



**Project against Money Laundering in the Russian Federation
(MOLI-RU)**

– project summary –

Project title	Project against money laundering in the Russian Federation (MOLI-RU)
Project partner	Committee for Financial Monitoring of the Russian Federation (KFM)*
Funding	European Commission (TACIS Regional Co-operation Programme)
Implementation	Council of Europe (Technical Cooperation Section, DG I Legal Affairs)
Budget	EURO 2.5 million
Duration	30 months (1 February 2003 – 31 July 2005)

BACKGROUND

Countries of central and eastern Europe are undergoing significant political and economic changes. Accompanying this transition, there has been a considerable rise in criminal activity – including organised crime, economic crime and money laundering – threatening democracy, the rule of law and social and economic progress.

With regard to money laundering – recognising the seriousness of the issue – the Russian Federation has taken important steps. These include in particular the strengthening of the legal basis and the establishment of the Committee of Financial Monitoring (KFM)*. The present project supports the Russian Federation in these efforts.

The project is funded by the European Commission under the TACIS Regional Co-operation Programme which in the field of justice and home affairs is designed to assist governments through a range of capacity building measures.

The project is implemented by the Council of Europe (Economic Crime/Directorate General of Legal Affairs). The Russian Federation is party to the Council of Europe's Convention on the Laundering, Search, Seizure and Confiscation of Proceeds from Crime, and has been evaluated under its money laundering evaluation mechanism MONEYVAL. The present project will complement these standard setting and monitoring activities.

The KFM is the project partner through which all project activities are carried out. Given its crucial role in the anti-money laundering system of the Russian Federation, the KFM is particularly well placed for this task.

* Federal Service for Financial Monitoring since may 2004



OBJECTIVES AND EXPECTED RESULTS

Overall objective	The project will contribute to the establishment of a fully functioning system to prevent and control money laundering in accordance with European and international standards
Project objective 1	To enable the Financial Monitoring Committee to exercise its functions in accordance with relevant regulations, including its tasks regarding information, coordination and international cooperation
Output 1.1	The staff of the KFM (HQs and regional offices) have been trained in their respective tasks
Output 1.2	The analytical capabilities of the KFM in the handling of reports from different agencies will have been strengthened
Output 1.3	Effective mechanisms are in place to improve co-ordination among the different services involved (financial sector supervision, law enforcement, etc.)
Output 1.4	Proposals will be available to further improve regulations related to the prevention and control of money laundering, as well as the tracing, search, seizure and confiscation of proceeds from crime in accordance with European and international standards
Output 1.5	The Financial Monitoring Committee is cooperating and exchanging information with the FIUs of other countries
Output 1.6	Feasibility study and proposal for a follow up project available
Project objective 2	To enhance the capacities of the criminal justice system to cooperate with the KFM within the anti-money laundering system
Output 2.1	Law enforcement and criminal justice officials have a better understanding of the role of their institutions in the anti-money laundering system of the Russian Federation and cooperate with the KFM
Project objective 3	To enable the financial sectors and other bodies required to report to meet reporting, customer identification and other obligations, and cooperate with the KFM
Output 3.1	The financial sector and other relevant bodies have an increased awareness of the problem of money laundering, how to recognise it and how to protect a financial institution against it
Output 3.2	Financial institutions meet their reporting obligations towards the Financial Monitoring Committee and cooperate with the criminal justice system



INPUTS

The project will provide funding for:

- two long-term technical advisers
- a number of short-term advisers
- project support staff
- in-country training events in Moscow and federal districts
- the preparation of training materials and guidelines
- legal opinions
- international study visits
- internships and training in FIUs of other countries
- software

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 KFM (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 makes available a team of project advisers and local support staff based in Moscow and working directly with the KFM. This team is responsible for project management on behalf of the Council of Europe.

Within the General Secretariat of the Council of Europe in Strasbourg, the Economic Crime Division of the Directorate General of Legal Affairs will be responsible for coordination and supervision of the project.

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

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