



MOLI-UA-2

Follow-up Project Against Money Laundering and Terrorist Financing in Ukraine

Round Table

“Presentation of the legal opinion on the compliance of the draft Ukrainian AML legislation with the 3rd EU Directive and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism”

BRIEF UPDATE

The Round Table of the MOLI-UA-2 Project entitled “Presentation of the legal opinion on the compliance of the draft Ukrainian AML legislation with the 3rd EU Directive and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism” took place in Kyiv, Ukraine, on 12 December 2006.

The Round Table was organized jointly by the Council of Europe (CoE) and the State Committee for Financial Monitoring (SCFM) of Ukraine with the support of the European Commission (EC). The Round Table was chaired by Mr. Stanislav Klushke, Deputy Head of the SCFM and Mr. Jaroslaw Zoltowski, MOLI-UA-2 Team Leader.

The main objective was to present and discuss the Legal Opinion on the draft law of Ukraine on prevention and counteraction to the legalization (laundering) of the proceeds from crime and related laws prepared by Mr. Klaudijo Stroligo, Expert (Slovenia). The draft Ukrainian law was compared with a number of international instruments, including the 3rd EU Directive and the Warsaw Convention.

The total of 45 participants were present including the SCFM staff members, project experts and EC officials as well as representatives of the Ukrainian banking/fiscal system and law-enforcement/judiciary bodies. A delegation of institutions in charge of AML/CTF issues in Moldova participated in the event as well as part of their training under MOLICO project.

Some of the expert's recommendations related to definitions such as “Socially dangerous criminal activity” and “Legalization of the proceeds” were taken into account by the SCFM. Some others recommendations concerning beneficial owners, a prohibition of tipping off and obligations of notaries, lawyers and other categories of professions, exceptions and information representing a professional secret, and politically exposed persons were discussed. A very important issue of introducing procedures to freeze suspicious transactions was debated in details.

Presentations were also made by the project experts on the UN AML model legal standards, EU-Eurojust powers and obligations in AML/CTF, coherence with FATF and EU standards in the implementing measures, impact of AML/CTF standards evolutions on financial sector activities, as well as Ireland's experience with AML/CTF.

In his concluding remarks, Mr. Klushke, SCFM, expressed his gratitude for the work done within the project's framework. He found a lot of comments relevant and useful. Based on the outcome of the Round Table a CD will be prepared to be further used as a reference and training tool by the participants and the SCFM International and National Training Centre.