



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

(MOLI-UA-2)

– project summary –

Project title	Follow-up Project against Money Laundering and Terrorist Financing in Ukraine (MOLI-UA 2)
Project partner	State Committee for Financial Monitoring of Ukraine (SCFM)
Funding	European Commission (TACIS Regional Co-operation Programme)
Implementation	Council of Europe (Economic Crime Division, DG Legal Affairs)
Budget	EURO 5 300 000 €
Duration	36 months (1 May 2006 – 30 April 2009)

BACKGROUND

Thanks to the commitment of the relevant authorities of Ukraine, in particular of the State Committee for Financial Monitoring (Ukrainian FIU), and to the implementation between February 2003 and June 2005 of the Project against Money Laundering in Ukraine (MOLI-UA)¹, significant improvements in the Ukraine's anti-money laundering system have been noted in the recent years. The legislative base to fight money laundering has improved, the state system to combat money laundering has developed and the international and interagency co-operation has been enhanced. The political commitment to improving the anti-money laundering regime has also been evidenced by the allocation of significant human resources and an impressive IT infrastructure to the FIU.

Ukraine has been removed from the NCCS list by the FATF, has become member of the Egmont Group and has entered into co-operative relations with a number of other FIUs.

Following the success of the MOLI-UA Project, continued efforts are necessary to further improve the mutual understanding and co-operation of various agencies in the AML/CTF system of Ukraine and to further increase qualifications of staff of these agencies. Efforts should concentrate on education and training for the staff not only to be able to do their work better but also to co-operate more effectively with their partners within the system. Continued training should be provided to the SCFM staff, supervisors and regulators, law enforcement and criminal justice agencies as well to judges who should be able to adjust

¹ Financed by the European Commission and implemented by the Council of Europe

their working methods to meet the requirements of other partners. Important capacity building efforts undertaken by the Ukrainian Governments should also be supported.

The follow-up project is essential to make sure that the momentum in the fight against money laundering and terrorist financing, gained in the recent years thanks to the MOLI-UA project will not be lost. Given the size of the country and of its economy continued international assistance is necessary for Ukraine to keep developing its AML/CTF policy in line with the European standards and increase efficiency in fighting economic crime. This will contribute to the international effort to combat organised cross-border crime and in particular money laundering and threat of terrorism to which both the European Union and the Council of Europe are committed.

The project seeks to address these issues by providing advise on legislative matters, organising training activities and indeed a training strategy, by supporting the establishment of a International and National Training Centre and the regional offices of the SCFM.

OBJECTIVES AND EXPECTED RESULTS

Overall objective:	To contribute to the prevention and control of money laundering and terrorist financing in Ukraine in accordance with the European and other international standards and best practices
Project objective 1	To make Ukraine’s legislation compliant with the 3rd EU Directive on the Prevention of the Use of the Financial System for the Purposes of Money Laundering or Terrorist Financing, and the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism
Output 1	Draft amendments to the relevant legislation prepared in line with the 3 rd EU Directive and the Council of Europe Convention (ETS 198).
Project objective 2	To enhance the human capacities of key institutions of the anti-money laundering system of Ukraine (State Committee for Financial Monitoring, law enforcement agencies and judiciary and financial sector regulators/supervisors)
Output 2	The SCFM training strategy elaborated and implemented
Output 3	The SCFM National AML/CTF Training Centre created and operational.
Output 4	The law enforcement agencies and judges have their training plans in investigating money laundering and terrorist financing cases and are able to implement them.

Output 5	Regulators and supervisors of the financial services sector implement basic and further training plans and curricula in international standards and best practices in countering money laundering and terrorist financing.
Project objective 3	To develop the organisational and technical infrastructure of the anti-money laundering and counter terrorist financing system.
Output 6	The International and National AML/CTF Training Centre established and equipped.
Output 7	22 regional offices of the SCFM established and equipped.
Output 8	The Single Information System extended to include the Ministry of Internal Affairs, pension funds and the Ministry of Transport.

INPUTS

The project will provide funding for:

- a long-term technical adviser
- a number of short-term advisers
- project support staff
- in-country training events in Kyiv and different regions
- the preparation of training materials and guidelines
- legal opinions
- international study visits
- internships and training in FIUs of other countries
- IT and other equipment

Partnerships with FIUs from a number of other European countries will ensure experience exchange and international cooperation, and facilitate the delivery of short-term inputs.

IMPLEMENTATION ARRANGEMENTS

All project activities are carried out through the SCFM (the project partner) with the support of the Council of Europe.

The Council of Europe is responsible for the implementation of the project and the use of the project funds under a contract with the European Commission.

The Council of Europe made available a long-term adviser, procurement adviser and local support staff based in Kyiv and working directly with the SCFM. This team is responsible for the implementation of project activities on behalf of the Council of Europe.

Within the General Secretariat of the Council of Europe in Strasbourg, the Technical Cooperation Section of the Directorate General of Legal Affairs is responsible for management and supervision of the project.

A project Steering Committee set up and headed by the Chairman of the SCFM monitors and guides project implementation.

CONTACT

Council of Europe

Technical Cooperation Section
DG Legal Affairs, Strasbourg,
France

Tel + 33 3 8841 3482
Fax + 33 3 8841 3743
Email
przemyslaw.musialkowski@coe.int

State Committee for Financial Monitoring of Ukraine

tel/fax: +380 44 594 1648

Email
barsik@sdfm.gov.ua

European Commission

EC Delegation in Kyiv

Tel +380 44 380 80 10

Email
Bernhard.Bogensperger@ec.europa.eu

