2022-2024 NATIONAL STRATEGY

FOR COMBATING MONEY LAUNDERING, TERRORISM FINANCING AND FINANCING OF PROLIFERATION OF WEAPONS OF MASS DESTRCTION

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ACRONYMS

ACC	Anti-Corruption Committee
CBA	Central Bank of the Republic of Armenia
DNFBP	Designated non-financial businesses and professions
FI	Financial institution
FMC	Financial Monitoring Center of the Central Bank of the Republic of Armenia
GPO	General Prosecutor's Office of the Republic of Armenia
IAC	Interagency Committee on Combating Money Laundering, Terrorism Financing, Financing of Proliferation of Weapons of Mass Destruction in the Republic of Armenia
IC	Investigative Committee of the Republic of Armenia
MFA	Ministry of Foreign Affairs of the Republic of Armenia
ML	Money Laundering
MLA	Mutual Legal Assistance
MOF	Ministry of Finance
MOJ	Ministry of Justice of the Republic of Armenia
N/A	Non-applicable
NCO	Non-commercial organization
NPO	Non-profit organization
NRA	National Assessment of Money Laundering and Terrorism Financing Risks in the Republic of Armenia
NSS	National Security Service of the Republic of Armenia
PEP	Politically exposed person
PF	Financing of Proliferation of Weapons of Mass Destruction
Police	The Police of the Republic of Armenia
SRC	State Revenue Committee of the Republic of Armenia
TF	Terrorism Financing
VASP	Virtual asset service provider

INTRODUCTION

This document aims to articulate the vision for development of the AML/CTF/CPF system in Armenia to the parties involved in the fight against ML/TF and to the wider national and international community by applying the 2022-2024 National Strategy, its Action Plan and the Monitoring Tool to its implementation. This document has been approved by the Interagency Committee on Combating Money Laundering, Terrorism Financing and Financing of Proliferation of Weapons of Mass Destruction established by Decision of the Prime Minister of the Republic of Armenia No 45-A of 17 January 2019, at its 37th session held on 17 December 2021.

The document is comprised of five chapters incorporating two main parts, as well as two Annexes. Part 1 presents the methodology of development and structural features of the document. Part 2 presents situational analysis of recent developments and the current situation in the area of combating ML/TF/PF, covering measures undertaken in various areas, their results, national risk assessments.

Annexes 1 and 2, respectively, define the 2022-2024 National Strategy for Combating ML/TF/PF and the Action Plan for Implementation of the Strategy, as well as the Monitoring Tool for tracking the measures established under the Action Plan.

PART 1. METHODOLOGY

The following instruments have been used in developing the 2022-2024 National Strategy for Combating ML/TF/PF: a) drafting strategy for identification of priorities; b) developing action plan for implementation of the strategy; and c) introducing a monitoring tool for control over the implementation of the Strategy and the Action Plan.

The format, logic, content of all three instruments for the planning of the 20122-2024 National Strategy for Combating ML/TF/PF have been designed using the FATF Methodology (2013), which is the implementation tool of the FATF Recommendations (2012) globally recognized as the standard for combating ML/TF/PF.

The methodology of development and brief description of each of the instruments listed above are presented below:

CHAPTER 1. STRATEGY

As the first element in the hierarchy of the strategic planning instruments, the 2022-2024 National Strategy for Combating ML/TF/PF (see Annex 1) defines the ultimate strategic objective for the development of the system of combating ML/TF/PF in the Republic of Armenia, the intermediate outcomes, the immediate outcomes and the strategic tasks for achieving them.

Both the strategic outcomes and ultimate strategic objective, and the strategic tasks have been designed taking into consideration the determinants of an effective AML/CFT/CPF system set out in the FATF Methodology (2013).

**Ultimate strategic objective**

In order to identify the priorities for combating ML/TF/PF in 2022-2024, the ultimate strategic objective has been defined as the determinant of the effective AML/CFT/CPF system set out in the FATF Methodology (2013):

"The financial system and the broader economy of the Republic of Armenia are protected from the threats of money laundering and the financing of terrorism and proliferation, thereby strengthening financial sector integrity and contributing to safety and security."

This objective is self-descriptive and, while allowing flexibility through adding "enhancing public confidence in the financial system integrity" and other similar elements, it reflects the high-level vision of fulfillment of the ultimate objective to introduce an effective AML/CFT/CPF system.

**Intermediate and immediate outcomes of the Strategy**

The following intermediate outcomes and immediate outcomes for achieving them have been defined to fulfill the ultimate objective of the 2022-2024 Strategy for Combating ML/TF/PF:

- **ML/TF/PF risks are understood and mitigated in the Republic of Armenia through domestic coordination of policies and international cooperation,** under which the following immediate outcomes are defined:
  - ML/TF/PF risks are clearly understood in the Republic of Armenia, and, where appropriate, actions are coordinated domestically to combat ML/TF/PF;
  - The international cooperation carried out by the relevant authorities of the Republic of Armenia delivers appropriate information, financial intelligence, and evidence, facilitates action against criminals and their assets;
- **Proceeds of crime and funds in support of terrorism are prevented, detected and reported in the Republic of Armenia,** under which the following immediate outcomes are defined:
  - Supervisors appropriately supervise, monitor and regulate financial institutions, DNFBPs and VASPs for compliance with AML/CTF requirements commensurate with their risks;
  - Financial institutions, DNFBPs and VASPs adequately apply ML/TF preventive measures commensurate with their risks, and report suspicious transactions;
  - Legal persons and arrangements are prevented from misuse for ML/TF, and information on their beneficial ownership is available to competent authorities without impediments;
- **ML/TF threats are detected and disrupted in the Republic of Armenia, criminals are sanctioned, proceeds of crime and terrorist resources are confiscated,** under which the following immediate outcomes are prescribed:
  - Financial intelligence and other relevant information are appropriately used by competent authorities for ML/TF investigations;
  - ML offences and related activities are investigated, offenders are prosecuted and subjected to effective, proportionate and dissuasive sanctions;
  - Proceeds and instrumentalities of crime are confiscated;

- TF offences and related activities are investigated, terrorist financiers are prosecuted and subjected to effective, proportionate and dissuasive sanctions;
- Terrorists, terrorist organizations and terrorist financiers are prevented from raising, moving and using funds, and from abusing the NPO sector;
- Persons and entities involved in the proliferation of weapons of mass destruction are prevented from raising, moving and using funds, consistent with the relevant UNSCRs.

Strategic tasks and actions for their implementation

As it has already been mentioned, strategic tasks are designed taking into consideration the determinants of an effective AML/CFT/CPF system set out in the FATF Methodology (2013), and actions for their implementation – taking into consideration the results of analyses presented in Part 2 of this document, as well as recent international developments in the fight against ML/TF/PF.

Eleven Strategic tasks (No 1.1-1.11) concerning Immediate outcomes 1-2 are defined under Strategic outcome 1, 14 Strategic tasks (No 2.1- 2.14) concerning Immediate outcomes 3-5 – under Strategic outcome 2, and 24 Strategic tasks (No 3.1-3.24) concerning Immediate outcomes 6-11 – under Strategic outcome 3.

CHAPTER 2. ACTION PLAN

The second element in the hierarchy of the strategic planning instruments is the Action Plan for Implementation of the 2022-2024 Strategy for Combating ML/TF/PF (see Annex 1). This defines types of actions aimed at fulfilling the ultimate strategic objective, outcomes and tasks, time limits for their performance, and responsible authorities. Thus:

Types of actions: actions are classified into the following types:

- Legislative, which stipulates tasks related to drafting and adoption of legal acts;
- Institutional, which stipulates tasks related to the designation and change of competent authorities;
- Operational, which stipulates tasks related to the development of methodologies and guidelines, as well as non-supportive actions aimed at effective performance of any function;
- Supportive, which stipulates tasks related to staff training.

Setting a deadline: taking into consideration the priority assigned to each action, the reasonable period for their full-fledged performance, the deadlines for their performance have also been set – semiannually or annually within the period of validity of the Strategy.

Designating responsible authorities: responsible authorities for the Action Plan are the IAC member agencies that are designated taking into consideration the nature of the specific action and subject area of the given agency. In addition, the main responsible authority for the specific action may be one agency, as well as more than one agency, each acting within the scope of their competence.

The third element in the hierarchy of the strategic planning instruments is the monitoring tool designed to monitor the implementation of the Strategy and the Action Plan (see Annex 2). This allows to annually verify as to what extent the strategic targets, strategic outcomes, and, lastly, strategic tasks defined for fulfilling the ultimate strategic objective are implemented.

The Monitoring Tool presents in a certain structured fashion criteria for assessment of the progress of performance of actions designated under strategic tasks, impediments identified in the course of performance of certain actions, corrective measures required for their elimination, as well as the status of implementation of strategic tasks.

Drawbacks of and achievements in implementation of the 2022-2024 Strategy for Combating ML/TF/PF identified through the use of the Monitoring Tool are to be presented at regular sessions of the IAC.

PART 2. PAST ACHIEVEMNTS AND VISION OF FUTURE

This part presents the measures undertaken for the development of the AML/CTF/CPF system in the Republic of Armenia, their description and implementation outcomes, as well as outcomes of evaluations carried out by domestic competent authorities and the key challenging areas identified through them.

CHAPTER 1.   PREVIOUS EFFORTS AND THEIR OUTCOMES

Previous Strategy

On 30 November 2018 the IAC adopted the 2019-2021 National Strategy for Combating ML/TF/PF, which covers 11 legislative, 33 operational, 3 institutional and 76 supportive measures.

Results achieved

The implementation of the Plan has always been in the focus of the IAC. Of a total of 123 measures covered by the Plan, 92 have been fully implemented, 18 have been partially implemented, and 13 have not been implemented. Of the measures implemented, the following are of important significance for enhancing the effectiveness of the AML/CTF/CPF system:

Area of legislative measures

- Incorporating in the definition of PEP local PEPs and persons entrusted or having been entrusted with prominent functions in international organizations, their family members and close associates;
- Stipulating mechanisms for receiving information on beneficial owners of legal persons, verifying its accuracy and updating it;
- Stipulating the institute of non-conviction-based confiscation of property;
- Enhancing access of law enforcement authorities to financial secrecy;

- Including in the corpus delicti of terrorism travelling with the aim of carrying out, planning, preparing terrorist activities or participating in such activities, as well as teaching or learning terrorism skills;
- Adding in the disposition of terrorism a reference to international conventions;[1]
- Envisaging a criminal liability for legal persons.

Area of institutional measures

- Designating an authority imposing liability for violation of rules for identifying the beneficial owner.

Area of operational measures

- Examining a series of issues relating to the fight against ML/TF/PF both within and outside the scope of the national ML/TF/PF risk assessment, the results of which determine further direction of development.

Area of supportive measures

- Implementing training programs on topics covered by the 2019-2021 National Strategy for Combating ML/TF/PF for agencies and representatives of the private sector involved in the fight against ML/TF.

Unimplemented or partially implemented measures

Out of 13 unimplemented measures 5 have been subject to implementation "as needed", and the findings of research conducted within the period under consideration have revealed no such necessity. The remaining 8 measures have concerned the following:
- Improving the guidelines for investigating ML cases (primary responsible authority - GPO);
- Drawing up guidelines on confiscating proceeds and instrumentalities of crime or property of equivalent value (primary responsible authority - GPO);
- Drawing up guidelines on preventing the misuse of legal persons and arrangements for ML/TF purposes (responsible authority - FMC);
- Studying ML/TF risks related to the nature of legal arrangements and their activities in the Republic of Armenia (responsible authority - FMC);
- Studying the international practice in detecting terrorist organizations and terrorist financiers and detecting, and confiscating the assets and instrumentalities related to the TF activities and owned thereby (primary responsible authority - GPO);

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[1] The acts provided for by Protocol Supplementary to the Convention of 2010 for the Suppression of Unlawful Seizure of Aircraft and the Convention of 2010 for the Suppression of Unlawful Acts against the Safety of Civil Aviation have been criminalized.

- Conducting trainings on three of the covered topics.[2]

Supportive measures have been implemented partially, the implementation of which became impossible during the pandemic.

In general, summarizing the implementation outcome of the action plan, it can be concluded that all measures of key importance have been implemented, thus raising the effectiveness of the AML/CTF/CPF system to the next level. As regards the measures still unimplemented and partially implemented, they are provided for in the Action Plan of this Strategy in an identical or revised form.

CHAPTER 2.   CURRENT SITUATION AND VISION OF FUTURE

National assessment of ML/TF risks

On 18 October 2021, the IAC approved the "Report on 2017-2020 national assessment of money laundering and terrorism financing risks in the Republic of Armenia" and the "Report on 2017-2020 national assessment of risks of financing proliferation of weapons of mass destruction in the Republic of Armenia" to summarize the regular cycle of risk assessment. The Action Plan of this Strategy is based on the outcomes of strategic evaluations conducted; the nature of actions for performance of strategic tasks depends on the level and content of the identified risk associated with that task.

Thus, the vision of future is based on the necessity to eliminate the main drawbacks in the AML/CTF/CPF system that have been identified through national assessment of ML/TF/PF risks in the Republic of Armenia:

1. Lack of detailed statistical data required for crime analysis;
2. Lack of a legal regulation concerning virtual assets and virtual asset service providers;[3]
3. Issues related to providing feedback in the field of cooperation between the FMC and law enforcement authorities;[4]
4. Lack of human resources in the law enforcement and judicial authorities, lack of professional knowledge by law enforcement authorities and judges of the investigation of ML cases; [5]
5. Absence of unified information systems in law enforcement authorities; [6]
6. Failure to conduct parallel financial investigation in all cases stipulated by "Guidelines for investigating ML cases" within the scope investigation of predicate offences recognized as high-risk from ML point of view;
7. Lack of knowledge of use by law enforcement authorities the international mutual legal assistance tools, including use of applicable legal and contractual basis, knowledge of requirements of the foreign legislation, more targeted use of data;[7]

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[2] The mentioned topics related to the prevention of vulnerability and misuse of legal persons (2020), misuse of NCOs for TF (2020), and use of financial intelligence (2021).
[3] See "Key Findings" of the "Report on 2017-2020 national assessment of money laundering and terrorist financing risks in the Republic of Armenia", paragraph 8.
[4] See ibid., paragraph 9.
[5] See ibid., paragraph 9.
[6] See ibid., paragraph 9.
[7] See ibid., paragraph 9.

8. Lack of knowledge by supervisory authorities for the gaming industry, notaries, auditors and advocates;[8]
9. A strict order for notarial secrecy in the field of supervision over compliance with the requirements of the AML/CTF legislation for notaries.[9]

The national assessment of ML/TF/PF risks in the Republic of Armenia has identified also other essential drawbacks, measures required for the elimination of which have already been implemented or are stipulated in other strategic documents. Namely, this refers to the reasons for the ML/TF vulnerability of legal persons, *i.e.* strict regulation of bank secrecy, legislative amendments for the elimination of which have already been made, and recruitment in the judicial system, measures for which are being implemented under the "2019-2023 Strategy for Judicial and Legal Reforms of the Republic of Armenia".

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[8] See ibid., paragraph 9.
[9] See ibid., paragraph 9.

Annex 1. The 2022-2024 National Strategy for Combating ML/TF/PF in the Republic of Armenia and the Action Plan for Implementation of the Strategy

> **Ultimate strategic objective: The financial system and the broader economy of the Republic of Armenia are protected from the threats of money laundering and the financing of terrorism and proliferation, thereby strengthening financial sector integrity and contributing to safety and security.**

Intermediate outcome 1 (Immediate outcomes 1-2).

ML/TF/PF risks are understood and mitigated in the Republic of Armenia through domestic coordination of policies and international cooperation

	No	Strategic tasks	Actions	Type of action	Deadline	Responsible authorities Primary/subsidiary	
Immediate outcome 1	1.1	Have a clear understanding of ML/TF/PF risks in the country	Make preparations for the next national assessment of ML/TF/PF risks in the country	Operational	December 2024	FMC	
	1.2	Ensure availability of national AML/CTF/CPF policies and measures to mitigate identified ML/TF risks	Provide for in the policy of own sector or other similar documents the actions covered by this Strategy	Institutional	June 2022	GPO MOJ SRC CBA	
	1.3	Properly use the results of risk assessment to justify exemptions and implement enhanced measures in case of higher risk scenarios and simplified measures in case of lower risk scenarios	Where necessary, make amendments to the AML/CTF Law and Regulation[10]	Legislative	December 2023	FMC	
	1.4	Ensure consistency of objectives and activities of competent authorities and SRBs with national AML/CTF policies under implementation and identified ML/TF risks	Organize activities for building awareness of involved agencies regarding ML/TF risks and trends in the country	Supportive	December 2022	FMC	
			Involved agencies provide to the FMC information on performance of actions covered in this Action Plan	Operational	Once a semester – before 10 July and 10 January	CBA MOJ SRC GPO ACC IC NSS Police INTERPOL	
	1.5	Ensure cooperation and coordination among competent authorities and SRBs in development and implementation of AML/CTF, and, where appropriate, CPF policies and measures	Introduce a unified information domain for electronic communication to make cooperation between law enforcement authorities more effective**[11]	Operational	December 2024	GPO ACC NSS IC SRC Police INTERPOL	
	1.6	Ensure awareness of financial institutions, DNFBPs and other sectors of relevant results of national ML/TF risk assessment	Enhance "Online Learning System" through incorporating a topic on results of national ML/TD/PF risk assessment and importance of carrying out such assessments	Supportive	December 2022	FMC	

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[10] Actions marked with * derive from the 2019-2021 National Strategy for Combating ML/TF/PF.

[11] Actions marked with ** derive from the Report on 2017-2020 national assessment of risks of money laundering and terrorist financing in the Republic of Armenia.

	No	Strategic tasks	Actions	Type of action	Deadline	Responsible authorities Primary/subsidiary	
			Organize training on results of national risk assessment for reporting entities	Supportive	December 2022	FMC	
Immediate outcome 2	1.7	Provide constructive, timely and high-quality responses to requests for mutual legal assistance and extradition under international cooperation	Study, within the scope of NRA, the quality of assistance provided to countries having made mutual legal assistance and extradition requests to the Republic of Armenia, through receiving feedback on it	Operational	December 2024	GPO MOJ	
	1.8	Seek, in an appropriate and timely manner, mutual legal assistance under international cooperation for ML/TF cases investigated domestically	Improve the guidelines for investigating ML cases to develop skills to request legal assistance under international cooperation **	Operational	December 2022	GPO	ՖԴԿ
			Draw up guidelines for investigating TF cases through incorporating also the topic of developing skills to request legal assistance under international cooperation **	Operational	December 2023	GPO	ՖԴԿ
			Organize training on seeking international legal assistance for the staff of involved agencies *	Supportive	At least once in 2 years	GPO MOJ NSS IC SRC Police INTERPOL	
	1.9	Provide constructive, timely and high-quality assistance requested under other forms of international cooperation through exchange of financial intelligence, supervisory, law enforcement and other information	Study, within the scope of NRA, the quality of information provided to foreign partner organizations having made requests to the FMC, and where available, also to the law enforcement and supervisory authorities, through receiving feedback on it	Operational	December 2024	FMC ACC NSS IC SRC Police CBA MOJ SRC	
	1.10	Seek, in an appropriate and timely manner, assistance under other forms of international cooperation through exchange of financial intelligence and supervisory, law enforcement and other information	Organize training to improve the practice of receiving law enforcement and other information under non-official cooperation **	Supportive	Once at least in 2 years	GPO ACC NSS IC SRC Police INTERPOL	
	1.11	Make and respond to requests in an appropriate and timely manner to obtain and exchange basic and beneficial ownership information of legal persons and arrangements	Organize training on types of international cooperation to obtain and exchange basic and beneficial ownership information of legal persons **	Supportive	Once at least in 2 years	GPO ACC NSS IC SRC Police INTERPOL	

Intermediate outcome 2 (Immediate outcomes 3-5).

Proceeds of crime and funds in support of terrorism are prevented, detected and reported in the Republic of Armenia

	No	Strategic tasks	Actions	Type of action	Deadline	Responsible authorities Primary/subsidiary	
Immediate outcome 3	2.1	Licensing, registration or other control mechanisms applied by supervisors or other authorities prevent criminals or their associates from holding significant or controlling interest in the capital of financial institutions, DNFBPs or VASPs, or being a beneficial owner of such interest, or performing management function; breaches of licensing or registration requirements are detected	Introduce a licensing or registration requirement for activities of VASPs, as well as designate them as reporting entities	Institutional	December 2023	CBA	
			Draft legislative amendments to legal acts regulating the activities of VASPs, to prevent criminals from holding significant or controlling interest in their capital, or being beneficial owner of such interest, or performing management function	Legislative	December 2023	CBA	

	2.2	Supervisors identify and maintain an understanding of the ML/TF risks in the financial and other sectors as a whole, by different sectors and by types of institutions, as well as by individual institutions	Approve the methodology of assessment of bank-specific ML/TF risks	Operational	December 2022	CBA	
			Approve the methodologies of assessment of ML/TF risks of reporting entities (excluding banks and reporting entities supervised by the FMC)	Operational	December 2023	CBA MOJ SRC MOF	
			Monitor financial transactions and services of reporting entities to review their risks[12]	Operational	At least once a year	CBA SRC	
			Develop methodology of assessment of ML/TF risks of DNFBPs supervised by the FMC	Operational	December 2023	FMC	
	2.3	With a view to risk mitigation, supervisors on a risk-sensitive basis supervise or monitor the extent to which FIs, DNFBPs and VASPs comply with AML/CTF requirements	Organize training on conducting risk-based supervision for involved supervisors **	Supportive	Once at least in 2 years	CBA MOJ SRC	
			Draw up guidelines for risk-based supervision over DNFBPs supervised by the FMC, where necessary reviewing the Concept Paper on risk-based supervision over DNFBPs	Operational	December 2024	FMC	
			Make necessary amendments to the regulations of notarial secrecy to enable the exercise of effective supervision over compliance with the requirements of AML/CTF legislation **	Legislative	December 2023	MOJ	
	2.4	The practice of undertaking remedial measures and/or imposing effective, proportionate and dissuasive sanctions is in place	Introduce legal bases for imposing sanctions on senior management and directors of VASPs	Legislative	December 2023	CBA	
	2.5	Supervisors are able to demonstrate the effect of their actions on compliance by FIs, DNFBPs and VASPs with AML/CTF requirements	Study, within the scope of NRA, the effect of supervisory measures on compliance by FIs, and DNFBPs with AML/CTF requirements	Supportive	December 2024	CBA SRC MOJ FMC	
	2.6	Supervisors promote a clear understanding by FIs, DNFBPs and VASPs of their AML/CTF obligations and ML/TF risks	Conduct thematic studies and provide feedback to FIs, DNFBPs and VASPs to achieve clear understanding of ML/TF risks **	Supportive	At least once a year	CBA SRC MOJ FMC	
Immediate outcome 4	2.7	FIs, DNFBPs and VASPs understand their ML/TF risks and AML/CTF obligations	Draft legislation for VASPs to define an obligation of their AML/CTF/CPF risk assessment	Legislative	December 2023	CBA	
			Guide financial institutions, DNFBPs and VASPs[13] in identifying, assessing and managing ML/TF/PF risks, including from the perspective of the directions of using the results of national ML/TF/PF risk assessment	Supportive	December 2022	FMC	
			Organize training for DNFBPs supervised by the FMC on obligations to conduct risk assessments and on AML/CTF obligations	Supportive	At least once a year	FMC	
	2.8	Financial institutions, DNFBPs and VASPs apply mitigating measures commensurate with their risks	Instruct financial institutions and VASPs[14] and guide DNFBPs in integrating the results of risk assessment into internal AML/CTF policies	Operational	December 2022	FMC	
	2.9	Financial institutions, DNFBPs and VASPs apply CDD and record-keeping measures (including beneficial ownership information and outcomes of ongoing monitoring); establishment of business relations is refused when the CDD is incomplete	Draft legislation on providing the obligations covered in Strategic tasks 2.9-2.12 for VASPs	Legislative	December 2023	CBA	
	2.10	Financial institutions, DNFBPs and VASPs apply enhanced and specific measures for: (a) PEPs; (b) correspondent banking; (c) new technologies; (d) wire transfers; (e) targeted financial sanctions relating to TF, and (f) higher-risk countries identified by the FATF	Organize training on topics covered in Strategic tasks 2.9-2.12 for FIs, DNFBPs and VASPs	Supportive	Once at least in 2 years	FMC	

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[12] With respect to organizers of games of chance, including internet games of chance, lotteries and casinos, this action is to be implemented from the moment the Centre for Financial Flows Monitoring becomes operational.
[13] After introducing the licensing requirement
[14] After introducing the licensing requirement

	2.11	FIs, DNFBPs and VASPs meet their reporting obligation on suspected proceeds of crime and funds related to terrorist financing, undertake practical measures to prevent the disclosure of the fact that STR has been filed					
	2.12	In order to ensure the compliance with the AML/CTF requirements FIs, DNFBPs and VASPs have introduced internal control mechanisms and procedures (including at the level of financial groups); no legislative or regulatory requirements (e.g. concerning financial secrecy) impede their implementation					
Immediate outcome 5	2.13	Relevant competent authorities identify, assess and understand ML/TF vulnerabilities of legal persons established in the country, and the extent to which they are possibly and actually misused for ML/TF	Study perceptions of relevant authorities of ML/TF vulnerabilities of legal persons, of the extent to which they are possibly and actually misused for ML/TF and, where necessary, organize discussions	Operational	December 2023	FMC	
	2.14	Relevant competent authorities are able to obtain adequate, accurate and up-to-date information on beneficial owners of legal arrangements in a timely manner	Study international and legal grounds for and international practice in regulating the activities of legal arrangements*	Operational	2022.	FMC	
			Study, within the scope of NRA, prospects for legal arrangements to carry out activities in the Republic of Armenia; ML/TF risks related to legal arrangements	Operational	December 2024	FMC	

Intermediate outcome 3 (Immediate outcomes 6-11).

ML/TF threats are detected and disrupted in the Republic of Armenia, criminals are sanctioned, proceeds of crime and terrorist resources are confiscated

	No	Strategic tasks	Actions	Type of action	Deadline	Responsible authorities Primary/subsidiary	
Immediate outcome 6	3.1	Financial intelligence and other relevant information are accessed and used in investigations to collect evidence and trace proceeds of crime related to ML, predicate offences and TF	Organize trainings on use of financial intelligence and other relevant information for the staff of law enforcement authorities *	Supportive	At least once a year	GPO ACC NSS IC SRC Police	FMC
			Regularly build awareness of the staff of law enforcement authorities on the criteria for making requests to the FMC	Operational	December 2022	FMC GPO ACC NSS IC SRC Police	
	3.2	The FMC receives or requests reports (e.g. STRs, and cross-border transportation of currency and bearer negotiable instruments) that contain relevant and accurate information assisting in the performance of its duties	Draw up guidelines on incorporating the minimum essential information in the report on a suspicious transaction or business relationship for reporting entities*	Operational	December 2022	FMC	
			Organize trainings on identifying high-risk and suspiciousness criteria in transactions and business relationships for reporting entities	Supportive	At least once a year	FMC	
	3.3	Information analyzed and provided by the FMC supports the operational needs of competent authorities	Study the use of FMC disseminations by law enforcement authorities, as well as their opinion on the usefulness of such disseminations*	Operational	At least once a year	FMC	
			Organize training on carrying out strategic and operational analysis for the staff of the FMC	Supportive	At least once a year	FMC	
	3.4	The FMC and other relevant authorities cooperate and exchange financial intelligence and other data. Confidentiality requirement for information exchanged between and used by the FMC and law enforcement authorities is complied with.	Review memoranda of understanding concluded between the FMC and relevant authorities, and, where necessary, conclude memoranda of understanding also with other relevant authorities	Institutional	December 2023	FMC	

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Immediate outcome 7	3.5	Potential ML cases are identified and investigated (including through parallel financial investigation)	Organize training for the staff of law enforcement authorities on identifying and investigating potential ML cases, including conducting parallel financial investigation, as well as on methodology for investigating high-risk predicate offences[15] in view of the results of 2017-2020 NRA**	Supportive	At least once a year	GPO ACC NSS IC SRC Police INTERPOL	FMC
			Recruit staff for the authorities investigating ML crimes and higher risk predicate offences in view of the results of 2017-2020 NRA, and for law enforcement authorities, including create jobs to perform the function of financial investigation**	Institutional	December 2022	IC NSS SRC	
			Create jobs to perform the function of financial investigation**	Institutional	December 2022	ACC	
	3.6	Investigation and prosecution of types of ML activity are consistent with the threats in the country, overall risk profile and national AML/CTF policies	Study, within the scope of NRA, consistency of ML manifestations at the stages of investigation and court trial with the threats in the country, overall risk profile and national AML/CTF policies	Operational	December 2024	FMC	
	3.7	Different types of ML cases (e.g. foreign predicate offences, third-party laundering, stand-alone ML) are prosecuted, and criminals are convicted	Improve the guidelines for investigating ML cases, through incorporating provisions on specifics of investigation of foreign predicate offences, third-party laundering, and stand-alone ML *	Operational	December 2022	GPO	FMC
			Organize training for the staff of law enforcement authorities on specifics of investigation of different types of ML cases, as well as training for judges on different ML manifestations**	Supportive	December 2024	GPO ACC NSS IC Police INTERPOL	FMC
	3.8	Sanctions imposed on natural or legal persons convicted of ML offences are effective, proportionate and dissuasive	Study, within the scope of NRA, effectiveness, proportionality and dissuasiveness of sanctions imposed on natural and legal persons	Operational	2024.	FMC	GPO CBA MOJ SRC
	3.9	The country applies other criminal justice measures in investigation of ML cases, where, for justifiable reasons, it is not impossible to secure a ML conviction. Such alternative measures do not diminish the importance of, and are not a substitute for, prosecution and conviction for ML offences	See point 3.10 of this Annex				
Immediate outcome 8	3.10	Confiscation of criminal proceeds, instrumentalities and property of equivalent value is pursued as a policy objective	Provide for an obligation to maintain statistics on property subject to conviction-based confiscation, by Articles, parts and points of the Criminal Code, taking also into consideration the need for rules applicable for combination of crimes	Legislative	2022	MOJ	
			Make an amendment to the AML/CTF Law and relevant secondary legislation, envisaging an institute for the GPO to submit to the FMC statistical data on ML case proceedings for confiscation of property of illicit origin	Legislative	December 2023	FMC	
			Taking into consideration the statistical data submitted to the FMC, study, within the scope of NRA, the practice of confiscating property of illicit origin related to ML cases	Operational	December 2024	FMC	
	3.11	Competent authorities confiscate (including for repatriation, sharing and restitution) the proceeds and instrumentalities of crime, and property of equivalent value, involving domestic and foreign predicate offences, and proceeds moved to other countries	Improve the guidelines for investigating ML cases through incorporating methodological approaches to the uses of intelligence information in MLA requests **	Operational	December 2022	GPO	FMC
	3.12	Confiscation regarding false declarations or identification of false information for cross-border transportation of currency and bearer negotiable instruments is applied as an effective,	Study, within the scope of NRA, effectiveness, proportionality and dissuasiveness of cases of applying confiscation on the ground of submission of false declarations or identification of false	Operational	December 2024	FMC	SRC

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[15] Particularly large-scale fraud, unlawful entrepreneurship committed by an organized group, failure to pay a tax, duty or other mandatory fee, particularly large-scale embezzlement or peculation, official forgery

				Type	Date	Resp.	Sec.
		proportionate and dissuasive sanction by border/ customs or other relevant authorities	information for cross-border transportation of currency and bearer negotiable instruments				
	3.13	Confiscation results reflect the outcomes of ML/TF risk assessments and national AML/CTF policies and priorities	Study, within the scope of NRA, compliance of confiscation results with the outcomes of ML/TF risk assessments and national AML/CTF policies and priorities	Operational	December 2024	FMC	
Immediate outcome 9	3.14	Different types of TF activity (e.g. raising, movement and use of funds) are prosecuted, and offenders are convicted, which is consistent with overall TF risk profile of the country	Study the international practice in investigating TF cases	Operational	December 2022	FMC	NSS FMC
			Where there are TF cases, study their compliance with the country's risk profile at the stages of investigation and court trial	Operational	December 2023	FMC	
			Organize training for the staff of law enforcement authorities on specifics of investigation of different types of TF cases, as well as training for judges on different TF manifestations	Supportive	December 2024	GPO NSS	FMC
	3.15	Identification and investigation of TF cases is ensured, specific role played by terrorist financiers is identified	Organize training for the staff of involved agencies on specifics of investigation and prosecution of TF cases	Supportive	Once at least in 2 years	GPO NSS	FMC
			Guide reporting entities in implementation of measures for TF prevention purposes	Supportive	Once at least in 2 years	FMC	
	3.16	Investigation of TF is integrated with, and used to support, national CTF strategies and investigations (e.g. for identification and designation of terrorists, terrorist organizations and terrorist support networks)	Ensure the integration of TF investigations into the Action Plan deriving from the Strategy for Combating Terrorism	Legislative	December 2022	NSS	GPO FMC
	3.17	Sanctions imposed on natural or legal persons convicted of TF offences are effective, proportionate and dissuasive	Study, within the scope of NRA, where available, effectiveness, proportionality and dissuasiveness of sanctions imposed on natural or legal persons convicted of TF offences	Operational	December 2024	FMC	GPO
	3.18	Criminal justice, regulatory or other measures are employed to disrupt TF activities where it is not practicable to secure a TF conviction	See point 3.21 of this Annex				
Immediate outcome 10	3.19	The country implements, without delay, targeted financial sanctions pursuant to (a) UNSCR 1267 and its successor resolutions, and (b) UNSCR 1373 (at the supra-national or national level, on country's own motion or after examination, to give effect to the request of another country)	Organize ongoing training for reporting entities and the staff of involved agencies on implementing, without delay, targeted financial sanctions pursuant to (a) UNSCR 1267 and its successor resolutions, and (b) UNSCR 1373	Supportive	Once at least in 2 years	FMC	
	3.20	The country undertakes, under risk-based approach, focused and proportionate measures to NPOs that are identified as being vulnerable to the risk of misuse by terrorists	Enhance "Online Learning System" through incorporating the topic of misuse of NCOs for terrorist financing purposes and preventive measures	Supportive	December 2022	FMC	
			Organize training for NCO representatives relatively more vulnerable to the risk of misuse by terrorists	Operational	At least once a year	FMC	SRC
	3.21	Terrorists, terrorist organizations and terrorist financiers are deprived of assets and instrumentalities related to TF activities (whether through criminal, civil or administrative proceedings)	Incorporate in the guidelines for investigating TF cases the methodology of confiscating assets and instrumentalities related to TF activities	Operational	December 2023	GPO NSS FMC	
			Make a supplement to the AML/CTF Law and relevant secondary legislation, envisaging an institute for the GPO to submit to the FMC statistical data on ML case proceedings for confiscation of property of illicit origin	Legislative	December 2023	FMC	
			Taking into consideration the statistical data submitted to the FMC, where available, study, within the scope of NRA, the practice of confiscating property of illicit origin related to TF cases	Operational	December 2024	FMC	
	3.22	Measures described in points 3.19-3.21 are consistent with overall TF risk profile of the country	Study, within the scope of NRA, compliance of measures described in points 3.19-3.21 with the overall risk profile of the country	Operational	2024	FMC	
Immediate outcome 11	3.23	The country implements, without delay, targeted financial sanctions provided for by UNSCRs on combating PF	Organize training for the staff of state competent authorities on targeted financial sanctions provided for by UNSCRs on combating PF and their implementation, or otherwise build awareness on the mentioned topic	Supportive	Once at least in 2 years	MFA FMC	
	3.24	Funds or other assets of designated persons and entities (and those acting on their behalf or at their direction) are	Organize training for FIs, DNFBPs and VASPs[16] on PT-related obligations, as well as methods and risks of evading sanctions	Supportive	Once at least in 2 years	FMC	

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[16] After introducing the licensing requirement

		identified, and such persons and entities are prevented from PF-related transactions					
	3.25	FIs, DNFBPs and VASPs comply with the requirements of targeted financial sanctions relating to PF and understand their obligations thereunder					
	3.26	Relevant competent authorities monitor and ensure the compliance by FIs, DNFBPs and VASPs with their obligations regarding targeted financial sanctions relating to PF	Study the level of compliance by FIs, DNFBPs and VASPs with their obligations regarding targeted financial sanctions relating to PF	Operational	December 2024	CBA FMC MOJ SRC	

Annex 2. Monitoring Tool for Implementation of the Action Plan of the 2021-2025 Strategy for Combating ML/TF/PF

Ultimate strategic objective: The financial system and the broader economy of the Republic of Armenia are protected from threats of money laundering and the financing of terrorism and proliferation, thereby strengthening financial sector integrity and contributing to safety and security.

Intermediate outcome 1 (Immediate outcomes 1-2).

ML/TF/PF risks are understood and mitigated in the Republic of Armenia through domestic coordination of policies and international cooperation

	No	Strategic tasks	Actions	Assessment criteria		Identified impediments	Corrective measures	Implementation status
				Qualitative	Quantitative			
Immediate outcome 1	1.1	Have a clear understanding of ML/TF/PF risks in the country	Make preparations for the next national assessment of ML/TF/PF risks in the country	Understanding of ML/TF risks	Availability of official risk assessment reports			
	1.2	Ensure availability of national AML/CTF/CPF policies and measures to mitigate identified ML/TF risks	Provide for in the policy of own sector or other similar documents the actions covered by this Strategy	Coordination of policies implemented in the field of fight against ML/TF	Availability of official AML/CTF policies			
	1.3	Properly use the results of risk assessment to justify exemptions and implement enhanced measures in case of high-risk scenarios and simplified measures in case of low-risk scenarios	Where necessary, make amendments to the AML/CTF Law	Practice of using risk assessment results	N/A			
	1.4	Ensure consistency of objectives and activities of competent authorities and SRBs with national AML/CTF policies under implementation and identified ML/TF risks	Organize activities for building awareness of involved agencies regarding ML/TF risks and trends in the country	Consistency of actions with risks and AML/CTF policies	N/A			
			Involved agencies provide to the FMC information on performance of actions covered in this Action Plan					
	1.5	Ensure cooperation and coordination among competent authorities and SRBs in development and implementation of AML/CTF, and, where appropriate, CPF policies and measures	Introduce a unified information domain for electronic communication to make cooperation between law enforcement authorities more effective	Practice of cooperation and coordination among competent authorities	Availability of cooperation agreements			
	1.6	Ensure awareness of financial institutions, DNFBPs and other sectors of relevant results of national ML/TF risk assessment	Enhance "Online Learning System" through incorporating a topic on results of national ML/TD/PF risk assessment and importance of carrying out such assessments	Awareness of risks	N/A			
			Organize training on results of national risk assessment for reporting entities					
Immediate outcome 2	1.7	Provide constructive, timely and high-quality response to requests for mutual legal assistance and extradition under international cooperation	Study, within the scope of NRA, the quality of assistance provided to countries having made mutual legal assistance and extradition requests to the Republic of Armenia through receiving feedback on it	Response quality Providing response in a timely manner	Number of requests received			
	1.8	Seek, in an appropriate and timely manner, mutual legal assistance under international cooperation for ML/TF cases investigated domestically	Improve the guidelines for investigating ML cases to develop skills to request legal assistance under international cooperation	Usefulness of responses Receiving responses in a timely manner	Number of requests sent			
			Draw up guidelines for investigating TF cases through incorporating also the topic of developing skills to request legal assistance under international cooperation					
			Organize training on seeking international legal assistance for the staff of involved agencies					

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	No	Strategic tasks	Actions	Assessment criteria		Identified impediments	Corrective measures	Implementation status
				Qualitative	Quantitative			
	1.9	Provide constructive, timely and high-quality assistance requested under other forms of international cooperation through exchange of financial intelligence, supervisory, law enforcement and other information	Study, within the scope of NRA, the quality of information provided to foreign partner organizations having made requests to the FMC, and where available, also to the law enforcement and supervisory authorities, through receiving feedback on it	Quality of exchanged information Timeliness of exchanged information	Number of exchanges of information			
	1.10	Seek, in an appropriate and timely manner, assistance under other forms of international cooperation through exchange of financial intelligence and supervisory, law enforcement and other information	Organize training to improve the practice of receiving law enforcement and other information under non-official cooperation	Quality of exchanged information Timeliness of exchanged information	Number of exchanges of information			
	1.11	Make and respond to requests in an appropriate and timely manner to obtain and exchange basic and beneficial ownership information of legal persons and arrangements	Organize training on types of international cooperation to obtain and exchange basic and beneficial ownership information of legal persons **	Quality of exchanged information Timeliness of exchanged information	Number of requests received and responded to			

Intermediate outcome 2 (Immediate outcomes 3-5).

Proceeds of crime and funds in support of terrorism are prevented, detected and reported in the Republic of Armenia

	No	Strategic tasks	Actions	Assessment criteria		Identified impediments	Corrective measures	Implementation status
				Qualitative	Quantitative			
Immediate outcome 3	2.1	Licensing, registration or other control mechanisms applied by supervisors or other authorities prevent criminals or their associates from holding significant or controlling interest in the capital of financial institutions, DNFBPs or VASPs, or being a beneficial owner of such interest, or performing management function; breaches of licensing or registration requirements are detected	Introduce a licensing or registration requirement for activities of VASPs, as well as designate them as reporting entities	Practice of applying market entry rules	Types and number of detected breaches			
			Draft legislative amendments to legal acts regulating the activities of VASPs, to prevent criminals from holding significant or controlling interest in their capital, or being beneficial owner of such interest, or performing management function					
	2.2	Supervisors identify and maintain an understanding of the ML/TF risks in the financial and other sectors as a whole, by different sectors and by types of institutions, as well as by individual institutions	Approve the methodology of assessment of bank-specific ML/TF risks	Understanding of ML/TF risks in financial and other sectors	N/A			
			Approve the methodologies of assessment of ML/TF risks of reporting entities (excluding banks and reporting entities supervised by the FMC)					
			Monitor financial transactions and services of reporting entities to review their risks					
			Develop methodology of assessment of ML/TF risks of DNFBPs supervised by the FMC					
	2.3	With a view to risk mitigation, supervisors on a risk-sensitive basis supervise or monitor the extent to which FIs, DNFBPs and VASPs comply with AML/CTF requirements	Organize training on conducting risk-based supervision for involved supervisors	Understanding of the extent FIs, DNFBPs and VASPs comply with the AML/CTF requirements	N/A			
			Draw up guidelines for risk-based supervision over DNFBPs supervised by the FMC, where necessary reviewing the Concept Paper on risk-based supervision over DNFBPs					
			Make necessary amendments to the regulations of notarial secrecy to enable the exercise of effective supervision over compliance with the requirements of AML/CTF legislation					

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	2.4	The practice of undertaking remedial measures and/or imposing effective, proportionate and dissuasive sanctions is in place	Introduce legal bases for imposing sanctions on senior management and directors of VASPs	Practice of applying remedial measures and sanctions	Types and number of imposed sanctions			
	2.5	Supervisors are able to demonstrate the effect of their actions on compliance by FIs, DNFBPs and VASPs with AML/CTF requirements	Study, within the scope of NRA, the effect of supervisory measures on compliance by FIs, and DNFBPs with AML/CTF requirements	Quality of supervision	Types and number of detected breaches			
	2.6	Supervisors promote a clear understanding by FIs, DNFBPs and VASPs of their AML/CTF obligations and ML/TF risks	Conduct thematic studies and provide feedback to FIs, DNFBPs and VASPs to achieve clear understanding of ML/TF risks	Practice of building awareness on AML/CTF obligations and ML/TF risks	N/A			
	2.7	FIs, DNFBPs and VASPs understand their ML/TF risks and AML/CTF obligations	Draft legislation for VASPs to define an obligation of their AML/CTF/CPF risk assessment	Understanding of AML/CTF obligations and ML/TF risks	Availability of official risk assessment reports			
			Guide financial institutions, DNFBPs and VASPs in identifying, assessing and managing ML/TF/PF risks, including from the point of view of directions of use of the results of national ML/TF/PF risk assessment					
			Organize training for DNFBPs supervised by the FMC on obligations to conduct risk assessments and on AML/CTF obligations					
	2.8	Financial institutions, DNFBPs and VASPs apply mitigating measures commensurate with their risks	Instruct financial institutions and VASPs[17] and guide DNFBPs in integrating the results of risk assessment into internal AML/CTF policies	Practice of applying mitigating measures	N/A			
Immediate outcome 4	2.9	Financial institutions, DNFBPs and VASPs apply CDD and record-keeping measures (including beneficial ownership information and outcomes of ongoing monitoring); establishment of business relations is refused when the CDD is incomplete	Draft legislation on providing the obligations covered in Strategic tasks 2.9-2.12 for VASPs	Practice of applying CDD and record-keeping measures	Types and number of detected breaches			
	2.10	Financial institutions, DNFBPs and VASPs apply enhanced and specific measures for: (a) PEPs; (b) correspondent banking; (c) new technologies; (d) wire transfers; (e) targeted financial sanctions relating to TF, and (f) higher-risk countries identified by the FATF		Practice of applying enhanced and specific measures	Types and number of detected breaches			
	2.11	FIs, DNFBPs and VASPs meet their reporting obligation on suspected proceeds of crime and funds related to terrorist financing, undertake practical measures to prevent the disclosure of the fact that STR has been filed	Organize training on topics covered in Strategic tasks 2.9-2.12 for FIs, DNFBPs and VASPs	Quality of reports filed	Number of reports filed Number of cases of identified suspicions			
	2.12	In order to ensure the compliance with the AML/CTF requirements FIs, DNFBPs and VASPs have introduced internal control mechanisms and procedures (including at the level of financial groups); no legislative or regulatory requirements (e.g. concerning financial secrecy) impede their implementation		Practice of applying internal control mechanisms and procedures	Types and number of breaches detected			
Immediate	2.13	Relevant competent authorities identify, assess and understand ML/TF vulnerabilities of legal persons established in the country, and the extent to which they are possibly and actually misused for ML/TF	Study perceptions of relevant authorities of ML/TF vulnerabilities of legal persons, of the extent to which they are possibly and actually misused for ML/TF and, where necessary, organize discussions	Understanding of actual or possible misuse of legal persons	Availability of official risk assessment reports			

[17] After introducing the licensing requirement

| | 2.14 | Relevant competent authorities are able to obtain adequate, accurate and up-to-date information on beneficial owners of legal arrangements in a timely manner | Study international and legal grounds for and international practice in regulating the activities of legal arrangements | Understanding of actual or possible misuse of legal persons | Availability of official risk assessment reports | | | |
| | | | Study, within the scope of NRA, prospects for legal arrangements to carry out activities in the Republic of Armenia; ML/TF risks related to legal arrangements | Quality of information on beneficial owners of legal arrangements | N/A | | | |

Intermediate outcome 3 (Immediate outcomes 6-11).

ML/TF threats are detected and disrupted in the Republic of Armenia, criminals are sanctioned, proceeds of crime and terrorist resources are confiscated

| | No | Strategic tasks | Actions | Assessment criteria | | Identified impediments | Corrective measures | Implementation status |
				Qualitative	Quantitative			
Immediate outcome 6	3.1	Financial intelligence and other relevant information are accessed and used in investigations to collect evidence and trace proceeds of crime related to ML, predicate offences and TF	Organize trainings on use of financial intelligence and other relevant information for the staff of law enforcement authorities *	Practice of using financial intelligence and other relevant information	Number of cases initiated based on disseminations and other information received from the FMC			
			Regularly build awareness of the staff of law enforcement authorities on the criteria for making requests to the FMC					
	3.2	The FMC receives or requests reports (e.g. STRs, and cross-border transportation of currency and bearer negotiable instruments) that contain relevant and accurate information assisting in the performance of its duties	Draw up guidelines on incorporating the minimum essential information in the report on a suspicious transaction or business relationship for reporting entities*	Quality of reports (e.g. statements on STRs, cross-border transportation of currency and bearer negotiable instruments)	• Number of STRs, based on which disseminations have been made to law enforcement authorities			
			Organize trainings on identifying high-risk and suspiciousness criteria in transactions and business relationships for reporting entities		• Number of other reports, based on which disseminations have been made to law enforcement authorities			
	3.3	Information analyzed and provided by the FMC supports the operational needs of competent authorities	Study the use of FMC disseminations by law enforcement authorities, as well as their opinion on the usefulness of such disseminations*	Quality of information analyzed and provided by the FMC	• Availability of cooperation agreements			
			Organize training on carrying out strategic and operational analysis for the staff of the FMC		• Number of cases initiated based on disseminations and other information received from the FMC			
	3.4	The FMC and other relevant authorities cooperate and exchange financial intelligence and other data. Confidentiality requirement for information exchanged between and used by the FMC and law enforcement authorities is complied with	Review memoranda of understanding concluded between the FMC and relevant authorities, and, where necessary, conclude memoranda of understanding also with other relevant authorities	Practice of cooperation between the FMC and law enforcement authorities	• Availability of cooperation agreements • Number of exchanges of financial intelligence			
Immediate outcome 7	3.5	Potential ML cases are identified and investigated (including through parallel financial investigation)	Organize training for the staff of law enforcement authorities on identifying and investigating potential ML cases, including conducting parallel financial investigation, as well as on methodology for investigating high-risk predicate offences in view of the results of 2017-2020 NRA**	Practice of conducting parallel financial investigation	Number of investigations in ML cases			

			Recruit staff for the authorities investigating ML crimes and higher risk predicate offences in view of the results of 2017-2020 NRA, and for law enforcement authorities, including create jobs to perform the function of financial investigation**					
			Create jobs to perform the function of financial investigation					
	3.6	Investigation and prosecution of types of ML activity are consistent with the threats in the country, overall risk profile and national AML/CTF policies	Study, within the scope of NRA, consistency of ML manifestations at the stages of investigation and court trial with the threats in the country, overall risk profile and national AML/CTF policies	Consistency of ML cases with general ML/TF risk profile assessment and national AML/CTF policies	• Availability of official risk assessment reports • Number of investigations and convictions for predicate offences • Number of investigations and convictions for ML			
	3.7	Different types of ML cases (e.g. foreign predicate offences, third-party laundering, stand-alone ML) are prosecuted, and criminals are convicted Sanctions imposed on natural or legal persons convicted of ML offences are effective, proportionate and dissuasive	Improve the guidelines for investigating ML cases, through incorporating provisions on specifics of investigation of foreign predicate offences, third-party laundering, and stand-alone ML *	Practice of criminal prosecution of different types of ML cases	• Number of cases involving foreign predicate offences • Number of cases involving third-party laundering • Number of cases involving stand-alone ML			
			Organize training for the staff of law enforcement authorities on specifics of investigation of different types of ML cases, as well as training for judges on different ML manifestations**					
			Organize – based on a study - training for the staff of law enforcement authorities on specifics of investigation of different types of ML cases, as well as training for judges on different ML manifestations					
	3.8	Sanctions imposed on natural or legal persons convicted of ML offences are effective, proportionate and dissuasive	Study, within the scope of NRA, effectiveness, proportionality and dissuasiveness of sanctions imposed on natural and legal persons	ML crime incidence	• Number of convicted persons • Number of ML recidivists			
	3.9	The country applies other criminal justice measures in investigation of ML cases, where, for justifiable reasons, it is not impossible to secure a ML conviction Such alternative measures do not diminish the importance of, and are not a substitute for, prosecution and conviction for ML offences	See point 3.10 of this Annex	Practice of applying other criminal justice measures	Number of cases with application of other criminal justice measures			
Immediate outcome 8	3.10	Confiscation of criminal proceeds, instrumentalities and property of equivalent value is pursued as a policy objective	Provide for an obligation to maintain statistics on property subject to conviction-based confiscation, by Articles, parts and points of the Criminal Code, taking also into consideration the need for rules applicable for combination of crimes	Practice of defining confiscation as a policy objective	Number and amount of confiscations			
			Make an amendment to the AML/CTF Law and relevant secondary legislation, envisaging an institute for the GPO to submit to the FMC statistical data on ML case proceedings for confiscation of property of illicit origin					
			Taking into consideration the statistical data submitted to the FMC, study, within the scope of NRA, the practice of confiscating property of illicit origin related to ML cases					
	3.11	Competent authorities confiscate (including for repatriation, sharing and restitution) the proceeds and instrumentalities of crime, and property of equivalent value, involving domestic and	Improve the guidelines for investigating ML cases through incorporating methodological approaches to the uses of intelligence information in MLA requests	Practice of confiscating proceeds and instrumentalities of crime, or property of equivalent value	• Number and amount of confiscations for predicate offences committed in the given country			

		foreign predicate offences, and proceeds moved to other countries			• Number and amount of confiscations for predicate offences committed in other countries • Number and amount of confiscations for funds moved to other countries			
	3.12	Confiscation regarding false declarations or identification of false information for cross-border transportation of currency and bearer negotiable instruments is applied as an effective, proportionate and dissuasive sanction by border/ customs or other relevant authorities	Study, within the scope of NRA, effectiveness, proportionality and dissuasiveness of cases of applying confiscation on the ground of submission of false declarations or identification of false information for cross-border transportation of currency and bearer negotiable instruments	Practice of confiscating on the grounds of submission of false declarations or identification of false information for cross-border transportation of currency and bearer negotiable instruments	• Number and amount of confiscations • On the ground of submission of false declarations for cross-border transportation of currency • On the ground of failure to submit declarations for cross-border transportation of currency • On the ground of submission of false declarations for cross-border transportation of bearer negotiable instruments • On the ground of failure to submit declarations for cross-border transportation of bearer negotiable instruments			
	3.13	Confiscation results reflect the outcomes of ML/TF risk assessments and national AML/CTF policies and priorities	Study, within the scope of NRA, compliance of confiscation results with the outcomes of ML/TF risk assessments and national AML/CTF policies and priorities	Compliance of confiscation figures with the results of ML/TF risk assessments and AML/CTF policies and priorities	• Availability of official risk assessment reports • Number and amount of confiscations for predicate offences • Number and amount of confiscations for ML			
Immediate outcome 9	3.14	Different types of TF activity (e.g. raising, movement and use of funds) are prosecuted, and offenders are convicted, which is consistent with overall TF risk profile of the country	Study the international practice in investigating TF cases	Practice of prosecuting different types of TF activities	Number of cases involving different types of TF activities, including raising, movement and use of funds			
			Where there are TF cases, study their compliance with the country's risk profile at the stages of investigation and court trial					
			Organize training for the staff of law enforcement authorities on specifics of investigation of different types of TF cases, as well as training for judges on different TF manifestations					
	3.15		Organize training for the staff of involved agencies on specifics of investigation and prosecution of TF cases					

		Identification and investigation of TF cases is ensured, specific role played by terrorist financiers is identified	Guide reporting entities in implementation of measures for TF prevention purposes	Practice of criminal identification and investigation of TF cases	Number of TF cases identified and investigated			
	3.16	Investigation of TF is integrated with, and used to support, national CTF strategies and investigations (e.g. for identification and designation of terrorists, terrorist organizations and terrorist support networks)	Ensure the integration of TF investigations into the Action Plan deriving from the Strategy for Combating Terrorism	Consistency of TF cases with national strategies for combating terrorism	• Availability of official risk assessment reports • Number of cases and convictions involving TF			
	3.17	Sanctions imposed on natural or legal persons convicted of TF offences are effective, proportionate and dissuasive	Study, within the scope of NRA, where available, effectiveness, proportionality and dissuasiveness of sanctions imposed on natural or legal persons convicted of TF offences	TF crime incidence	• Number of convicted persons • Number of TF recidivists			
	3.18	Criminal justice, regulatory or other measures are employed to disrupt TF activities where it is not practicable to secure a TF conviction	See point 3.21 of this Annex	Practice of applying criminal justice, regulatory or other measures	Number of cases of application of criminal justice, regulatory or other measures			
Immediate outcome 10	3.19	The country implements, without delay, targeted financial sanctions pursuant to (a) UNSCR 1267 and its successor resolutions, and (b) UNSCR 1373 (at the supra-national or national level, on country's own motion or after examination, to give effect to the request of another country)	Organize ongoing training for reporting entities and the staff of involved agencies on implementing, without delay, targeted financial sanctions pursuant to (a) UNSCR 1267 and its successor resolutions, and (b) UNSCR 1373	Practice of implementing targeted financial sanctions provided for by (a) UNSCR 1267 and its successor resolutions, and (b) UNSCR 1373	• Number of targeted financial sanctions applied by reporting entities • Number of targeted financial sanctions applied by relevant authorities (e.g. customs and other authorities)			
	3.20	The country undertakes, under risk-based approach, focused and proportionate measures to NPOs that are identified as being vulnerable to the risk of misuse by terrorists	Enhance "Online Learning System" through incorporating the topic of misuse of NCOs for terrorist financing purposes and preventive measures Organize training for NCO representatives relatively more vulnerable to the risk of misuse by terrorists	Compliance of measures applied against NCOs with their TF risks	• Availability of official risk assessment reports • Number of programs for building awareness on TF risks • Number of abuses of NCOs for TF purposes			
	3.21	Terrorists, terrorist organizations and terrorist financiers are deprived of assets and instrumentalities related to TF activities (whether through criminal, civil or administrative proceedings)	Incorporate in the guidelines for investigating TF cases the methodology of confiscating assets and instrumentalities related to TF activities Make a supplement to the AML/CTF Law and relevant secondary legislation, envisaging an institute for the GPO to submit to the FMC statistical data on ML case proceedings for confiscation of property of illicit origin Taking into consideration the statistical data submitted to the FMC, where available, study, within the scope of NRA, the practice of confiscating property of illicit origin related to TF cases	Practice of confiscating assets and instrumentalities of terrorists, terrorist organizations and terrorist financiers	Number and amount of confiscations			
	3.22	Measures described in points 3.19-3.21 are consistent with overall TF risk profile of the country	Study, within the scope of NRA, compliance of measures described in points 3.19-3.21 with the overall risk profile of the country	Consistency of CTF measures with general TF risk assessment in the country	• Availability of official risk assessment reports • Number of investigations and convictions involving TF • Number of cases of application of targeted financial sanctions			

Immediate outcome 11	3.23	The country implements, without delay, targeted financial sanctions provided for by UNSCRs on combating PF	Organize training for the staff of state competent authorities on targeted financial sanctions provided for by UNSCRs on combating PF and their implementation, or otherwise build awareness on the mentioned topic	Practice of implementing targeted financial sanctions relating to CTF	• Number of targeted financial sanctions applied by reporting entities • Number of targeted financial sanctions applied by relevant authorities (e.g. customs and other authorities)			
	3.24	Funds or other assets of designated persons and entities (and those acting on their behalf or at their direction) are identified, and such persons and entities are prevented from PF-related transactions	Organize training for FIs, DNFBPs and VASPs[18] on PT-related obligations, as well as methods and risks of evading sanctions	Practice of identifying and freezing funds or other assets of listed persons and organizations	Number and amount of identified and frozen funds or other assets			
	3.25	FIs, DNFBPs and VASPs comply with the requirements of targeted financial sanctions relating to PF and understand their obligations thereunder		Level of understanding by FIs, DNFBPs and VASPs of their obligations under targeted financial sanctions relating to PF	N/A			
	3.26	Relevant competent authorities monitor and ensure the performance by FIs, DNFBPs and VASPs of their obligations under targeted financial sanctions relating to PF	Study the level of performance by FIs, DNFBPs and VASPs of their obligations under targeted financial sanctions relating to PF	Practice of monitoring by relevant competent authorities	Types and number of detected breaches; applied remedial measures			

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[18] After introducing the licensing requirement