and combating the financing of terrorism (CFT) system.

The main findings of the evaluation report are:

- There were no major reforms or changes since the last evaluation of Andorra in the second evaluation round. The Act on International criminal cooperation against money laundering and the proceeds of international crime is the main text regulating money laundering and the preventive mechanism has not yet been extended to the fight against the financing of terrorism.
- The laundering offence of the 2005 Criminal Code applies to an extended list of predicate offences of money laundering. This progress was accompanied by a step back in several areas as self-laundering, laundering by negligence and the criminal liability of legal persons are no longer covered. Since 2004, the laundering provision has been used successfully: 38 proceedings have been initiated, mainly linked to international trafficking, and several convictions were achieved.
- The terrorist financing offence is confined to forms of support for terrorist groups, however various features need to appear explicitly in the relevant provision of the Criminal Code in order to increase legal certainty. There have been no TF cases as yet.
- Andorra has no specific legal framework to implement international sanctions but it has taken certain steps to apply these sanctions and to respond to requests from abroad for the freezing of assets by a flexible interpretation of the general criminal law. There are no specific and detailed regulations on such matters as the listing and delisting of persons, the conditions for unfreezing assets and information to the public, apart from the banking system, on which efforts have hitherto been concentrated.
- The UPB (the Andorran Financial Intelligence Unit) appears to perform its functions in a satisfactory manner. However, certain issues need to be resolved, such as its resources, its power/authority and its competences in respect of anti-terrorist financing, and several recommendations were made in this respect.
- As regards the preventive measures for financial institutions and designated non-financial businesses and professions (DNFBPs), there are significant gaps as several key requirements as set out in the FATF Recommendations are insufficiently addressed. At the time of the on-site visit, DNFBPs had never been supervised in practice. Accountants and tax advisers, dealers in high value items and various professions offering a range of services to companies and individuals have never made any suspicious transaction reports.
- There is no obligation to report suspicions of terrorist financing.

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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.

- National co-operation is generally satisfactory but a number of issues have still not been resolved. There appeared to be important coordination problems between the Andorran National Institute of Finances and the financial intelligence unit on AML/CFT related responsibilities.
- Andorra is able to grant legal assistance without subjecting it to excessively restrictive conditions. A number of recommendations were made to assist in improving the legal framework for international cooperation in criminal matters, in particular as regards the limitations arising from provisions on professional and banking confidentiality and secrecy, the time limits for responding to foreign requests, the gaps in the system on provisional measures and confiscation. Tax evasion is not an offence in Andorra. However it would seem that legal assistance could be provided in a money laundering context where tax evasion is also involved so long as it is used for laundering investigations and not for tax-related cases. An increase in the number of staff responsible for legal assistance seemed necessary. The situation as regards extradition appeared to be satisfactory. International cooperation with supervisory authorities needs to be developed.

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>