

## **Anti-money Laundering and Countering the Financing of Terrorism and Proliferation Policy-making and Coordination of Implementation**

Financial Sector Development Board under the management of Prime minister that consists of all main stakeholders of public and private sector, is a coordinating authority, whose purpose of operation according to the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (hereinafter – AML/CFT Law) is to coordinate and to improve the cooperation between the state authorities and the private sector in the prevention of money laundering and terrorism financing. The tasks of the Financial Sector Development Board are, inter alia, to assess the risks of money laundering/terrorist and proliferation financing (hereinafter – ML/FT), including the progress of the implementation of plan to limit the risks of ML/FT based on national risk assessment. The role of the Financial Sector Development Board is also to examine proposals on the development of the laws and regulations necessary to promote the development of the financial sector and to reduce the possibility of carrying out ML/FT in the Republic of Latvia, as well as to decide on the future direction of these proposals.

In accordance with Clause 2 of the Cabinet Order No. 576 of 29 September 2020 “On the Action Plan for Prevention of Money Laundering and Terrorist and Proliferation Financing for the time period from 2020 until 2020” (hereinafter - AML/CFT Plan), the Financial Sector Development Board is responsible for the AML/CFT Plan overall coordination of implementation. According to the competence of the institutions, the AML/CFT plan is divided into 11 courses of action, for which the Ministry of the Interior, the Ministry of Justice, the Ministry of Finance, the Ministry of Foreign Affairs and the Financial Intelligence Unit are responsible. In total, more than 30 institutions are responsible and co-responsible for the execution of the measures of the plan.

The Financial Intelligence Unit is an institution of direct administration under supervision of the Cabinet which, in accordance with AML/CFT Law, exercises control over unusual and suspicious transactions, and acquires, receives, analyses and provides information to pre-trial investigating institutions, the Office of the Prosecutor or a court which may be used for the prevention, detection, pre-trial criminal proceedings or trial of money laundering, terrorism financing, proliferation financing or an attempt to carry out such actions or another associated criminal offence. The Financial Intelligence Unit is independent in its activities. The Cabinet of Ministers implements institutional supervision of the Financial Intelligence Unit through the Minister of the Interior.

The Advisory Board of Financial Intelligence Unit under the management of the Chief of the Financial Intelligence Unit is established in order to facilitate the work of the Financial Intelligence Unit and to coordinate its cooperation with pre-trial investigating institutions, the Office of the Prosecutor, a court and the subjects of AML/CFT Law.

According to AML/CFT Law Section 55, Financial Intelligence Unit coordinates cooperation coordination group which consists of the bodies performing operational activities, investigatory authorities, Office of the Prosecutor, the State Revenue Service (hereinafter – the involved institutions), as well as subjects of the AML/CFT Law. The purpose of cooperation coordination group is to promote efficient execution of the tasks specified in the laws and regulations for the involved institutions, subjects of the law, and supervisory and control authorities.

According to AML/CFT plan measure 1.11 Cooperation platform is established under the management of the Financial Intelligence Unit for the purposes of coordination of activities of the supervisory and control authorities. The objective of the cooperation platform is to ensure that all supervisors have uniform understanding about the ML/FT risks and that adequate preventive measures are applied for mitigating those risks.

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