



T +33(0)388412560

www.coe.int

pressunit@coe.int

Ref. DC 129(2012)

Council of Europe issues report on measures to combat money laundering and terrorism financing in Latvia

Strasbourg, 22.11.2012 – The Council of Europe's [MONEYVAL](#) Committee published today a [report](#) evaluating measures to combat money laundering and terrorist financing in [Latvia](#).

MONEYVAL concludes that Latvia has a comprehensive legal structure to combat money laundering and terrorist financing, and has taken significant legislative steps to remedy many of the deficiencies identified in the previous evaluation, particularly on prevention. A new Law on the Prevention of Laundering the Proceeds from Criminal Activity and of Terrorist Financing brought the money laundering offence more into line with international standards. Although convictions for money laundering have been achieved in practice, more training for law enforcement is needed on the evidence required to establishing the underlying criminality in stand-alone ML cases.

The amendments to the Criminal Procedural Law have improved the legislative framework for asset recovery, particularly by subjecting indirect proceeds of crime to confiscation. The legal framework for freezing, seizing and confiscating is generally applied, although the production of statistics needs to be improved to fully demonstrate Latvia's effectiveness in asset recovery.

The report also identifies a number of deficiencies in the regime of freezing terrorist assets under the United Nations Security Council Resolutions, and the need to clarify the regime for reporting suspicious transactions involving financing of terrorism.

The Latvian Financial Information Unit can send suspicious reports to the pre-investigation institutions or directly to the Prosecutor's Office, which is a welcome improvement since the previous MONEYVAL evaluation. These reports mainly relate to offences of tax evasion and misuse of bank accounts. More sector-specific guidelines to the reporting entities appeared to be needed.

Latvia has improved the overall supervisory regime. The authorities have established the concept of enhanced customer due diligence through both law and regulation for politically exposed persons, correspondent banking relationship and non face-to-face business.

In the financial sector the supervision of anti-money laundering and countering of terrorist financing is divided between the Financial and Capital Market Commission, the Bank of Latvia and the Ministry of Transport. The evaluators had some concerns about the effectiveness of the supervision of financial institutions other than banks.

MONEYVAL found some gaps in the systems of monitoring and ensuring compliance with Customer Due Diligence requirements across most of the designated non-financial business and professionals sector.

MONEYVAL will continue to monitor implementation of the recommendations by Latvia through its regular procedures, which require the country to submit a follow up report by July 2014.

The 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 with the relevant international and European standards to counter money laundering and terrorist financing, and makes recommendations to national authorities. 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).

[Link to the summary of the report](#)

[Link to the annexes to the report](#)