

MONEYVAL publishes its 4th Round Evaluation Report on Albania

Strasbourg, 07.07.2011 – 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 its [fourth round Evaluation report on Albania](#).

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 Albania.

The main findings of the evaluation report are:

- Albania has made considerable progress to improve its AML/CFT regime since the 2006 third round report. However, the risk of money laundering remains high. Albania has a history of organised crime with clan-based and hierarchically organised networks that are mainly involved in drug trafficking. The relative size of the cash-based informal economy facilitates the laundering and integration of proceeds of crime. The number of sectors identified with illegal practices, including illegal gambling establishments and exchange bureaus, as well as the vulnerabilities that relate to cross-border transportation of currency, also make Albania at risk for money laundering activity.
- Despite efforts by the authorities to reduce the reliance on cash, the use of cash through the informal economy remains a problem in Albania. The use of the informal economy has an impact on the overall effectiveness of preventive measures as transactions facilitated through these channels circumvent the preventive measures established by the authorities.
- Albania also remains at risk regarding possible financing of terrorism activities.
- Albania has fully criminalised money laundering largely in line with the requirements under the Vienna and Palermo Conventions. However, there have been few convictions for money laundering and demanding evidentiary requirements have had a negative impact upon Albania's ability to make effective use of the provisions. Also, the Albanian provisions that criminalise the financing of terrorism, although significantly enhanced in recent years, still fall short of meeting the FATF standard.
- The enactment of a new Organized Crime Law that provides for civil preventive confiscation in the case of many serious offences has added significantly to the confiscation regime of Albania.
- The Albanian Financial Intelligence Unit (FIU) has improved its analytical processes resulting in higher quality financial intelligence; however the legal framework needs to be strengthened with regard to its operational independence.
- Albania has updated the legal framework for preventive measures for financial institutions, but the requirements fall short of the international standard in some areas, such as for the identification of beneficial owners, and the lack of any customer due diligence measures for customers that are foreign politically exposed

persons. In addition, the effectiveness of implementation of preventive measures remains a concern, with uneven understanding of the provisions amongst financial institutions.

- Implementation of preventive measures by designated non-financial businesses and professions (DNFBPs) is limited. A large range of DNFBPs have been subject to supervision by the FIU. However, other designated supervisors have had limited engagement with AML/CFT activities.

- The legal framework underpinning the supervisory authorities' power is sound but the supervisory role of the FIU should be clarified.

- Domestic and international cooperation is good. Albania has established a number of domestic and international cooperation mechanisms that facilitate cooperation between competent authorities and foreign counterparts; however, cooperation mechanisms between supervisory agencies, both domestically and internationally, are underutilised.

The report was prepared by the International Monetary Fund (IMF) under co-operation agreements between IMF and MONEYVAL and it was adopted at MONEYVAL's 35th Plenary meeting (Strasbourg, 11-14 April 2011). MONEYVAL was additionally responsible for evaluation of compliance with the European Union directives, which are part of MONEYVAL's specific mandate.

MONEYVAL will follow up implementation of the recommendations through its Regular Follow-up Procedure, under which MONEYVAL countries are required to update the Committee on action taken on the mutual evaluation report. MONEYVAL invited Albania to report back to the Plenary two years after the adoption of this report.

[Executive Summary](#) - [Addendum : Compliance with the EU Directives](#)