

**CENTRAL BANK OF ARMENIA  
FINANCIAL MONITORING CENTER**

**2016-2018 NATIONAL STRATEGY**

**FOR COMBATING**

**MONEY LAUNDERING, TERRORISM FINANCING AND  
PROLIFERATION FINANCING**

**YEREVAN 2016**

## CONTENTS

<b>Abbreviations.....</b>	<b>3</b>
<b>Introduction.....</b>	<b>4</b>
<b>General provisions .....</b>	<b>4</b>
1. Legislative framework.....	5
2. Institutional framework .....	6
<b>Strategy .....</b>	<b>7</b>
1. Vision.....	7
2. Mission.....	7
3. Values.....	7
4. Principles and objectives.....	8
5. Implementation.....	8
6. Revision and control .....	9
<b>Annex1: Measures aimed at the implementation of the principles and objectives of the strategy.....</b>	<b>10</b>

## Abbreviations

AML	Anti-money laundering
CBA	Central Bank of Armenia
CC	Criminal Code of the Republic of Armenia
CIS	Commonwealth of Independent States
CPC	Criminal Procedure Code of the Republic of Armenia
CPF	Counter-proliferation financing
CTF	Counter-terrorism financing
DNFBP	Designated non-financial businesses and professions
FATF	Financial Action Task Force
FIU	Financial intelligence unit
FMC	Financial Monitoring Center of the Central Bank of Armenia
GPO	General Prosecutor's Office of the Republic of Armenia
IC	Investigative Committee of the Republic of Armenia
IIS	Integrated Information System
IMF	International Monetary Fund
ML	Money laundering
MOF	Ministry of Finance of the Republic of Armenia
MOFA	Ministry of Foreign Affairs of the Republic of Armenia
MOJ	Ministry of Justice of the Republic of Armenia
NSS	National Security Service at the Government of the Republic of Armenia
PF	Proliferation financing (of weapons of mass destruction)
Police	Police at the Government of the Republic of Armenia
RA	Republic of Armenia
SIC	(Standing) Interagency Committee on Combating Counterfeit Money, Fraud with Plastic Cards and Other Payment Instruments, Money Laundering and Terrorism Financing
STR	Suspicious transaction report
TF	Terrorism financing

## Introduction

The national strategy for combating money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction (hereinafter: the Strategy) has been developed in implementation of the international standards and best practices in this field, in particular of the requirement set out under the FATF Recommendation 2 on having national AML/CTF policies and mechanisms for cooperation on PF issues based on the findings of the National Assessment of Money Laundering and Terrorism Financing Risk in the Republic of Armenia (2014), as well as the recommendations of the Council of Europe MONEYVAL Committee's report on the 5<sup>th</sup> round assessment of the Armenian AML/CTF and CPF system. The Strategy is designed for the period of 2016-2018.

This document presents the general provisions, vision, mission, values, principles and objectives of the Strategy, the measures to achieve these objectives, the outcomes expected from the implementation of such measures, the agencies responsible for their implementation, as well as the rules for controlling and reviewing implementation of the Strategy. In addition to measures designed for combating ML/TF, the Strategy provides for measures aimed at the fight against PF as set out under the FATF Recommendations.

This document is a guide to the state agencies involved in the fight against ML/TF and PF, including the bodies with supervisory functions, as well as to the relevant self-regulatory organizations of DNFBPs and the associations representing the private sector.

## General provisions

In order to develop a sustainable and advanced system for combating ML/TF and PF, a number of profound steps have been taken in Armenia to ensure implementation of applicable international documents, including the FATF 40 Recommendations. In particular, FATF Recommendation 2 stipulates that countries should have national AML/CTF policies which are informed by the risks identified, and are regularly reviewed. Countries should designate an authority or have a co-ordination or other mechanism to undertake the responsibility for implementing such policies.

In addition, countries need to have effective mechanisms in place to enable policy makers, the financial intelligence unit, law enforcement authorities, supervisors and other relevant competent authorities to co-operate, and where appropriate, co-ordinate domestically with each other concerning the development and implementation of AML/CTF and CPF policies and activities.

The following is a brief outline of the legal and institutional systems available in Armenia for combating ML/TF and PF, including the way traversed towards developing such systems.

## 1. Legislative framework

The legal system composed of the Constitution, international treaties, laws and other legal acts underlies the effective system for combating ML/TF and PF in Armenia, which includes the international conventions and the UN Security Council resolutions in that field, the Law on Combating Money Laundering and Terrorism Financing, the by-laws ensuring enforcement of the law, the Criminal Code, the Criminal Procedure Code, the Code of Administrative Offences, the Customs Code, as well as other legal acts regulating activities of the agencies, organizations and entities involved in the fight against ML/TF and PF.

Formation of the legal system for AML/CTF commenced with criminalization of the acts of ML/TF. In 2003, ML was criminalized under Article 190 of the Criminal Code, and in 2014 TF was criminalized under Article 217.1 of the Criminal Code.

The first law on combating ML/TF in Armenia was adopted on December 14, 2004. Thereafter, in order to eliminate the shortcomings and remedy the gaps in the legislation, on May 26, 2008 the National Assembly passed the second Law on Combating Money Laundering and Terrorism Financing to regulate implementation of preventive AML/CTF measures, to clearly define the functions and powers of the Authority Body (CBA), as well as of its responsible structural subdivision (FMC) which is the national authority for AML/CTF in Armenia TF, the relationships between the Authorized Body and the supervisory and criminal investigation authorities, international cooperation, sanctions for violating the requirements of the law and the regulations thereunder etc.

In view of the developments in the field of AML/CTF, on June 21, 2014 the National Assembly passed the changes in the Law on Combating Money Laundering and Terrorism Financing, as well as the changes and amendments in 14 other laws, which all came into effect on October 28 of the same year. These changes were based on the recommendations of the 3<sup>rd</sup> round evaluation report on the Armenian AML/CTF system conducted by the experts of the Council of Europe MONEYVAL Committee and the IMF in 2009, as well as on the FATF 40 Recommendations revised in 2012.

Based on the recommendations of the Council of Europe MONEYVAL Committee's report on the 5<sup>th</sup> round assessment of the Armenian AML/CTF and CPF system, a number of legal and institutional constituents of the system are to be improved by means of, *inter alia*, providing explicit legislative regulation for counter-proliferation financing measures and incorporating their effective implementation into the objectives of the Interagency Committee.

Relevant bodies in the country have always kept the spotlight on the implementation of the international treaties comprising a part of the national legislative system, particularly the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (**Vienna Convention** from December 18, 1988); the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime (**Strasbourg Convention** from November 8, 1990); the United Nations International Convention for the Suppression of the Financing of Terrorism (**New York Convention** from

December 9, 1999); the United Nations Convention Against Transnational Organized Crime (**Palermo Convention** from November 15, 2000); and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (**Warsaw Convention** from May 16, 2005); as well as of the conventions and international instruments adopted in the field of chemical, biological, radiological and nuclear regulation, and of the UN Security Council resolution 1540.

## 2. Institutional framework

In order to ensure comprehensive cooperation between all parties involved in the AML/CFT system, in the 2002 decree of the President of the Republic of Armenia No. NK -1075 established the Interagency Committee on Combating Counterfeit Money, Fraud with Plastic Cards and Other Payment Instruments, Money Laundering and Terrorism Financing. The main task of the Interagency Committee has been development and implementation of a unified and coordinated state policy in the fight against ML/TF and, starting from 2016, against PF. The FMC provides secretariat services to the Commission chaired by the Governor of the Central Bank, as well as organizes routine operations of the Working Group under the Commission.

Both the agencies represented in the Interagency Committee, such as the Central Bank of Armenia, the General Prosecutor's Office, the Police, the National Security Service, the Investigative Committee, the Ministry of Foreign Affairs, the Ministry of Justice, the Ministry of Finance, the State Revenues Committee, the Court of Cassation and the President's Staff, and self-regulatory organizations of DNFBPs such as the Chamber of Advocates, and private sector organizations such as the Union of Banks have a key role in the system for combating ML/TF and PF. The active cooperation of these bodies is a prerequisite for the continuous development of the system for combating ML/TF and PF.

The FMC, which is a structural subdivision of the Central Bank and acts as the national financial intelligence unit since 2005 receives, analyses and disseminates suspicious transaction reports and information on ML/TF and PF. The FMC is also responsible for the development of a unified state policy in the field of AML/CTF and CPF, international cooperation, representation of the Republic of Armenia's interests in international organizations specialized in the fight against ML/TF and PF, particularly in the Council of Europe MONEYVAL Committee by virtue of Armenia's membership in that structure, and in the Eurasian Group on Combating Money Laundering and Terrorism Financing by virtue of Armenia's observer status in that organization.

To ensure effective cooperation with law enforcement agencies and exchange of information related to ML/TF and PF, memoranda of understanding have been signed between the FMC and the General Prosecutor's Office, the Police, the National Security Service and the State Revenues Committee. Quick and effective exchange of information is important in terms of combating ML/TF and PF. To that end, in 2014 the Integrated Information System for the FMC and the Interagency Committee member agencies was introduced to provide a secure environment for the exchange of information, as well for the real-time reciprocal access, as

per pre-defined competencies, to the information (databases) relevant for AML/CTF and CPF purposes held by the participants of the system.

The FMC is a member of the Egmont Group of financial intelligence units since 2007 enabling it to exchange information via a secure electronic communication system with 150 member financial intelligence units. Since 2013, the FMC has also been actively involved in the work of the CIS Council of Heads of FIUs. In order to strengthen bilateral cooperation, the FMC has signed cooperation agreements and memoranda of understanding with the FIUs of 31 countries.

## Strategy

### 1. Vision

The vision of the Strategy is to:

- Enhance the national legislation for combating ML/TF and PF consistent with international standards, and the effective mechanisms for its implementation;
- Sustain secure and reliable financial and non-financial sectors and an economic system protected against ML/TF and PF risks;
- Form social intolerance towards ML/TF and PF crimes; increase the efficiency of their detection and prosecution.

### 2. Mission

The mission of the Strategy is to withstand the ML/TF and PF risks faced by Armenia through the joint efforts and initiatives of the competent agencies, self-regulatory organizations of DNFBPs and unions representing the private sector so as to achieve common goals at domestic, regional and international levels, and to keep such risks within acceptable limits by means of appropriate restrictive measures.

### 3. Values

For the successful implementation of the Strategy, all stakeholders of the system should strictly follow and adhere to the following values:

- Professionalism;
- Justice;
- Cooperation;
- Mutual respect;
- Trust;
- Initiative;
- Operational confidentiality;
- Publicity of programs and outcomes.

#### **4. Principles and objectives**

The Strategy is based on the following two principles:

1. The principle of developing legislative and institutional systems for combating ML/TF and PF, for which the following strategic objectives are to be achieved:
  - 1) Implementing a coordinated state policy in the field of combating ML/TF and PF;
  - 2) Enhancing the legal system consistent with the international standards of combating ML/TF and PF;
  - 3) Strengthening domestic cooperation in the fight against ML/TF and PF;
  - 4) Strengthening international cooperation in the fight against ML/TF and PF.
2. The principle of developing capacities of the AML/CTF and CPF system stakeholders, for which the following strategic objectives are to be achieved:
  - 1) Strengthening capacities of law enforcement and judicial authorities in the fight against ML/TF and PF;
  - 2) Strengthening capacities of supervisory authorities in the fight against ML/TF and PF;
  - 3) Strengthening capacities of the national financial intelligence unit;
  - 4) Strengthening capacities of reporting entities in the prevention of ML/TF and PF.

Implementation of the strategic objectives set under the above-mentioned principles shall always be in the focus of attention of the system stakeholders and shall be considered an integral part of their activities. Implementation of the objectives shall be an on-going effort that requires the system stakeholders to take continuous and consistent measures subject to substantial revision before the development and adoption of the next Strategy, as necessary.

#### **5. Implementation**

A differentiated approach has been applied to define the priorities for the implementation of the Strategy objectives, taking into account the risk factors identified by the National Assessment of Money Laundering and Terrorism Financing Risk in the Republic of Armenia (2014), the level of identified risks, the characteristics of involved parties (including the reporting entities) etc.

Based on the peculiarities of implementation of the strategic objectives, in particular on the urgency of the measures to be taken within the three-year period, the measures are to be implemented on high priority (within 1 year) or general (equal) priority basis.

Priorities of the measures to be taken for achieving the Strategy objectives, as well as the outcomes expected from their implementation and the agencies responsible for that are presented in the Appendix to this Strategy.



## **6. Revision and control**

The Interagency Committee shall control the implementation of the Strategy.

The Secretariat of the Interagency Committee shall use the information and materials collected by the Committee members to report regularly on the implementation of the measures aimed at achieving the Strategy objectives and on the actual outcomes.

The measures to achieve the Strategy objectives are subject to inclusion into the work programs of the member agencies of the Interagency Committee, the self-regulatory organizations of DNFBPs and the unions representing the private sector.

The Strategy is subject to review in at least three-year intervals, as coordinated by the Secretariat with the member agencies of the Interagency Committee, the self-regulatory organizations of DNFBPs, as well as the unions representing the private sector.

Once the Strategy is endorsed by the Interagency Committee, the necessary changes deriving from the findings of the regular national assessments of ML/TF and PF risk in Armenia shall be submitted for the consideration of the Interagency Committee.

## Annex1: Measures aimed at the implementation of the principles and objectives of the Strategy

**Note.** Where both the Central Bank of Armenia and the Financial Monitoring Center are individually designated as the body responsible for the implementation of a measure, the Central Bank of Armenia shall be responsible for the supervision of financial institutions, and the Financial Monitoring Center shall be responsible for the supervision of DNFBPs.

### Principle 1: Developing legislative and institutional systems for combating ML/TF and PF

#### Objective 1.1

#### Implementing a coordinated state policy in the field of combating ML/TF and PF

##### Measure 1.1.1

<i>Description of measure</i>	Discuss and agree positions within the Interagency Committee on action plans aimed at the implementation of the unified state policy in the field of combating ML/TF
<i>Priority level</i>	High priority
<i>Expected outcome</i>	Agreed positions on actions aimed at tackling strategic issues and existing gaps are available
<i>Responsible agencies</i>	Member agencies of the Interagency Committee

##### Measure 1.1.2

<i>Description of measure</i>	Develop law enforcement strategy and policy for the investigation of a wide range of money laundering offenses (including stand-alone ML and self-laundering)
<i>Priority level</i>	High priority
<i>Expected outcome</i>	Effectiveness of the AML/CFT system is enhanced through identification of ML in proceeds generating crimes
<i>Responsible agencies</i>	General Prosecutor's Office Ministry of Justice National Security Service Police Investigative Committee

## State Revenues Committee

### **Measure 1.1.3**

<i>Description of measure</i>	Amend the composition and the rules of procedure of the Interagency Committee to provide for the nexus (including that of the CBA and the FMC) with the counter-proliferation committee established on the basis of UNSCR 1540
<i>Priority level</i>	High priority
<i>Expected outcome</i>	PF matters are brought into the competence of the Interagency Committee
<i>Responsible agencies</i>	Financial Monitoring Center Ministry of Foreign Affairs

### **Measure 1.1.4**

<i>Description of measure</i>	Improve the mechanism for periodic reporting to the Interagency Committee on the work in the field of AML/CTF and CPF and on the relevant outcomes
<i>Priority level</i>	General priority
<i>Expected outcome</i>	Reporting on the work in the field of AML/CTF and CPF and on the relevant outcomes is improved
<i>Responsible agencies</i>	Member agencies of the Interagency Committee

### **Objective 1.2**

Enhancing the legal system consistent with the international standards of combating ML/TF and PF

### **Measure 1.2.1**

<i>Description of measure</i>	Introduce legislative changes deriving from the findings of the National Assessment of ML/TF Risk in Armenia (2014) and the Council of Europe MONEYVAL Committee's report on the 5 <sup>th</sup> round assessment of the Armenian AML/CTF and CPF system
<i>Priority level</i>	High priority
<i>Expected outcome</i>	Legal acts at various levels of legal hierarchy complying with

international standards and taking into account specific features of various spheres are developed and adopted; methodical clarifications and guidelines for their application are published

*Responsible agencies* Member agencies of the Interagency Committee  
Self-regulatory organizations of DNFBPs

### **Measure 1.2.2**

*Description of measure* Implement measures defined by the Action Plan developed on the basis of the findings of the National Assessment of ML/TF Risk in Armenia (2014) and the Council of Europe MONEYVAL Committee's report on the 5<sup>th</sup> round assessment of the Armenian AML/CTF and CPF system, that do not require legislative changes

*Priority level* High priority

*Expected outcome* Risks identified by the National Assessment of ML/TF Risk in Armenia (2014) and the Council of Europe MONEYVAL Committee's report on the 5<sup>th</sup> round assessment of the Armenian AML/CTF and CPF system are mitigated

*Responsible agencies* Member agencies of the Interagency Committee  
Self-regulatory organizations of DNFBPs

## **Objective 1.3**

### **Strengthening domestic cooperation in the fight against ML/TF and PF**

### **Measure 1.3.1**

*Description of measure* Improve the mechanisms facilitating bilateral and multilateral (interagency) cooperation between competent authorities, as well as with the self-regulatory organizations of DNFBPs by means of conducting mutual consultations, establishing joint working groups, signing cooperation agreements/ revising the existing agreements etc

*Priority level* General priority

*Expected outcome* Institutional and functional mechanisms for domestic coordination are effectively combined within the framework

	of AML/CTF and CPF
<i>Responsible agencies</i>	Member agencies of the Interagency Committee Self-regulatory organizations of DNFBPs

### **Measure 1.3.2**

<i>Description of measure</i>	Finalize introduction of the Integrated Information System
<i>Priority level</i>	High priority
<i>Expected outcome</i>	A) Competent authorities and the FMC are provided a secure environment for bilateral and multilateral exchange of information  B) Quality and efficiency of analysis is enhanced through enabling access to possibly comprehensive information resources for AML/CTF and CPF analyses
<i>Responsible agencies</i>	Member agencies of the Integrated Information System

## **Objective 1.4**

### **Strengthening international cooperation in the fight against ML/TF and PF**

### **Measure 1.4.1**

<i>Description of measure</i>	Participate pro-actively in the works of the Council of Europe's MONEYVAL Committee and of the Eurasian Group on Combating Money Laundering and Terrorism Financing
<i>Priority level</i>	General priority
<i>Expected outcome</i>	The progress in improving the Armenian AML/CTF and CPF system is properly presented in international organizations; bilateral and multilateral ties with member states are established and deepened
<i>Responsible agencies</i>	Member agencies of the Interagency Committee

### **Measure 1.4.2**

<i>Description of measure</i>	Expand cooperation with foreign financial intelligence units within the framework of the Egmont Group by means of sponsoring candidate FIUs, signing of new cooperation
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agreements with member FIUs, enabling effective exchange of information, as well as actively involving in the initiatives of the Egmont Group

*Priority level*

General priority

*Expected outcome*

The status and professional reputation of the FMC as the national financial intelligence unit is enhanced; activities promoting the common interests of the Egmont Group are furthered

*Responsible agencies*

Financial Monitoring Center

### **Measure 1.4.3**

*Description of measure*

Cooperate with other international structures involved in the fight against ML/TF and PF, including with the Council of CIS Heads of FIU, by means of engaging in the works of these structures and implementing technical assistance programs with them

*Priority level*

General priority

*Expected outcome*

The Armenian AML/CTF and CPF system is properly presented in other international organizations; international resources are used for the further improvement of the system

*Responsible agencies*

Member agencies of the Interagency Committee

### **Measure 1.4.4**

*Description of measure*

Strengthen bilateral relations between law enforcement and supervisory bodies and foreign competent authorities involved in the fight against ML/TF and PF by means of signing cooperation agreements, promoting mutual contacts, exchanging information etc

*Priority level*

General priority

*Expected outcome*

Law enforcement and supervisory bodies involved in the fight against ML/TF and PF provide effective cooperation with foreign competent authorities

*Responsible agencies*

Member agencies of the Interagency Committee

## Principle 2: Developing capacities of the AML/CTF and CPF system stakeholders

### Objective 2.1

#### Strengthening capacities of law enforcement and judicial authorities in the fight against ML/TF and PF

##### Measure 2.1.1

<i>Description of measure</i>	Develop guidelines for law enforcement bodies to investigate ML/TF cases
<i>Priority level</i>	High priority
<i>Expected outcome</i>	Parallel financial investigation is conducted in at least all cases involving large and particularly large proceeds; provisional measures are properly applied; instrumentalities of crime and property of corresponding value are confiscated
<i>Responsible agencies</i>	Prosecutor's Office National Security Service Police Investigative Committee State Revenues Committee

##### Measure 2.1.2

<i>Description of measure</i>	Development professional skills of law enforcement and judicial authorities by means of training and education
<i>Priority level</i>	General priority
<i>Expected outcome</i>	A) Effectiveness of ML/TF investigation and court trial is enhanced B) ML/TF investigation tactics and methods, skills of evidence-gathering, assessment and evaluation are improved C) Individual cases of ML investigation and conviction are tackled appropriately
<i>Responsible agencies</i>	General Prosecutor's Office Ministry of Justice National Security Service Police

Investigative Committee  
State Revenues Committee  
Judicial Department

## **Objective 2.2**

### **Strengthening capacities of supervisory authorities in the fight against ML/TF and PF**

#### **Measure 2.2.1**

<i>Description of measure</i>	Develop and introduce a supervisory manual providing for the application of the risk-based financial supervision (off-site surveillance and on-site inspections) in the field of AML/CTF and CPF
<i>Priority level</i>	High priority
<i>Expected outcome</i>	A supervisory tool explicitly articulating application of the risk-based financial supervision (off-site surveillance and on-site inspections) is available
<i>Responsible agencies</i>	Central Bank of Armenia

#### **Measure 2.2.2**

<i>Description of measure</i>	Develop capacities for the risk-based verification of AML/CTF and CPF compliance of financial institutions throughout the supervision process (off-site surveillance and on-site inspections) by means of providing guidance, training, education etc
<i>Priority level</i>	General priority
<i>Expected outcome</i>	Financial institutions are effectively supervised and sanctioned
<i>Responsible agencies</i>	Central Bank of Armenia

#### **Measure 2.2.3**

<i>Description of measure</i>	Introduce mechanisms for supervisory bodies to enable risk-based verification of AML/CTF and CPF compliance of DNFBPs throughout the supervision process (off-site surveillance and on-site inspections) and to apply sanctions
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	by means of providing guidance, training, education etc
<i>Priority level</i>	General priority
<i>Expected outcome</i>	DNFBPs are effectively supervised and sanctioned
<i>Responsible agencies</i>	Financial Monitoring Center Ministry of Justice Ministry of Finance Self-regulatory organizations of DNFBPs

### **Objective 2.3**

#### **Strengthening capacities of the national financial intelligence unit**

##### **Measure 2.3.1**

<i>Description of measure</i>	Develop systems and skills for the collection and analysis of information within FMC processes
<i>Priority level</i>	General priority
<i>Expected outcome</i>	Quality and efficiency of ML/TF and PF analyses is enhanced
<i>Responsible agencies</i>	Financial Monitoring Center

##### **Measure 2.3.2**

<i>Description of measure</i>	Further develop the software for FMC's case management and exchange of information
<i>Priority level</i>	General priority
<i>Expected outcome</i>	FMC's internal processes are optimized; in particular, modern tools for process automation are applied and effectively managed
<i>Responsible agencies</i>	Financial Monitoring Center

##### **Measure 2.3.3**

<i>Description of measure</i>	Conduct joint analyses by the FMC and other state agencies involved in the fight against ML/TF and PF
<i>Priority level</i>	High priority
<i>Expected outcome</i>	Effectiveness of identifying ML/TF and PF cases is enhanced

*Responsible agencies* Member agencies of the Interagency Committee

#### **Measure 2.3.4**

*Description of measure* Analyze activities of certain types of DNFBPs in order to determine more explicitly the scope and coverage of supervisory effort

*Priority level* General priority

*Expected outcome* Supervision is made more efficient due to channeling available supervisory resources to DNFBPs which are a relatively high risk in terms of ML/TF and PF

*Responsible agencies* Financial Monitoring Center

#### **Measure 2.3.5**

*Description of measure* Conduct strategic analyses of ML/TF and PF trends and possible schemes based on the FMC's practical experience, court cases and international ML/TF and PF typologies

*Priority level* General priority

*Expected outcome* A) Analyses of ML/TF and PF trends and possible schemes, including ML/TF and PF typologies, are conducted and published periodically

B) Skills and technics for developing ML/TF and PF typologies are improved

*Responsible agencies* Financial Monitoring Center

#### **Measure 2.3.6**

*Description of measure* Organize for the FMC staff exchange of experience with advanced foreign financial intelligence units, as well as practical training courses in Armenia provided by international organizations and experts

*Priority level* General priority

*Expected outcome* Advanced experience introduced in the work of the FMC

*Responsible agencies* Financial Monitoring Center

#### **Measure 2.3.7**

*Description of measure* Conduct on an on-going basis measures to raise public

	awareness for preventing and countering ML/TF and PF
<i>Priority level</i>	General priority
<i>Expected outcome</i>	Efficiency of raising public awareness is enhanced
<i>Responsible agencies</i>	Financial Monitoring Center

## **Objective 2.4**

### **Strengthening capacities of reporting entities in the prevention of ML/TF and PF**

#### **Measure 2.4.1**

<i>Description of measure</i>	Develop professional capacities of the internal compliance staff of reporting entities by means of providing guidelines, training, education and qualification
<i>Priority level</i>	General priority
<i>Expected outcome</i>	Reporting entities have highly qualified staff for the prevention of ML/TF and PF
<i>Responsible agencies</i>	Financial Monitoring Center Ministry of Justice Ministry of Finance Self-regulatory organizations of DNFBPs

#### **Measure 2.4.2**

<i>Description of measure</i>	Ensure legal compliance and enforcement of the internal regulations of reporting entities by means of their regular review and verification of effective implementation during on-site inspections
<i>Priority level</i>	General priority
<i>Expected outcome</i>	Internal regulations of reporting entities comply with the AML/CTF and CPF legislation and are effectively implemented
<i>Responsible agencies</i>	Central Bank of Armenia Financial Monitoring Center Ministry of Justice Ministry of Finance

## Self-regulatory organizations of DNFBPs

### **Measure 2.4.3**

<i>Description of measure</i>	Introduce and enhance policies, procedures and controls for reporting entities to identify and assess potential and existing ML/TF and PF risks, and to manage and mitigate such risks effectively
<i>Priority level</i>	High priority
<i>Expected outcome</i>	Reporting entities identify and assess potential and existing ML/TF and PF risks; develop and apply adequate tools for their mitigation
<i>Responsible agencies</i>	Central Bank of Armenia Financial Monitoring Center Ministry of Justice Ministry of Finance Self-regulatory organizations of DNFBPs

### **Measure 2.4.4**

<i>Description of measure</i>	Promote reporting of suspicious transactions/business relationships by non-bank financial institutions and DNFBPs by means of providing guidance, training, and consultation
<i>Priority level</i>	High priority
<i>Expected outcome</i>	Non-bank financial institutions and DNFBPs have improved performance of reporting suspicious transactions/business relationships
<i>Responsible agencies</i>	Financial Monitoring Center Ministry of Justice Ministry of Finance Self-regulatory organizations of DNFBPs