

## **MONEYVAL publishes report on the Czech Republic**

Strasbourg, 16.06.2011 - The Council of Europe's [MONEYVAL Committee](#) (Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism) today published the report on the fourth assessment visit of the Czech Republic.

This report summarises the major anti-money laundering and counter-terrorist financing measures (AML/CFT) that were in place in the Czech Republic at the time of the 4<sup>th</sup> on-site visit (May 2010) and immediately thereafter. It describes and analyses these measures and offers recommendations on how to strengthen certain aspects of the system.

The main findings of the report are:

- Progress has been made since the 3<sup>rd</sup> evaluation with the adoption of the new AML/CFT Law implementing the 3<sup>rd</sup> EU Directive and many of the important preventative recommendations in the 3<sup>rd</sup> round evaluation report. Nonetheless, the verification of beneficial owners of accounts still needs to be more embedded in practice. A comprehensive national risk assessment is also essential to identify vulnerable sectors within the Czech financial system in terms of money laundering and financing of terrorism.
- The Financial Intelligence Unit (FIU) is well trained and committed and is working well, and is now more proactively following up the suspicious transaction reports it sends to law enforcement. The statistics show a good level of international co-operation by the Czech Financial Intelligent Unit with foreign FIUs.
- The criminalisation of money laundering still needs further amendment to bring it fully into line with the standards in the international conventions. The Czech law also still does not provide for Corporate Criminal liability, though draft legislation, which is urgently needed, is under preparation. The evaluators welcomed the progress that had been achieved since the previous evaluation in building a more complete legal framework for the financing of terrorism.
- The total damage from economic crime is high. Nonetheless there is little evidence of significant money laundering cases being taken forward by the police and the prosecution. The Czech authorities need to analyse the discrepancy between the types of money laundering cases being prosecuted and the incidence of money laundering in the country.
- There is a growing awareness of the importance of financial investigation by law enforcement in the detection of proceeds subject to confiscation. Provisional measures (freezing and seizing) are said to be taken regularly, but the lack of statistics on confiscation orders negatively affects the performance of the system overall.
- A clearly articulated and realistic risk based approach is required regarding the frequency of AML/CFT inspections in the financial sector. The FIU's resources also need strengthening for its supervisory work in respect of all obliged entities.

The report was adopted at MONEYVAL's 35<sup>th</sup> Plenary meeting (Strasbourg, 11 - 15 April 2011). MONEYVAL will continue to monitor implementation of the recommendations through its regular follow-up procedure. The Czech Republic is required to submit a follow-up report to the MONEYVAL plenary one year after the adoption of this report.

The MONEYVAL 4<sup>th</sup> cycle of assessments is a follow-up round, in which important FATF Recommendations have been re-assessed, as well as all those for which the state concerned received non-compliant (NC) or partially compliant (PC) ratings in its 3<sup>rd</sup> round report. This report on the Czech Republic is not, therefore, a full assessment against the FATF 40 Recommendations and 9 Special Recommendations but is an update on major issues in the Czech Republic AML/CFT system.

[Link to the report](#)

[Link to the executive summary](#)

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