

An interview has been made on 5th Round Mutual evaluation report of anti-money laundering and counter-terrorist financing system of Armenia

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Several days ago media approached the 5th Round Mutual evaluation of anti-money laundering and counter-terrorist financing system of Armenia. Tert.am has made an interview with Ani Melkonyan - Expert of the Financial Monitoring Center of the Central Bank of Armenia, member of the Armenian delegation in Council of Europe MONEYVAL committee of experts, to figure out the particulars of the assessment.

- What does the 5th Round Mutual evaluation of anti-money laundering and counter-terrorist financing system of Armenia constitute?

- The 5th Round Mutual evaluation of anti-money laundering and counter-terrorist financing system of Armenia constitutes a summary of the results of the assessment of compliance with the FATF (Financial Action Task Force) 40 Recommendations carried out in 2015 by the Council of Europe MONEYVAL committee of experts.

Armenia became a member of MONEYVAL committee on 25 January, 2001, simultaneously with obtaining membership to the Council of Europe. To date MONEYVAL has 28 member countries.

Assessment of anti-money laundering and combatting the financing of terrorism system is a periodical process. Previously, our country has been assessed in 2004 and 2009.

- What is the aim of these assessments, what are their findings?

- The results of the assessments indicate how well the countries have implemented the FATF 40 Recommendations, what is their level of effectiveness and what shortcomings are there. Afterwards, the countries are obliged to provide regular follow-up reports.

- As you indicated the countries are assessed, and the results are summarized in the reports. So, what has been reflected in the MONEYVAL report on Armenia?

- The executive summary itself, which represents the key findings, indicates, that Armenia has a broadly sound legal and institutional framework to combat money laundering and financing of terrorism. Armenia's level of technical compliance is generally high with respect to a large majority of FATF Recommendations. It is also mentioned, that Armenia is not an international or regional financial center and is not believed to be at major risk of ML.

At the same time, as regards the identified shortcomings, though the number of ML investigations and prosecutions has increased during the recent years, the law

enforcement authorities have to undertake additional measures to enhance the effectiveness of pursuing money laundering in relation to a number of predicate offences, such as fraud (including cybercrime), tax evasion, theft, etc.

- What are the key findings for Armenia?

- From the AML/CFT perspective, the assessment report has recorded substantial level of effectiveness with regard to AML/CFT international cooperation, preventive measures for financial and non-financial institutions, transparency of legal persons, etc. It is very important for our country that a substantial level of effectiveness has been recorded both for investigation, and for implementation of targeted financial sanctions related to terrorist financing and proliferation financing.

In general, the results of the assessment of 7 countries (6 of the assessed countries are members of FATF, whereas Armenia is the first member country of MONEYVAL to be assessed) based on the revised 2013 FATF Methodology show, that Spain and Malaysia are compliant or largely compliant with 37 recommendations out of 40, Italy- with 36, Armenia- with 35, Belgium, Australia and Norway- accordingly with 29, 24 and 22 Recommendations.

Let me also indicate, that according to the MONEYVAL decision Armenia should provide a follow-up report in April 2018, and for some of the questions- an interim report in December 2016.