

Approved on March 26, 2010 at the meeting of the
Interagency Commission on the Fight against Counterfeiting of Money,
Fraud in Plastic Cards and Other Payment Instruments,
Money Laundering and Terrorism Financing

2010-2013 NATIONAL STRATEGY FOR COMBATING MONEY LAUNDERING AND TERRORISM FINANCING

Vision

Develop capacities for money laundering and terrorism financing (ML/FT) prevention and criminal prosecution, ensure that ML/FT offences are subject to punishments and promote the formation of social intolerance towards ML/FT offences.

Qualitative changes

Moving to second generation AML/CFT reformations with features as follows:

1. Shifting from basic AML/CFT legislation towards a legal framework that largely complies with FATF standards and comprises several levels of legislative hierarchy.
2. Setting forth equal AML/CFT requirements for all reporting entities (financial institutions and designated non-financial businesses and professions) and ensuring the implementation thereof.
3. Shifting from the standardized implementation of AML/CFT mechanisms towards the application of risk-based approach mechanisms.
4. Adopting an efficient, operative and unified work regime based on the specialization of ML/FT criminal prosecution and judicial proceeding functions and the present practices.

Values

For the purpose of implementing this strategy, all the participants of the AML/CFT system should strictly follow and commit to the following values:

1. Professionalism
2. Justice
3. Cooperation
4. Mutual respect
5. Trust
6. Required confidentiality in current tasks, publicity of projects and results
7. Initiation

Strategic directions and their results

No	Strategic directions /Predetermined measures	Expected results	Agencies and institutions involved	Additional funding sources required	Timeframe
1	Coordinated national policy in the field of AML/CFT				
1.1	Discussing all important strategic issues and measures and coordinating positions within the scope of the AML/CFT Interagency Commission (hereinafter: Interagency Commission).	Presence of coordinated positions on strategic issues and measures.	Member agencies and institutions of the Interagency Commission	Not required	2010-2013
1.2	Establishing mechanisms for periodic reporting to the Interagency Commission on the results of activities of agencies and authorities in the field of AML/CFT.	Accessible information on the activities conducted in the field of AML/CFT, realization of the performance report.	Secretariat of the Interagency Commission	Not required	2010-2013
2	Developing a legal framework that complies with international AML/CFT standards				
2.1	Improving the AML/CFT legal framework of the RA based on the recommendations presented by the Council of Europe's MONEYVAL Committee (MONEYVAL) and the International Monetary Fund in the third round assessment report of the AML/CFT system of the Republic of Armenia.	<ul style="list-style-type: none"> - Adoption of legal acts that largely comply with FATF standards, take into consideration the characteristics of different spheres and comprise several levels of legislative hierarchy, publication of methodical clarifications and guidance on the implementation thereof, - Proclamation of compliance with recommendations on AML/CFT legal framework in the progress report of the 	Member agencies and institutions of the Interagency Commission	Not required	2010-2011

		Republic of Armenia that is subject to submission to MONEYVAL.			
2.2	Preparing and moving to the MONEYVAL fourth round assessment.	- Preparation of materials required for the assessment, undertaking all other administrative measures in a coordinated manner, - Proclamation of progress in the AML/CFT system under the fourth round assessment report as in contrast to the third round assessment report.	Member agencies and institutions of the Interagency Commission	Not required	2012-2013
3	Developing capacities for the Financial Monitoring Center of the Republic of Armenia (FMC) as a financial intelligence unit				
3.1	Purchasing/developing analytical software systems by the FMC and implementation thereof in analyses processes.	Increase in value of the FMC analyses for criminal prosecution purposes.	FMC	Central Bank budget, funding from international donors	2010-2013
3.2	Designing and developing electronic documentation flow and task management software systems by the FMC.	Optimization of the FMC internal processes.	FMC	Funding from international donors	2010-2011
3.3	Conducting strategic analyses on ML/FT trends and schemes by the FMC by means of implementing and developing international typologies.	Periodic summarization and publication of analyses on ML/FT trends and schemes.	FMC	Not required	2010-2013
3.4	Organizing practical training courses for the FMC employees at foreign financial intelligence units.	Implementation of foreign financial intelligence units' experiences into the works of the FMC.	FMC	Central Bank budget, funding from international donors	2010-2013
4	Developing capacities for operative intelligence and criminal prosecution of ML/FT				

4.1	Formation of units inside criminal prosecution bodies with specialization in operative intelligence and criminal prosecution of ML/FT.	Improvement of efficiency in operative intelligence and criminal prosecution of ML/FT.	Prosecution Office of the RA, National Security Service of the RA, Police of the RA, State Revenue Committee adjunct to the Government of the RA	State budget of the RA, funding from international donors	2010-2013
4.2	Developing professional skills for operative intelligence, criminal prosecution and judicial proceedings of ML/FT in criminal prosecution bodies and courts by means of trainings and workshops.	Increase in efficiency of the ML/FT punishment function.	Prosecution Office of the RA, National Security Service of the RA, Police of the RA, State Revenue Committee adjunct to the Government of the RA, Court Department of the RA	State budget of the RA, funding from international donors	2010-2013
5	Developing capacities for supervisory authorities in the field of AML/CFT				
5.1	Developing capacities for verifying compliance with AML/CFT requirements within the process of supervision of financial and non-financial institutions by means of trainings, workshops, provided guidance and other methods.	Ensured compliance of financial and non-financial institutions' operations with AML/CFT requirements.	Central Bank of the RA, Ministry of Justice of the RA, Ministry of Finance of the RA, State Committee of the Real Estate Cadastre adjunct to the Government of the RA	State budget of the RA, Central Bank budget, funding from international donors	2010-2013
6	Formation of an integrated information portal for AML/CFT				
6.1	- Integrating the databases of authorized agencies of the RA (in particular, the Passport and Information Center of the Police of the RA, database of the State Revenue Committee adjunct to the Government of	Formation of largest possible information resource for financial analyses of ML/FT cases and improvement in complexity and accuracy of such analyses.	Member agencies and institutions of the Interagency Commission	Central Bank budget, funding from international donors	2010-2013

	the RA) into the database of the FMC, - Ensuring direct access of the FMC to this database and indirect access (by means of requests) for the other authorized agencies.				
7	Developing capacities for reporting entities in the field of AML/CFT				
7.1	Developing professional skills for employees of reporting entities performing the function of the internal monitoring unit by means of trainings, workshops, qualifications and provided guidance.	Presence of efficient AML/CFT mechanisms with reporting entities.	FMC, Ministry of Justice of the RA, Ministry of Finance of the RA, State Committee of the Real Estate Cadastre adjunct to the Government of the RA	Central Bank budget, funding from international donors	2010-2013
7.2	Ensuring compliance of AML/CFT internal legal acts of reporting entities with AML/CFT national legislation and the implementation thereof by means of periodically reviewing the acts and verifying the implementation efficiency in the course of conducting supervision.	Description of AML/CFT mechanisms with financial institutions, ensured implementation thereof.	FMC	Not required	2010-2013
7.3	Promoting the implementation of ML/FT risk-based approach with reporting entities.	Assessment of internal ML/FT risks by financial institutions based on legal acts and guidance and presence of efficient prevention measures.	FMC, Ministry of Justice of the RA, Ministry of Finance of the RA, State Committee of the Real Estate Cadastre adjunct to the Government of the RA, self-regulated	Funding from international donors	2010-2013

			organizations		
7.4	Ensuring appropriate implementation of AML/CFT requirements by non-financial institutions by means of trainings, workshops, qualifications and provided guidance.	Reduction of non-financial institutions' involvement risk in ML/FT.	Central Bank of the RA, Ministry of Justice of the RA, Ministry of Finance of the RA, State Committee of the Real Estate Cadastre adjunct to the Government of the RA, self-regulated organizations of non-financial institutions	State budget of the RA, Central Bank budget, funding from international donors	2010-2013
8	Building intrastate cooperation in the field of AML/CFT				
8.1	Implementing efficient mechanisms for bilateral cooperation between authorized agencies and institutions by means of mutual advisory, formation of shared working groups, signing of agreements and other methods.	Effective integration of intrastate institutional and functional mechanisms in the field of AML/CFT.	Member agencies and institutions of the Interagency Commission	Not required	2010-2013
9	Building international cooperation in the field of AML/CFT				
9.1	Active involvement in the works of MONEYVAL and the Eurasian Group on combating money laundering and financing of terrorism.	Demonstration of the AML/CFT system of the Republic of Armenia to the international professional society by means of involvement in the works of FATF-style regional bodies as mentioned.	Member agencies and institutions of the Interagency Commission	State budget of the RA, Central Bank budget, funding from international donors	2010-2013
9.2	Enhancing cooperation with foreign financial intelligence units within the framework of the Egmont Group by means of sponsoring candidate FIUs,	Strong international status for the FMC as a financial intelligence unit and improved professional rating.	FMC	Central Bank budget	2010-2013

	signing MoU-s with member FIUs, effective exchange of information as well as active involvement in the initiatives emerged within the framework of the Egmont Group.				
9.3	Conducting activities with other international structures in the field of AML/CFT by means of involvement in the works thereof, receiving technical assistance and organization of training courses through these structures.	Demonstration of the AML/CFT system of the Republic of Armenia in other international structures, utilization of international resources for the development of this system.	Member agencies and institutions of the Interagency Commission	Funding from international donors	2010-2013
9.4	Enhancing bilateral relationships between law enforcement and supervisory authorities in the field of AML/CFT and foreign agencies by means of signing MoU-s, mutual interaction, exchange of information and other methods.	Effective cooperation between law enforcement and supervisory authorities in the field of AML/CFT and analogous foreign agencies.	Member agencies and institutions of the Interagency Commission	State budget of the RA	2010-2013