

Anti-money Laundering and Countering the Financing of Terrorism 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 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 financing (hereinafter – ML/TF) and proliferation, including the progress of the implementation of plan to limit the risks of ML/TF 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/TF in the Republic of Latvia, as well as to decide on the future direction of these proposals.

Within the scope of its competence, the Ministry of Justice, the Ministry of Finance, the Ministry of the Interior and the Ministry of Foreign Affairs form the AML/CFT policy.

In accordance with Clause 2 of the Cabinet Order No. 512 of 11 October 2018 “On the Action Plan for Prevention of Money Laundering and Terrorist Financing until 31 December 2019” (hereinafter - Moneyval Plan), the Financial Sector Development Board is responsible for the Moneyval Plan overall coordination of implementation. In turn, the Ministry of Interior regularly compiles information on the implementation of the Moneyval plan and submits it to the Financial Sector Development Board. According to the competence of the institutions, the Moneyval 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 Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity are responsible. In total, more than 20 institutions are responsible and co-responsible for the execution of the measures of the plan.

The Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity 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 Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity is independent in its activities. The Cabinet of Ministers implements institutional supervision of the Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity through the Minister of the Interior.

The Advisory Board of the Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity under the management of the Chief of the Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity is established in order to facilitate the work of the Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity 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, Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity 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 Moneyval plan measure 3.2 Cooperation platform is established under the management of the Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity 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.

According to Moneyval plan measure 1.1 working party for preparing Latvia ML/FT risk assessment for the period 2017 – 2018 is established under the management of the Office for the Prevention of Laundering of Proceeds Derived from Criminal Activity.

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