

Council of Europe report calls on Andorra to improve prevention and repression of money laundering

Strasbourg, 15.05.2012 – In a [report](#) published today, the Council of Europe's [MONEYVAL](#) Committee called on [Andorra](#) to improve measures to combat money laundering and terrorist financing.

In 2007, the country adopted an action plan strengthening repressive and preventive mechanisms, in line with standards set by the [Financial Action Task Force](#). MONEYVAL finds that some progress has been achieved in the legislation on money laundering and terrorist financing offences, but it still does not fully reflect the requirements of the international standards.

Andorra also now has in place the necessary legislation for the seizure and confiscation of criminal assets, but the lack of means of criminal justice bodies hinders its effectiveness. The number of convictions and the amounts of assets confiscated in proceedings initiated domestically remain modest. No regulatory framework for freezing terrorist assets in accordance with UN Security Council Resolutions has been adopted to date.

Andorra has subjected a variety of financial businesses and other commercial activities to preventive measures, which require general and risk-specific customer due diligence, the adoption of internal rules and procedures, and the reporting of suspicions of money laundering and terrorist financing, although further improvements are still needed. The supervision mechanisms in place to ensure compliance appear to lack effectiveness.

The report also concludes that the Andorran Financial Intelligence Unit has insufficient human and technical resources to perform its tasks.

The international co-operation system and practice appear sound and effective: Andorra is able to offer a broad range of judicial assistance measures and the authorities' attitude is flexible and constructive. There are however some deficiencies regarding exchange of information and co-operation with foreign supervisory authorities.

According to MONEYVAL's procedures, Andorra will have to submit a follow-up report on implementation of the report's recommendations by March 2013.

The Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism ([MONEYVAL](#)) is a Council of Europe body that assesses compliance of its members with the relevant international standards to counter money laundering and terrorist financing. It also makes recommendations to national authorities aimed at improving their systems to combat money laundering and the financing of terrorism. 28 Council of Europe member states are currently subject to MONEYVAL's evaluation procedures, as well as Israel and the Holy See (including the Vatican City State).