

STATEMENT

On the 33rd-34th meetings of the Interagency Committee on Combating Money Laundering, Terrorism Financing and Proliferation Financing in the Republic of Armenia (2017-2019)

Over the period 2017-2019, two meetings of the Interagency Committee on Combating Money Laundering, Terrorism Financing and Proliferation Financing (hereinafter: the Committee) were convened, which considered and agreed upon, *inter alia*, the following key issues in the area of combating money laundering and terrorism financing (hereinafter: ML/TF):

1. ***Regarding the national risk assessment methodology*** – The Committee considered issues related to the national assessment of ML/TF risks in Armenia, the methodology for conducting the assessment, and the international developments in the field. To this end, the meeting hosted Paul DerGarabedian, an international expert in the field of ML/TF risk assessment and a senior specialist in financial crimes investigation of the US Treasury. The participants emphasized the need to carry out regular national assessments of ML/TF risks in Armenia and consistently implement the measures defined pursuant to such assessments, as well as the importance of continuously studying international experience and trends in this field. During the meeting, Paul DerGarabedian, who was actively involved in the work of the national assessment of ML/TF risks in the US, made a presentation on international best practices reflecting, in particular, on the national assessment of ML/TF risks in that country.

2. ***Regarding current action plan in the field of combating ML/TF*** – In connection with the implementation of the activities provided by the action plan approved by the Committee, the measures related to the introduction of new arrangements in Armenia was discussed. This included the mechanisms for non-conviction based confiscation of the proceeds of crime; the issues related to the procedures for proper management of arrested, seized and confiscated property; and the introduction of criminal liability for legal entities. As part of the work aimed at ensuring implementation of the action plan, the 34th meeting of the Committee approved the concept papers “*Reversal of burden of proof in demonstrating the lawful origin of property in case of grave and particularly grave crimes*” and “*Non-conviction based confiscation of the proceeds of crime*”.

3. ***Regarding the draft 2019-2021 National AML/CFT Strategy*** – The Committee considered the draft 2019-2021 national strategy for combating money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The draft strategy significantly differed from previous strategies in terms of both the content and the structure. The format, logic, and substance of the draft strategy were developed based on the FATF Methodology (2013). The strategy set a high priority for, *inter alia*, measures aimed at enhancing the effectiveness of ML/TF investigations, introducing sanctions for submission of false or incorrect data about beneficial owners of legal entities, alternative measures of criminal justice, including non-conviction based confiscation of the proceeds of crime.

4. ***Among other issues***, the Committee gave its consent to the draft decision of the Prime Minister of the Republic of Armenia on establishing the Interagency Committee revised further to the 2015 amendments to the Constitution, to be sent to the Staff of the Prime Minister of the

Republic of Armenia. Further works towards conclusion or revision of memoranda of cooperation between the FMC and relevant competent authorities were also emphasized.