



REPUBLIC OF ALBANIA  
MINISTRY OF FINANCE

GENERAL DIRECTORATE FOR THE PREVENTION  
OF MONEY LAUNDERING

# ANNUAL REPORT 2011

VII-th ANNUAL REPORT





## ANNUAL REPORT 2011

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## CONTENTS

THE MESSAGE OF THE GENERAL DIRECTOR.....	4
INTRODUCTION.....	6
HISTORICAL OVERVIEW - 10 YEARS - FINANCIAL INTELLIGENCE UNIT.....	7
<b>MAIN DEVELOPMENTS AND THE IMPLEMENTATION OF PREVENTIVE MEASURES.....</b>	<b>10</b>
<b>REPORTS WITHIN THE FIGHT AGAINST MONEY LAUNDERING.....</b>	<b>11</b>
REPORTING TO MONEYVAL COMMITTEE OF THE COE.....	11
CONFERENCE OF THE PARTIES.....	12
LEGISLATIVE REFORM.....	12
<b>THE MANAGEMENT OF RESOURCES AND PERFORMANCE.....</b>	<b>13</b>
BUDGETARY RESOURCES AND THEIR USE BY GDPML.....	15
<b>INVOLVEMENT IN PROJECTS.....</b>	<b>16</b>
PROJECT "SUPPORT TO ANTI-MONEY LAUNDERING AND FINANCIAL CRIMES INVESTIGATION STRUCTURES IN ALBANIA".....	16
ILECU PROJECT.....	16
PACA PROJECT.....	16
<b>AWARENESS AND TRAINING OF REPORTING ENTITIES.....</b>	<b>17</b>
<b>INSPECTIONS.....</b>	<b>18</b>
ON/OFF-SITE INSPECTIONS OF THE OBLIGED ENTITIES.....	20
<b>ADMINISTRATIVE SANCTIONS.....</b>	<b>21</b>
COMPARATIVE DATA.....	21
<b>COLLECTION, ANALYSIS AND THE DISSEMINATION OF FINANCIAL INFORMATION.....</b>	<b>23</b>
<b>SUSPICIOUS ACTIVITY REPORTS.....</b>	<b>24</b>
<b>VALUE TRANSACTIONS REPORTS.....</b>	<b>27</b>
VTR REPORTING FROM BANKS AS THE MAIN REPORTING ENTITIES.....	28
NOTARIES REPORTS AND THEIR ANALYSIS.....	28
VALUE TRANSACTIONS REPORTS FROM OTHER OBLIGED ENTITIES.....	29
<b>CROSS BORDER DECLARATIONS.....</b>	<b>30</b>
<b>DEVELOPMENTS IN INFORMATION TECHNOLOGY.....</b>	<b>31</b>
<b>FINANCIAL ANALYSIS AND DISSEMINATIONS TO THE LAW ENFORCEMENT AGENCIES.....</b>	<b>32</b>
CASES DISSEMINATED TO THE PROSECUTION.....	34
TYPOLOGIES -CASE NO. 1 - PEP.....	36
PROVISIONAL MEASURES.....	37
TYPOLOGIES - CASE NO.II - INTEGRATION IN THE BUSINESS ACTIVITY.....	38
CASES DISSEMINATED TO THE STATE POLICE FOR FURTHER INQUIRY.....	38
TYPOLOGIES - CASE NO.III - MONEY TRANSFERS CARRIED OUT BY RELEVANT COMPANIES.....	39
<b>INTER-INSTITUTIONAL AND INTERNATIONAL COOPERATION.....</b>	<b>40</b>
<b>INTER-INSTITUTIONAL COOPERATION.....</b>	<b>41</b>
COOPERATION WITH THE PROSECUTION.....	41
COOPERATION WITH THE STATE POLICE.....	42
COOPERATION WITH OTHER INSTITUTIONS.....	43
<b>INTERNATIONAL COOPERATION.....</b>	<b>44</b>
COOPERATION WITH REGIONAL PARTNER UNITS.....	44
COOPERATION IN THE FRAMEWORK OF THE EGMONT GROUP.....	45
SIGNING OF THE MEMORANDUMS OF COOPERATION.....	45
MONEYVAL COMMITTEE.....	47
<b>OBJECTIVES FOR THE YEAR 2012.....</b>	<b>47</b>
<b>ACRONYMS.....</b>	<b>48</b>



# THE MESSAGE OF THE GENERAL DIRECTOR

*In this jubilee year of the 100<sup>th</sup> anniversary of Albania's independence it is a special honor and privilege for me as the director of the institution to present the annual report of the activity of GDPML for 2011, which marks the 10<sup>th</sup> anniversary of the foundation of the Albanian Financial Intelligence Unit.*

*Throughout this period of 10 years of its existence the Albanian Financial Intelligence Unit, known from its inception as the Directorate for the Coordination of the Fight Against Money Laundering (DCFAML) and since 2005 was upgraded to the level of the General Directorate, has undergone substantial developments and swift growth.*

*This is confirmed by the assessments made by the international monitoring institutions. The MONEYVAL Committee of the Council of Europe<sup>1</sup> in its 35<sup>th</sup> plenary meeting held in April 2011, rated the recommendation 26<sup>2</sup> of the 40 +9 recommendations of the Financial Action Task Force as "LC" (Largely Compliant) from "PC" (Partially Compliant) that was assessed in the 3<sup>rd</sup> round of 2005.*

*GDPML has been continuously provided with human and financial resources by the Committee for the Coordination of the Fight Against Money Laundering and especially by the Chairman of the Committee, the Prime Minister Mr. Sali Berisha. Unlike all other budgetary institutions, which in the context of restructuring have been reducing their staff, GDPML has been progressively increased in numbers, reaching 27 employees in 2011, or about three times more than at its inception.*

*I would like to emphasize that the commitment of the employees of GDPML and their work through extended hours of analyses of suspicious cases, continuous study of international best practices, progressive increase of the exchange of information with counterparts was associated with a considerable increase in the number of cases referred to the law enforcement authorities, that in the last three years amounts to the order of hundreds of cases.*

1. The main European body specialized in monitoring the issues of the prevention and tackling money laundering and financing of terrorism for the the largest number of CoE members.

2. The recommendation that is directly related to the activity of the Financial Intelligence Unit - GDPML.



Even during 2011 the positive developments in the performance of the General Directorate for the Prevention of Money Laundering in terms of collecting, analyzing and disseminating information on the prevention of money laundering and terrorist financing, increasing the interagency cooperation both at national and international level, the consolidation of technical and professional capacity of staff and the further approximation of the Albanian legislation with international standards, continued.

GDPML is intensively engaged in the process of completing a number of objectives of the Albanian Government, contained in the relevant recommendations of the progress reports of the European Union and other international organizations. These goals and recommendations have served as important orientation points for enhancing the quality of information being sent to the competent authorities in the continuing increase cooperation with law enforcement agencies, partner institutions abroad as well as supervisory and licensing authorities, in order to better monitoring the enforcement of legal obligations of the reporting entities.

This 7<sup>th</sup> annual report will reflect the main activities of GDPML during 2011 and also attempts to outline the significant changes implemented, results, problems as well as the progress of the Albanian Financial Intelligence Unit in its 10 years of existence.

In conclusion I express my thanks to the GDPML colleagues, who through their dedication, professionalism, commitment and teamwork have enabled the progressive increase of the performance of the Albanian Financial Intelligence Unit and the cases referred to the law enforcement institutions, which I hope will be fully evaluated and investigated.

**Arben DOÇI**

General Director



## ANNUAL REPORT 2011

# INTRODUCTION

GDPML's activity report for 2011, reflects a ten-year summary of the performance of the Albanian Financial Intelligence Unit, focusing on the key developments of 2011.

This first decade of the existence of the FIU is characterized by a positive dynamic development which includes strengthening the professional and logistical capabilities and continuous increase of cooperation with the competent authorities both at national and international level.

The active participation of the representatives of GDPML in workshops, roundtables and training seminars with representatives of the Prosecutor General, Bank of Albania, General Directorate of the State Police, Service State Information, HIDAA, GDC, etc. has led to an increase of the national cooperation.

The international cooperation has increased continuously. The attendance by the representatives of the FIU in plenary meetings and other activities of the organizations such as the MONEYVAL Committee of the Council of Europe (CoE) and Egmont Group since its membership in these organizations.

Even during 2011 it has continued the work to further strengthen the relationships with the financial intelligence units through the Council of Europe as well as the Egmont Group. In this context, two management level employees of GDPML are selected by the MONEYVAL Committee as evaluation experts of the member states of this committee.

The further harmonization of the Albanian legislation in the field of the prevention of money laundering and terrorism financing with international standards as well as the *Acquis Communautaire* has been an important component of the work of the FIU which has contributed to the legislative

reform. In this context, efforts have been made to ensure increased compliance with standards and recommendations in four rounds of evaluations conducted during this decade.

The year 2011 marks the highest level of assessment of GDPML by the Council of Europe in the context of measures taken by Albania to implement the Council of Europe Convention "On Laundering, Search, Seizure and Confiscation of the proceeds of crime and terrorist financing" and the recommendations of the Financial Action Task Force (FATF).

Relevant reports adopted for this purpose highlight the issues that must be tackled with priority by the state institutions involved in combating money laundering and terrorist financing and were presented to these institutions and members of CCFAML.

Development of professional, technical and human capabilities has been another important aspect of GDPML's work during this period. In this regard closer cooperation was fostered with international experts to train specialists in order to absorb the experience of European Union member countries in the field of the prevention of money laundering and terrorism financing.

Attention is paid to the cooperation with supervisory authorities and the licensing of legal entities for the prevention of money laundering, in order to enable better understanding of their legal obligations in this area to ensure their proper implementation.

GDPML's objectives for 2011 were carried out in their entirety in fulfillment of the primary function of collecting, analyzing and disseminating information to law enforcement agencies, further consolidating the growing trend of recent years.



## HISTORICAL OVERVIEW 10 YEARS - FINANCIAL INTELLIGENCE UNIT

In May 2000, following the ongoing insistence of some international institutions and the requirements of MONEYVAL Committee of the Council of Europe, the Albanian Parliament approved Law no. 8610 dated 17.05.2000 "On the prevention of money laundering", as the first law in this area.

This law provided, inter alia, the establishment of Albanian Financial Intelligence Unit, that *de facto* started its operation in August of 2001, with the appointment of the first employees of the Department of Coordination of the Fight Against Money Laundering in the Ministry of Finance.

Financial Intelligence Unit, established as the administrative authority within the organizational structure of the Ministry of Finance was created in order to prevent money laundering and as a conduit between financial institutions and law enforcement authorities.

The second round of evaluation of measures taken by Albania concerning AML/CFT, had addressed many recommendations, some of which were addressed through the amendments to the Law "On the Prevention of Money Laundering". To this end in June 2003, the Parliament approved Law no. 9084 dated 19.06.2003 "On some amendments to Law 8610, dated 17.05.2000 "On the prevention of money laundering."

The law stipulated for the first time the establishment of the National Coordination Committee for the Prevention and Combating Money Laundering, under the chairmanship of Prime Minister and comprising the Attorney General, the Governor of the Bank of Albania, the Minister of Foreign Affairs, the Minister of Public Order Minister of Finance, the Minister of Justice and Chairman of the State Information Service.

This committee continues its work to define the strategic general state directions and policies in the field of preventing and combating money laundering and terrorist financing.

July 2003 was an important month in terms of international relations for the Department of Coordination of the Fight Against Money Laundering, which was admitted as a member with full rights in the Egmont Group, an international organization of a network of Financial

Intelligence Units of the states and territories around the world. The director of DCFAML Mr. Minxhozi, representing the Albanian FIU, was present at the Egmont plenary meeting, that was held in Australia.

GDPML continues to be an active member of the Egmont Group, and uses regularly its secure network of information exchange and during these 10 years has signed 39 memoranda of cooperation with counterparts in order to exchange information in the field of AML / CFT.

After the events of September 11, 2001 and amendments to the 40 global recommendations of FATF with 9 Special Recommendations and the approval by Parliament in July 2004, of the Law no. 9258 "On the measures against terrorist financing," the legal obligations of the FIU were re-dimensioned by focusing on preventing the financing of terrorism.

Year 2005, marks a significant change for the FIU both on the structural as well as the organizational level. The Department of Coordination of the Fight Against Money Laundering, was restructured and upgraded to the level of the General Directorate for the Prevention of Money Laundering within the Ministry of Finance, an already autonomous institution with its own budgetary resources.

In March 2006 the General Directorate for the Prevention of Money Laundering issued for the first the time the report of its activities for 2005. This reporting has undergone constant improvement and enhancement both in form and content. In 2008 it became public and continues to be published in Albanian and English language.





## ANNUAL REPORT 2011

Albania's integration into the European family requires the fulfillment of a process of legislative and institutional reforms. In this context, Albania has undertaken a series of legislative reforms where the main ones are the ratifications of two important conventions of the Council of Europe in November 2006. In this regard the Parliament has ratified the CoE Convention "On the prevention of terrorism" by adopting the Law no. 9641, dated 20.11.2006. Additionally upon the ratification of the Warsaw Convention "On Laundering, Search, Seizure and Confiscation of the proceeds of crime and terrorism financing." the parliament adopted the Law no. 9646, dated 27.11.2006.

Significant reforms are undertaken to achieve substantial changes in some aspects, such as the legislative, organizational, structural and technological ones. Year 2008 started with structural changes in GDPML pursuant to the Order No. 11 dated 30.01.2008 of the Prime Minister that led to new organizational structure of the FIU.

The creation for the first time of the Information Technology Division is a noticeable evolution and played an important role in further developments in the business of collecting, processing, analyzing financial information, proving once again the axiom that there is no intelligence information without the information technology. But this year GDPML would be provided with an internal network and computer equipment, totaling over 400,000 Euro figures, thanks to the generous support of the European Union Delegation in Albania.

In terms of legislative reform, the most fundamentally important is the adoption in May 2008 and the amendment in March 2011, by the Albanian Parliament of the Law no. 9917 "Prevention of money laundering and terrorist financing", which broadly meets the recommendations of the MON- EYVAL Committee of the Council of Europe made in the 3rd round of mutual evaluation.

A qualitative development in the years 2008 - 2009 was the formulation of the National Strategic Document "On the investigation of financial crime", as the first document of its kind containing

medium and long term goals in tackling and preventing money laundering and terrorism financing. GDPML has played a leading and coordinating role with respect to the formulation of this document that was approved by the Council of Ministers decision no. 1077, dated 27.10.2010.

Considerable assistance was provided to the FIU since its creation by organizations and friendly countries. To this end experts from the U.S. Treasury Department, have been seconded as adviser to the FIU until 2007. Further, a constant support for GDPML was given by OPDAT in the framework of assistance to the Joint Investigation Units of Corruption and Economic Crime, where GDPML is actively involved and has its coordinator.

The Delegation of the European Union in Tirana has supported the modernization of the network of GDPML, by funding the internal computer network and the consolidation of the capacity building through the following twinning projects:

1. "The fight against money laundering and financial crime in Albania" - September 2007 to September 2009, in cooperation with the German Federal Criminal Office, where the Director General of GDPML has been the project leader for the beneficiary country;
2. "Support for the structures of the fight against money laundering and structures of financial crime investigation in Albania" - March 2011 until February 2013, in cooperation with the Spanish, Italian and Bulgarian counterparts.

In the first period of creation as DCFAML, despite the multiple problems related to legislative, administrative, logistical and human resources, the Financial Intelligence Unit in Albania, contributed in cooperation with other institutions, to identify and block accounts and assets of designated persons listed in by the UN Security Council. In addition, according to the priority of Albanian government and the ongoing assistance of the international organizations the attention and support to this institution grew, and therefore its development and consolidation continued with accelerated pace.

# GENERAL DIRECTORATE FOR THE PREVENTION OF MONEY LAUNDERING



During 10 years of activity, the FIU is directed by four directors, who appear categorized by the duration of their tenure:



Mr. Lutfi Minxhozi  
2001-2005



Mr. Adriatik Islamaj  
2005-2006



Mr. Besnik Çobaj  
2006-2007



Mr. Arben Doçi  
2007- 2011

Currently the General Directorate for the Prevention of Money Laundering is a consolidated contemporary unit with ten years of experience that has followed and continues to pay attention to the developments of the international standards of the FATF and the MONEYVAL Committee of the Council of Europe.

Achievements in this area are best reflected in the upgrading of the rating regarding recommendation 26 of the Financial Action Task Force (FATF), identified in the 4<sup>th</sup> round evaluation report adopted in April of 2011. GDPML executives have been evaluated and selected by the MONEYVAL committee to assess member states of this monitoring body.

GDPML, as a national center for the collection, analysis and dissemination of information to the law enforcement agencies regarding cases of money laundering and terrorism financing:

- has a considerable database;
- increased technical and professional capacity of its staff;
- has consolidated in its entirety the reporting of the threshold transactions reporting values of subjects, enabling their online reporting;
- has realized an increased number as well as the quality of SAR and expanded the categories of subjects who report suspicious activities, consolidating the relations of trust with financial institutions and non-financial reporting;

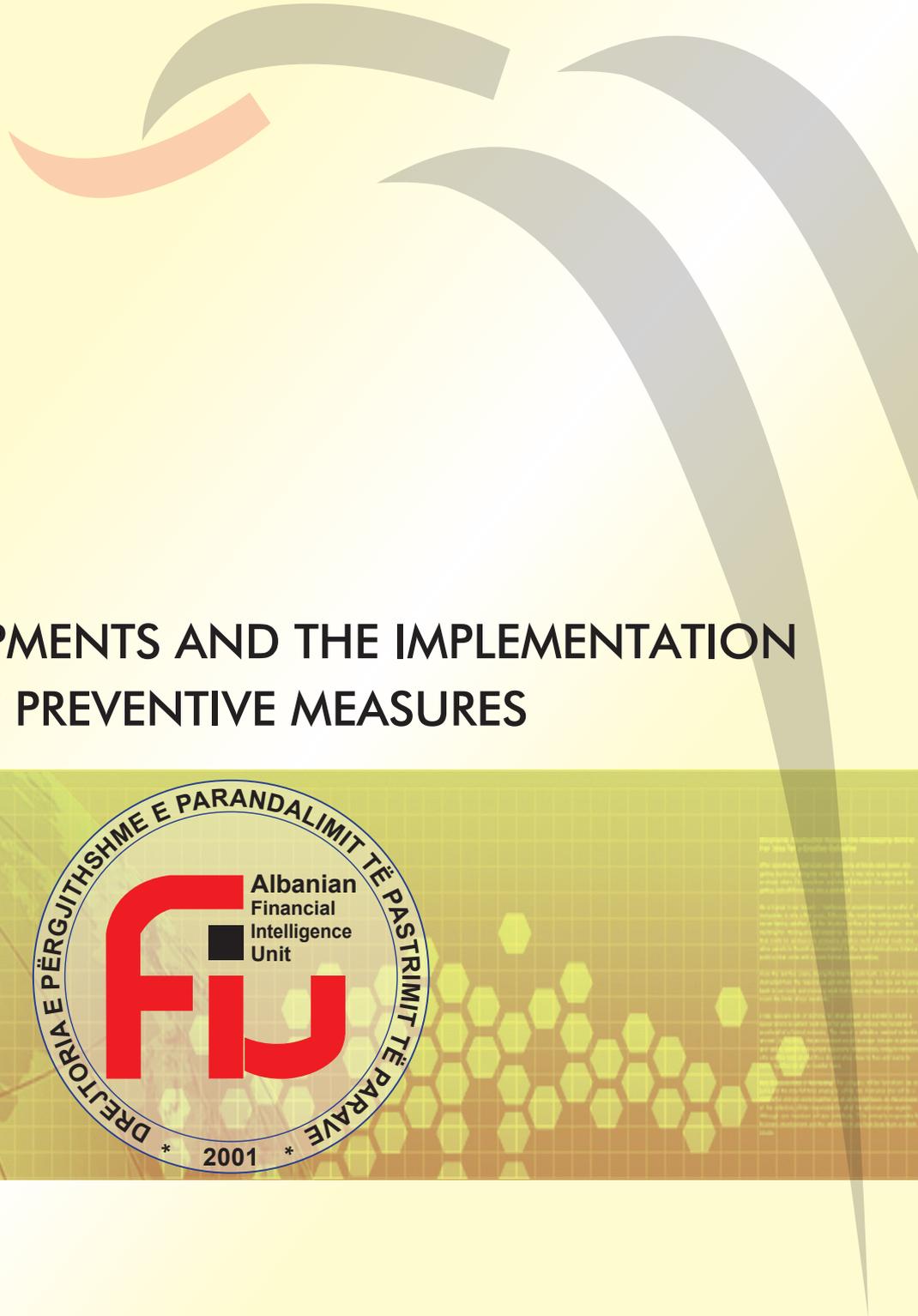
- has detected, analyzed and disseminated to the police and prosecution, an increased number of suspicious cases of money laundering and complex financial analysis.

In July 2010, in the Interagency Committee meeting on "Action against Organized Crime, Trafficking and Terrorism", the Albanian Prime Minister and Chairman of the Committee of Coordination of the Fight Against Money Laundering stated that: *"There is an overall increase of the performance. Referring to statistics, if 3-4 years earlier few cases were reported by the agency against money laundering (GDPML), today there are tens of. I think that there will be a continuous increase in the outcomes. I emphasize once again that gradually, the fight against money laundering will become the most fundamental issue. I have clear messages at this point, as this phenomenon is not specific to Albania, but for all Europe and the world. I demand closer cooperation with police, prosecutors, customs and taxation. Collaboration is and will be the key to success."*

In fulfilling its mission, GDPML has important challenges ahead for the enhancement of the confidence and cooperation with the obliged entities, intensification of the coordination and cooperation with police, prosecution, intelligent services and the partners and the performance of tactical and strategic analysis as a modern and efficient intelligence agency.



REPUBLIC OF ALBANIA  
MINISTRY OF FINANCE



# MAIN DEVELOPMENTS AND THE IMPLEMENTATION OF PREVENTIVE MEASURES



## REPORTS WITHIN THE FIGHT AGAINST MONEY LAUNDERING

### REPORTING TO MONEYVAL COMMITTEE OF THE CoE

Albania, as a member of the MONEYVAL Committee of the Council of Europe has undergone four rounds of evaluation in the field of the prevention of money laundering and terrorism financing.

A team of experts of the Council of Europe visited Albania for the first time, from 12 to 15 December 2000, in order to assess on site the legal framework as well as the measures to prevent money laundering. The various problems identified by the experts were related to inadequate legislation in the field of preventing and combating money laundering, the necessity for the creation of the FIU and the prevention system in Albania, the lack of effectiveness with respect to the investigation of the laundering of the proceeds of crime, etc..

Several recommendations were included in the report regarding the improvement of the criminal legislation, review of articles related to the seizure and confiscation, the ratification of the conventions of the Council of Europe and the United Nations, international cooperation with reference to the tracing of property generated from crime, etc.. The evaluation report was adopted in the 8<sup>th</sup> Plenary meeting of the MONEYVAL Committee that was held in December 2001.

In the framework of the second round of evaluation a team of experts of the MONEYVAL Committee visited Albania on 14 - 18 October 2003. This evaluation reflected the measures undertaken such as the establishment of the FIU in 2001 within the Ministry of Finance, the introduction of the criminal liability for the legal persons and it also included recommendations concerning the investigation of criminal offenses which generate illegal income, identification of risks associated with the use of cash in economy, implementation by the prosecution of the article 287 of the Criminal Code, confiscation of the proceeds of criminal offenses. The assessment report was approved by MONEYVAL Committee in the plenary meeting held in May 2004.

The third round of evaluation was conducted in Albania from 12 - 17 December 2005 and some of the problems identified were related to the informal sec-

tor of economy and the performance of cash transactions, the fight against corruption, developments in the justice system, unlicensed performance of currency exchange, the interpretation by the prosecution of criminal offenses related to laundering of the proceeds of crime, the declaration of cash and valuables at border crossing points, legal deficiencies for the implementation of customer due diligence, the incomplete level of supervision of obligors and insufficient application of administrative sanctions etc. The assessment report was approved in the 19<sup>th</sup> plenary meeting of the MONEYVAL Committee held in July 2006.

The fourth round of evaluation, which began in November 2010 and ended in the first quarter of 2011, was conducted by a joint team of experts from the IMF and MONEYVAL Committee. Due to the fact that it was being led by the IMF this assessment comprised all FATF recommendations and included the on-site monitoring of the effectiveness of their implementation.

Although Albania is not a member of the European Union the fourth round of the assessment by MONEYVAL Committee included also the implementation of the third Directive of the European Parliament (2005/60/EC dated 26 October 2005). The report prepared to this end indicated the steps undertaken regarding the criminal liability of legal persons, due diligence and enhanced due diligence in dealing with customers, reporting of cash transactions, identification of the beneficial owner, financial activity of casual customers, politically exposed persons, correspondent relationships, and reliance on third parties concerning customer identification and reporting by designated non-financial professions, storage of data and its confidentiality, reporting systems of the financial and credit institutions pursuant to GDPML's requests, etc.





## ANNUAL REPORT 2011

The final report of this evaluation was adopted during the 35<sup>th</sup> plenary session held in Strasbourg, France, in April 2011. It is worth mentioning that one of the positive developments identified in the report dealt with the noticeable appreciation of the performance of GDPML, since the third round of the evaluation in 2005.

### CONFERENCE OF THE PARTIES

The Council of Europe Convention (CETS 198 Warsaw May 16, 2005) "On Laundering, Search, Seizure and Confiscation of the proceeds of crime and terrorism financing." was ratified in Albania through law nr.9646, dated 27.11.2006.

Albania, as a signatory country was the first to be selected by the Council of Europe for the monitoring of the concrete implementation of this Convention. In this context GDPML has closely cooperated with the Ministry of Justice in order to inform as well as to communicate constantly with the secretariat of the Conference of Parties on this issue.

Another important development for 2011 was the approval in March of this year of Albania's final report. Recommendations made in this report were reviewed by GDPML, in order to be addressed in view of expected changes that the Albanian legislation will undergo in the field of the prevention of money laundering and terrorism financing.

### LEGISLATIVE REFORM

Harmonization of the Albanian legislative framework with international standards in the field of prevention of money laundering and terrorist financing is identified as a priority. In this context, its improvement and evolution have been constant.

The first legislative initiative in this direction took shape with the approval of Law no. 8610 dated 17.05.2000 "On the prevention of money laundering."

Albania's integration within the European family, has taken a series of legislative reforms on ratifying the following conventions:

- The European Convention "On Laundering,

Search, Seizure and Confiscation of the Proceeds of Crime", approved by Law no. 8646 dated 20.07.2000;

- International Convention "On the fight against financing of terrorism", approved by Law no. 8865 dated 14.03.2002;
- United Nations Convention "Against Transnational Organized Crime" and its additional protocols, approved by Law no. 8920 dated 11.07.2002;
- United Nations Convention "Against Corruption", approved by Law no. 9492 dated 13.03.2006;
- Council of Europe Convention "On the prevention of terrorism" by the Law no. 9641 dated 20.11.2006;
- Council of Europe Convention "On Laundering, Search, Seizure and Confiscation of proceeds of crime and terrorist financing", approved by Law no. 9646 dated 27.11.2006;

Pursuant to these conventions, the Albanian legislation is aligned with international standards in the field of prevention of terrorist financing with the approval of Law no. 9258 dated 15.07.2004 "On measures against terrorist financing", as well as issuing a series of decisions and instructions of the Council of Ministers and Minister of Finance.

Pursuant to this law, FIU since 2004 has proposed updates to the list of the UN Security Council. During 2011 the Council adopted decisions of Ministers no. 291, dated 14.04.2011 and no. 625, dated 07.09.2011 "On some additions to the Decision no. 718, dated 29.10.2004, "On the list of persons designated as terrorist financing", as amended.

Pursuant to the assessment of the recommendations of the second round of evaluation of measures taken by Albania in the field of AML/ CFT several changes were introduced in the law "On Prevention of Money Laundering" and in June 2003, Parliament approved Law no. 9084 dated 19.06.2003 "On some amendments to Law 8610, dated 17.05.2000" On prevention of money laundering. "

Following the recommendations of the third round of assessment of Albania, it became evident that there was a need for radical changes in the Albanian legislation in preventing money laundering and terrorist



financing, which was carried out through the adoption of Law no. 9917 dated 19.05.2008 "On prevention of money laundering and terrorist financing" and other regulations for its implementation.

In 2009, the MONEYVAL Committee of the Council of Europe carried out a horizontal assessment of the third round of all member countries that highlighted the need for Albania to comply with recommendations 5 and 6 of the FATF.

Based on the above the relevant changes were drafted and approved with the law no. 10 391 dated 03.03.2011 "On some amendments to Law no. 9917 dated 19.05.2008 "On prevention of money laundering and terrorist financing" and other laws to implement these changes, such as:

- Instruction no. 20 dated 08.09.2011 of the Minister of Finance "On the reporting methods of reporting entities of law no. 9917, dated 19.05.2008" On prevention of money laundering and terrorist financing ", as amended."
- Instruction no. 21 dated 08.09.2011 of the Minister of Finance "On the means and procedures for reporting non-financial professions."
- Decision no. 871 dated 14.12.2011 of the Council of Ministers "On determining the procedure of finding, screening, the proposal and the establishment of administrative measures by the General Directorate of Prevention of Money Laundering (GDPML)".
- Decision no. 922 dated 21.12.2011 of the Council of Ministers "On organization, the functioning of the General Directorate of Prevention of Money Laundering".

With the adoption of Law no. 10 391 dated 03.03.2011 and the Council of Ministers Decision no.922, dated 21.12.2011 the recommendations of the 4<sup>th</sup> round of evaluation, with the respect to the operation of GDPML, the mandate of the General Director, information dissemination to the competent authorities, etc. were fulfilled.

Legislative reform in the field of prevention of money laundering and terrorism financing, during these 10 years has been a dynamic and continuous process. The periodic review of this legislation by the state institutions and monitoring bodies, as well as the evolution

of international legislation (the process for the revision of the 40 + 9 Recommendations of the FATF has been initiated), dictate further changes in the future.

## THE MANAGEMENT OF RESOURCES AND PERFORMANCE

One of the main recommendations in the evaluation over the years by international institutions of the activity of FIU has been the enhancement of human capacities in order to analyze with rigor and high level professionalism the cases suspected for money laundering and terrorist financing.

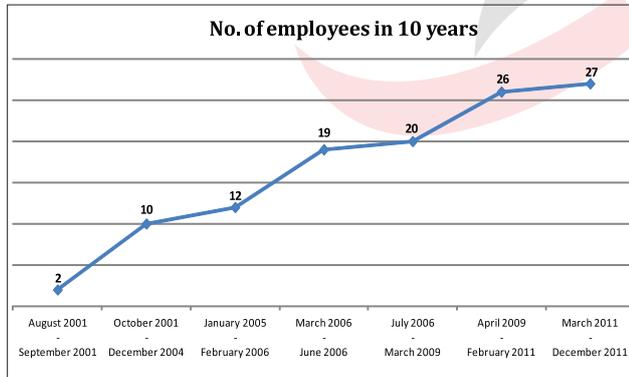
From the historical perspective it is worth noticing, the growth of human resources, since the creation of the FIU in August 2001, initially known as the Directorate of the Coordination of the Fight Against Money Laundering (DCFAML) within the Ministry of Finance. In August of 2001, the Minister of Finance assigned the first two specialists of this directorate, which by the month of October of the same year was completed with a staff of 10 employees.

In 2005, upon the decision no. 108 of the Council of Ministers, DCFAML was upgraded to the level of the General Directorate for the Prevention of Money Laundering, by further ensuring thus its operational autonomy.

On that same year the reconstruction of the building of the former Centre on Economic Informatics suitable accommodation and improvement of the GDPML offices as well as their logistical capacities were made possible. Furthermore, the purchase of computer equipment worth over 400,000 Euros and the creation of the internal network was implemented within the scope of the European Union's CARDS program.

With the increase of GDPML's activity, it became necessary to add the number of specialists, that was achieved through the modification of the organizational structure and the growth of staff mainly in the years 2005-2006 and 2009-2010, reaching the total of 27 employees in 2010 (Prime Minister's Order no.137 dt.28.06.2010).

The following chart represents the effective changes of personnel of the Financial Intelligence Unit over a ten years period:

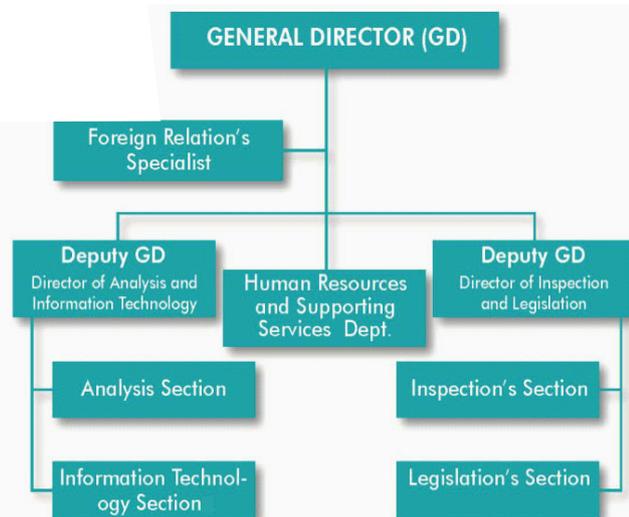


In the fourth round of the evaluation report issued by MONEYVAL Committee of the Council of Europe despite the progress made it is recommended to; *Enhance GDPML's strategic analytical capacity by conducting an in-depth review of existing disseminations to identify ML/FT trends specific to Albania.*

Based on this recommendation, GDPML has proposed to the Minister of Finance in May 2011, to increase the current staff with three additional employees aimed at the creation of a sector specialized in conducting strategic analysis.

The process of employee recruitment, in accordance with the approved structure, is performed by adequately applying the provisions of the status on civil servants.

GDPML's organizational chart is presented hereunder:



During 2011, the management of human resources and services has been directed towards the support of the activities of the General Directorate for the Prevention of Money Laundering and improvement of the working conditions for its employees. To this end the problems identified have been handled with particular attention and adequate solutions were provided.

GDPML employees have benefited from the workshops and training activities organized by the institution as well as projects and programs with the assistance of partner countries.

An important factor during 2011 was the training of GDPML's staff by Spanish, Italian and Bulgarian experts in the framework of the twinning project "Support to Anti-Money Laundering and Financial Crimes Investigations Structures in Albania" funded by the European Union within the scope of IPA 2009. A total of 16 activities were conducted, in which GDPML specialists were trained on topics such as: cooperation between financial intelligence units and law enforcement agencies, the seizure of criminal assets and organized crime, quality management processes, data protection and fight against terrorism as well as its financing, etc.



Among the most important study visits were those conducted in the financial intelligence counterpart units of Spain and Italy. Technical training for IT specialists was also provided regarding the use of the analytical program "i2", the increase of network security and Internet access (seminar by Korea Internet Security Agency) and fight against cybercrime. Various training activities were also provided with the projects of ILECU, PACA, SMEI as well as other organizations such as MONEYVAL,



TRACFIN, PAMECA III, OPDAT, etc.

The procedure for issuing a safety certificate that allows the employees to get acquainted with information classified as “state secret” is made possible with the completion of documentation for the provision of new GDPML workers with such certificates issued from the Directorate for the Security of Classified Information in the Council of Ministers.

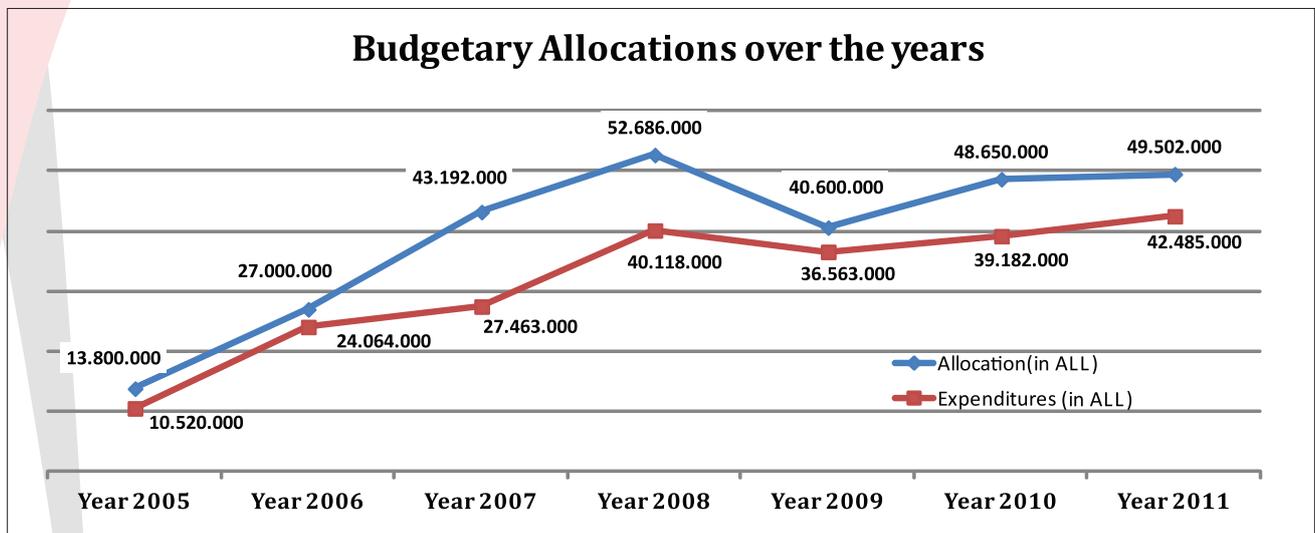
The annual assessment of the performance of each GDPML employee is based on the management through medium and long term objectives of the unit such as: cooperation between the constituent structures of the directorate, personal objectives with comparative basis, the initiative to propose amendments to legislation in the prevention of money laundering and terrorist financing, the performance in operational as well as tactical analy-

sis, inspections, deadlines for effectuating the tasks, implementation of ethical rules, etc. The improved quality of services for the institution, safeguarding and maintenance of GDPML facilities, has contributed towards the creation of optimal working conditions for employees and enhancement of their performance.

## BUDGETARY RESOURCES AND THEIR USE BY GDPML

Since August 2005, GDPML is a governmental institution with a separate budgetary fund, allocated on yearly basis that are managed and administered independently. Planning and drafting of the budget has been based on the National Strategy for Development and Integration, Medium-term Draft Budget and Albanian Government’s long term development program.

The following graph reflects the dynamics of budgetary resources available to GDPML as well as their utilization for the period 2005 - 2011.



As it is clearly seen from the graph, the funds made available to GDPML since its inception, have been sufficient, which confirms the support of the Albanian government for the growth and consolidation of the Financial Intelligence Unit.

Despite the growing amount of work in terms of monitoring of the preventive measures, the analysis as well as the dissemination of cases to the law enforcement agencies, GDPML has continued to effectively administer and manage funds allocated

from the state budget, bringing about the performance of an optimal activity across its structures.

Pursuant to the legislation and normative acts related to financial management the use of funds allocated has been subject to a continuous follow-up associated with detailed financial statements that were prepared accordingly. The reporting regarding the periodic completion of public procurement has taken place simultaneously.



# INVOLVEMENT IN PROJECTS

## PROJECT "SUPPORT TO ANTI-MONEY LAUNDERING AND FINANCIAL CRIMES INVESTIGATION STRUCTURES IN ALBANIA"

In March 2011, started the implementation of the twinning project "Support to Anti-Money Laundering and Financial Crimes Investigation Structures in Albania", which aims to further increase the capacity of the Prosecutor General, General Directorate of State Police, General Directorate for the Prevention of Money Laundering and the Agency for the Administration of Seized and Confiscated Assets.

The project is made possible thanks to the support of the European Union, for a two year period and will be led by the General Prosecutors office in collaboration with the relevant Spanish and Bulgarian institutions.

GDPML experts are actively involved in the activities carried out during the year 2011, in accordance with the components whereby the experience of Albanian colleagues with those from EU countries is exchanged continuously, focused mainly on the analysis of the information in the field of the prevention of money laundering and terrorism financing, the cooperation with authorities in the fight against organized crime, supervision and monitoring of obliged entities with respect to fulfillment on their part of obligations concerning customer due diligence and reporting to the responsible authority.

An important role in the acquisition of knowledge and best practices have had the study visits conducted in partner institutions in EU countries, in particular in the financial intelligence units of Italy and Spain.

This project will be completed in 2013 and GDPML is highly committed to benefit from the experience of EU member states in terms of collecting and analyzing information related to laundering of the proceeds of crime and terrorist financing.

## ILECU PROJECT

The year 2011, was a year of achievements also at the international level upon the effective inception of the activity in all ILECU in the region (Albania, Bosnia and Herzegovina, Croatia, Serbia, Montenegro, Macedonia and Kosovo). The European Commission has provided ongoing support enabling regional project funding within the scope of ILECU-2, which in addition to the regional countries includes Turkey.

This project aims to strengthen the capacities of national and international institutions, law enforcement and judicial authorities in preventing and combating organized crime, particularly with regard to narcotics trafficking, financial crime and terrorism. The objective of this project is the alignment of the practices of the beneficiary countries with the *Acquis Communautaire*.

GDPML representatives have participated regularly in activities that are organized in the framework of this project, which have served to further increase the professional capabilities and acquisition of experience from the experts of EU member states with regard to the fight against organized crime and laundering of the proceeds of crime.

## PACA PROJECT

GDPML is one of the beneficiary institutions of the Project Against Corruption in Albania (PACA), which is made possible thanks to the joint funding from the European Commission and the Council of Europe. The aim of the project is further support for the Albanian Government with regard to the active implementation of its strategy against corruption and promotion of transparent governance.

GDPML is actively engaged in joint activities, organized in terms of increasing technical and professional capacities on issues of prevention and combating financial crime and corruption, continuous training of subjects in relation to legislation for the prevention of money laundering and countering the financing of terrorism. In the framework of this project according to the topics the following activities have been carried out:

- Politically exposed persons and the conflict of interest;
- Awareness, training and preparation of guidelines for accountants and auditors, largely point-



ing their role and responsibilities for the prevention of money laundering and the detection of corruption;

- Awareness of the nonprofit sector about the risks that represents the financing of terrorism, further harmonization of Albanian legislation with the Acquis Communautaire, as well as formulation of guidelines in the field of AML/CFT.

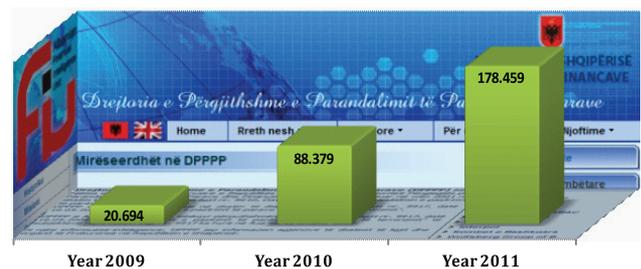
## AWARENESS AND TRAINING OF REPORTING ENTITIES

In fulfillment of its legal obligations GDPML was also actively involved in raising the awareness and training the obliged entities, through meetings organized with the entities as well as the authorities responsible for their supervision and licensing.

In 2007, GDPML for the first time created its website, which was rebuilt in late 2008, through upgrades with contemporary and secure elements published in both Albanian and English languages in order to convey its information to the public at large. The data provided on this page serve as a source for legal entities, to study the legal framework, activities and money laundering typologies both in national and international level.

In addition to being a tool used by the obliged entities to carry out the reporting, this site is also a very valuable source of information on the prevention of money laundering and terrorist financing. Since its creation it was welcomed by the public, which has shown interest and curiosity about the issues addressed. This is also indicated by the figures presented in the following graph:

**GDPML Website visitors**



As seen, the number of hits has increased in geometric progression from year to year indicating an ever growing level of interest by the public. With information and opportunities that the official website of GDPML offers, it has become a tool of great importance for public awareness and providing the possibility of reporting of legal entities.

One of the priorities for GDPML has been the ongoing organization of training activities for all categories of obliged entities, especially for those that pose a greater risk for money laundering and terrorist financing.

The data regarding the number of categories of obliged entities trained during the last four years is presented hereunder:

ENTITY	NUMBER OF PERSONS TRAINED			
	2008	2009	2010	2011
Banks	104	14	54	94
Exchange Offices	11	7	127	182
Non bank financial institutions	30	10	10	5
Games of Chance	20	2	10	22
Construction Companies	101	140	56	26
Notaries	353	252	116	44
Lawyers	---	10	---	---
Accounting Experts	20	69	---	34
Evaluators of real property	---	11	---	---
Insurance Companies	20	6	---	6
Travel Agencies	10	---	---	6
CORIP	20	36	15	---
ALUIAC	---	29	---	---
Car dealerships	---	30	10	2
Real Estate Offices	---	60	14	2
Private pensions institutions	---	---	---	6
<b>TOTAL</b>	<b>689</b>	<b>696</b>	<b>412</b>	<b>429</b>



## ANNUAL REPORT 2011

The increase of the training of the obliged entities was also impacted by the activities carried out in the framework of the twinning projects of the European Union, such as the one with the German counterparts that took place over a period of 27 months (2007-2009) as well as the ongoing project with Spanish, Italian and Bulgarian counterparts.

In 2011 joint trainings with the supervisory authorities were provided for a number of obliged entities such as banks, notaries and exchange offices. Notaries of regional chambers of Gjirokastra, Korca and Shkodra were trained in cooperation with the National Chamber of Notaries and exchange offices in Tirana, Shkodra and Vlora were trained in cooperation with the Bank of Albania.

GDPML specialists have participated and contributed in the training that Banks provide to their staff, such as ProCredit Bank and International Commercial Bank. GDPML experts have made presentations in the meeting organized by PACA with compliance officers of all banks operating in the country, introducing the FIU experience in detecting and analyzing suspicious cases of money laundering.

Immediately after the entry into force of amendments to Law no. 9917, meetings were organized with the obliged entities in general and particularly banks to provide concrete explanations about the practical application of new legal obligations such as attempted transactions, identification of the beneficial owner as well as the ownership structure, enhanced due diligence for politically exposed persons, recordkeeping, etc.

Requests for self-auditing reports, in addition to checks for compliance with obligations of the law and sublegal acts, are also a means for drawing the attention and enhancement of awareness of the obliged entities with respect to the implementation of the legal obligations for the prevention of money laundering and terrorist financing.

Technical and professional assistance through phone, e-mail as well as bilateral or multilateral meetings was provided by GDPML on weekly basis to those obliged entities that encounter problems related to reporting or reporting procedures.

In the framework of the implementation of international recommendations of the Financial Action Task Force, GDPML has paid special attention to the awareness of the institutions that supervise and license non-profit organizations.

In this context, contacts have been established and cooperation was continuous with the Ministry of Labour and Social Affairs, the Ministry of Education and Science, the Agency for the Support of Civil Society and the General Directorate of Taxation. Periodic meetings were held with the representatives of these institutions in order to ensure effective monitoring of this sector.

## INSPECTIONS

GDPML inspections have undergone a continuous increase and improvement. In Albania's 3rd round evaluation report adopted by the MONEYVAL Committee in May 2006, experts have stated:

- *"Coordination between the authorities and the private sector is at an early stage. Several professions or businesses do not cooperate yet and some do consider their AML/CFT obligations incompatible with their own statutory rules"*<sup>3</sup>

This statement by the experts of the Council of Europe was realistic given the fact that until 2005, no on-site/off-site inspections were carried out and the number of reports by obliged entities was very low. Threshold transactions were being reported only by financial institutions and reports of suspicious activity were in single digits.

In the last ten years in the exercise of its supervisory functions through inspections the FIU has coped with numerous challenges and obstacles the most important being:

- Limited knowledge and lack of supervisory expertise with respect to oversight;
- A low level of cooperation of supervisory and licensing authorities;
- Insufficient knowledge of the AML/CFT legal

3. Third Round Detailed Assessment Report On Albania, Strasbourg, 31 May 2006, page 7

framework by the obliged entities;

- “Unwillingness” by a substantial part of the obliged entities to implement legal obligations;
- Limited human and logistic resources, etc.

In coping with these difficulties, the FIU for the first time in 2005 carried out on-site inspections on obliged entities. It started with the control of public entities and then private entities were inspected to monitor the compliance with the AML/CFT legal framework.

Although legal violations were identified during the inspections, until 2007, no administrative sanctions were applied. For the first time in 2007, GDPML began the rigorous implementation of the law, by applying sanctions for those entities found in noncompliance with their legal obligations. This practice was fostered in the following years.

The application for the first time and in a large scale of the Self-Audit Reports as a form of off-site inspections constitutes a novelty for the year 2010. This method has proven very effective for the efficient use of resources in line with international best practices.

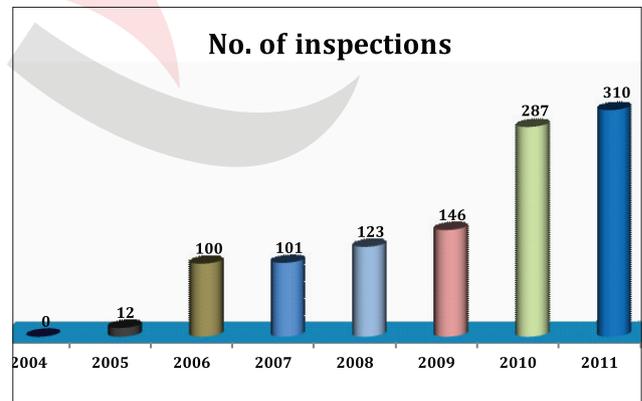
GDPML has intensified efforts to include supervisory and licensing authorities in the oversight of the obliged entities with respect to their adequacy of internal procedures as well as the concrete implementation of the preventive legal obligations.

In this regard, in 2007 inspections of all banks in Albania were carried out by joint teams of GDPML and Supervision Department at the Bank of Albania. This good practice was intensified in the years 2010 - 2011 with on-site inspections not only on banks but also on the exchange offices.

This experience of joint inspections was expanded further in 2011 with the Supervisory Unit for the Games of Chance concerning casinos and gambling entities and will be extended in the future with other supervisory authorities.

The following chart gives an overview of the progress of inspections over the years and as it can be clearly seen the number of inspections has con-

tinued its upward trend since the beginning of this process in 2005.



Ongoing supervision of the obliged entities by GDPML has had its positive effects on:

- The increase of the number of threshold reports and after 2008, of cash reports;
- The increase of the number of reporting entities as well as their categories;
- Improvement of relations with reporting entities and faster responsiveness with respect to GDPML requests;
- The increase of the number of SAR;
- The increase of the SAR quality and typologies;

GDPML’s performance has been also estimated by international monitoring institutions. The Analytical Report of 2010 accompanying the opinion of the European Commission on Albania’s application as a candidate in the European Union, noted that:

*- “The inspections performed by GDPML, have increased both quantitatively and qualitatively”*

While in the 4<sup>th</sup> round of evaluation of Albania by MONEYVAL Committee of CoE, in November 2010, IMF experts performing the assessment of the country would state:

*-“The supervisory function has also demonstrated great efficiency in its activities conducting a - significant number of examinations given its limited resources”<sup>4</sup>*

4. Detailed Assessment Report on Anti-Money Laundering And Combating The Financing Of Terrorism. Albania November 30, 2010, page 128.



## ANNUAL REPORT 2011

### ON/OFF-SITE INSPECTIONS OF THE OBLIGED ENTITIES

Inspection and Legislation Directorate in the FIU, has intensified during 2011, its activities towards the performance of inspections to assess the preventive measures by reporting entities.

Inspections are conducted based on the annual work plan, inspection's manual and studies of trends in the flows of cash into the economy, the level of risk and exposure of obliged entities to the phenomena of money laundering and terrorist financing.

The following table contains detailed information of all on/off-site inspections, categorized by groups of subjects:

ENTITIES INSPECTED	Year								
	2005	2006	2007	2008	2009	2010		2011	
						On site	Off site	On site	Off site
Exchange offices	-	5	16	6	3	24	11	25	111
Insurance Companies	11	4	10	6	3	-	2	3	-
CORIP	2	10	5	5	-	-	-	-	-
Notaries	-	-	17	42	7	13	127	8	45
CPA	-	-	-	13	-	-	9	14	1
GDT	-	4	6	1	-	-	-	-	-
Travel Agencies	-	26	-	4	-	-	-	3	-
Real Estate Agencies	-	-	-	-	31	7	6	1	1
Games of Chance	-	9	7	11	2	5	-	10	-
Banks	-	-	17	7	8	8	-	9	-
Non-bank financial institutions	-	-	3	7	8	5	6	-	1
NPO	-	16	-	1	-	-	-	-	-
Construction Companies	-	-	-	5	63	16	8	13	61
Leasing companies	-	-	-	3	4	-	4	-	-
Car dealers	-	12	19	12	7	5	17	1	-
Evaluators of real property	-	-	-	-	5	-	-	-	-
Lawyers	-	-	-	-	5	2	12	-	-
DASPP	-	-	1	-	-	-	-	-	-
GDC	-	14	-	-	-	-	-	-	-
Private Pensions Funds	-	-	-	-	-	-	-	3	-
<b>TOTAL</b>	<b>13</b>	<b>100</b>	<b>101</b>	<b>123</b>	<b>146</b>	<b>85</b>	<b>202</b>	<b>90</b>	<b>220</b>
						287		310	

For the year 2011, 310 inspections were carried out, of which 90 were on-site inspections. A special attention was paid to the off-site inspections, through the submission and verification of self-audit reports for 220 entities, which has led to a higher involve-

ment on their part in terms of improving the quality and quantity of reporting.

The sending of the self-audit reports to obliged entities, has served among others, as a reminder or



incentive to obliged entities to better get acquainted with legal amendments, but also as a practice for self-training before they respond to GDPML.

As it can be seen, the exchange offices, notaries, banks and construction companies, constitute the main focus due to their classification as more exposed to the phenomenon of money laundering and because the information from these entities has had a higher value for the analysis that is carried out in GDPML.

## ADMINISTRATIVE SANCTIONS

The Financial Intelligence Unit, along with the cooperation and training of the obliged entities, during its activity has paid attention to the implementation of the law and relevant regulations.

From 2005 until 2007 although a number of inspections were performed and violations were identified no administrative sanctions were applied. The first coercive measures to enforce the legal framework for the prevention of money laundering were issued in 2007, mainly for public entities, have been increased over the years to include also private entities.

During the last 5 years a total of 153 administrative sanctions were applied and proposals for the removal of the license were made to the supervisory and licensing authorities in four occasions. The legal procedures have completed been completed in

favor of GDPML for 84 sanctions of which 64 have been paid to the state budget (upon legal proceedings or executed in voluntary basis).

A total of 57,782,962 ALL have been collected and 20 administrative sanctions amounting to 41.77 million ALL, are mandatory for execution in Bailiff's Office. The follow up to the litigation process for the 69 decisions on administrative sanctions by GDPML that are being appealed by the obliged entities has been continuous in all three levels of the judicial process, out of which:

- 22 are being tried in the District Court of Tirana;
- 29 are being tried in the Court of Appeals in Tirana;
- 18 are being tried in the Supreme Court;

From 47 cases appealed in the Court of Appeal and the Supreme Court, for 19 cases GDPML's decision was overturned and for 28 of them or nearly 60% GDPML's decision was upheld by the court.

During 2011 inspection practices and acts were reviewed and 26 administrative measures were applied. The total value of fines imposed is 32,667,394 ALL and the amount collected in the state budget was 20,569,662 ALL. Administrative violations consist of:

- Failure to undertake preventive measures in accordance with the law;
- Failure to identify and maintain the required documentation;
- Non reporting of threshold and suspicious activity reports.

## COMPARATIVE DATA

	2007	2008	2009	2010	2011	TOTAL
Number of Sanctions	12	33	37	45	26	<b>153</b>
Minimal value	50.000	20.000	250.000	60.000	290.000	<b>134.000</b>
Maximal Value	1.000.000	10.000.000	8.000.000	11.854.589	5.000.000	<b>7.170.918</b>
Total Amount of sanctions	4.200.000	23.690.000	69.296.500	89.376.648	32.667.394	<b>219.230.542</b>
Amounts collected	1.700.000	3.990.000	4.596.500	26.926.800	20.569.662	<b>57.782.962</b>
Mandatory execution	----	----	----	14.750.000	27.020.000	<b>41.770.000</b>
Collection/ Amounts imposed	40%	16%	6 %	30%	60%	<b>45%</b>



## ANNUAL REPORT 2011

Over the years there is a progressive increase in the number and value of fines that reach the highest level in 2010, whereas in 2011 there is a reduction of administrative measures and their value due to the legislative changes in March 2011, which consisted of:

- Exemption of most of the obliged entities from the requirement to report non cash transactions over 6 million ALL. This would only apply for banking institutions;
- The penalty for the violation of article 12 of law, as amended, range from 300 000 to 5 000 000, while sanctions under the law 9917 of May 2008 ranged from 10-50% of the unreported transaction.

Furthermore GDPML's ongoing training and awareness rising, have led to better application of the preventive measures by the obliged entities. On the other hand the increase of on/off-site inspections, the considerable administrative penalties against 153 entities, as well as the growing number of disseminations to the law enforcement agencies, have contributed to enhancing the level of knowledge and implementation by other entities of legal requirements.

Special attention is paid to inter-institutional cooperation with the Bailiff's Office in the Ministry of Justice, aiming at ensuring that any final decision in favor of GDPML becomes effectively enforced.

In 2010 and 2011, those administrative sanctions for which a final decision was issued and were not collected, have been sent to bailiff's office in order to have them for mandatory execution, concluding thus all stages of final execution. This has led to an

increase of about 60% of the level of collections in 2011 in comparison with the previous years.

The administrative procedure for the planning, inspection, observation, recording and review of administrative violations is conducted professionally and impartially as well as in accordance with the current legislation which is confirmed by GDPML's auditing as well as judicial decisions.

This can also be noticed based on the positive response toward the execution of administrative sanctions where there is an increase in the number of entities that have performed voluntary payment of the sanctions, deeming the administrative sanctions applied by GDPML as fair and justified.

The sanctioning of the entities in itself has never been the purpose of GDPML, but it was intended to increase the sensitivity and cooperation with them with respect to the implementation of AML/CFT law. The overarching efforts as to sensitizing, training, inspection and applications of sanctions have brought about a direct impact on the apparent increase of the number of entities that report CTR, VTR and SAR.

The procedure of administrative infringements up to the impositions of the respective sanctions is recently determined by the Council of Minister's Decision no. 871 dated 14.12.2011 "On determining the procedures of finding, screening, the proposal and the establishment of administrative measures from GDPML". In the future this will lead to further improvements of this administrative process, by ensuring the standards in adherence to the principles of fairness, proportionality and transparency in front of the obliged entities.



REPUBLIC OF ALBANIA  
MINISTRY OF FINANCE

# COLLECTION, ANALYSIS AND THE DISSEMINATION OF FINANCIAL INFORMATION





## ANNUAL REPORT 2011

The purpose of the law on AML/CFT is that the information received from obliged entities upon being filtered, processed and analyzed by GDPML, as the only national center for the collection, analysis and dissemination of data on possible activities of money laundering and financing of terrorism, is provided as quickly as possible to the law enforcement agencies.

Taking into consideration the heretofore achievements, growth and consolidation of reporting by the obliged entities, the increase of GDPML's analytical capacity, work has continued intensively during 2011 which has made possible:

- The increase of the number of suspicious activity reports;
- The incomparable increase of the SAR quality regarding the previous periods;
- Further strengthening of institutional cooperation;
- Maintaining an upward trend of cases disseminated to the law enforcement agencies;
- Enhancement of financial analysis for complex cases and transactions, in considerable amounts, where grounded doubts are attributed to high risk persons from the criminal world.

## SUSPICIOUS ACTIVITY REPORTS

The increase of awareness and the encouragement of the obliged entities and private institutions to detect suspicious cases of money laundering or terrorist financing was seen by GDPML as an important priority. To achieve this goal, in the recent years, GDPML:

- Has organized and participated in AML/CFT training activities, with the participation of various categories of obliged entities, mainly with bank compliance officers, notaries, accounting experts, representatives of exchange offices, real estate agents in Tirana as well as in the main cities around the country, etc.;
- Has carried out inter-agency meetings with the

association of banks, builders, the Chamber of Notaries, etc.;

- Has consistently communicated with supervisory/licensing authorities concerning the reporting process as well as the implementation of the preventive measures by the obliged entities;
- Has officially published and made available typologies of money laundering for the categories of entities;
- Has demanded the compilation of the self-auditing reports from a large number of entities as well as assessing them individually;
- Has formulated and sent feedback for the SAR received, by also stating the issues thereto;
- Has conducted on-site inspection and has acted administratively in cases of failure of the centralized system of data analysis maintained by the obliged entities.

Feedback is provided by GDPML to the obliged entities, groups of entities and the relevant supervisory authorities, highlighting positive developments as well as specific issues associated with each entity or group of entities.

In addition the FIU has intensified its efforts in cooperation with the supervisory and licensing authorities. As it is also noted in the previous annual public reports, although it is a legal obligation, none of these authorities has so far reported any suspicion or data related to money laundering or the financing of terrorism, for the activities of the obliged entities under their jurisdiction. In this framework by means of official correspondence and meetings it was brought to the attention of:

- The Bank of Albania - problems related to the banking and non-banking sector;
- The Ministry of Justice - the achievements as well as the need for continuous improvement by notaries and CORIP;
- The Ministry of Finance - achievements in terms of cooperation with GDC as well as the problems and shortcomings in terms of GDT meeting the obligation with respect to SAR reporting in 2011.

# GENERAL DIRECTORATE FOR THE PREVENTION OF MONEY LAUNDERING



The following table provides detailed data regarding the SAR in the last years, categorized according to the reporting entities and public institutions that have reported them to GDPML:

ENTITY	NUMBER OF SAR ON YEARLY BASIS				COMPARISON 2011/2010
	2008	2009	2010	2011	
BANKS & FINANCIAL INSTITUTIONS	142	173	166	337	103%
BANKS	142	173	163	329	102%
MONEY TRANSFER COMPANIES	-	-	3	7	133%
EXCHANGE OFFICES	-	-	-	1	-
NON FINANCIAL PROFESSIONS	-	1	6	18	200%
NOTARIES	-	1	6	17	183%
ACCOUNTANTS	-	-	-	1	-
PUBLIC INSTITUTIONS	7	12	22	28	27%
GDC	5	-	15	20	33%
GDT	2	1	1	-	0%
CORIP	-	-	-	8	-
HIDAA	-	10	6	-	0%
OTHERS	3	1	12	-	0%
<b>TOTAL</b>	<b>152</b>	<b>186</b>	<b>211</b>	<b>383</b>	<b>81.5%</b>

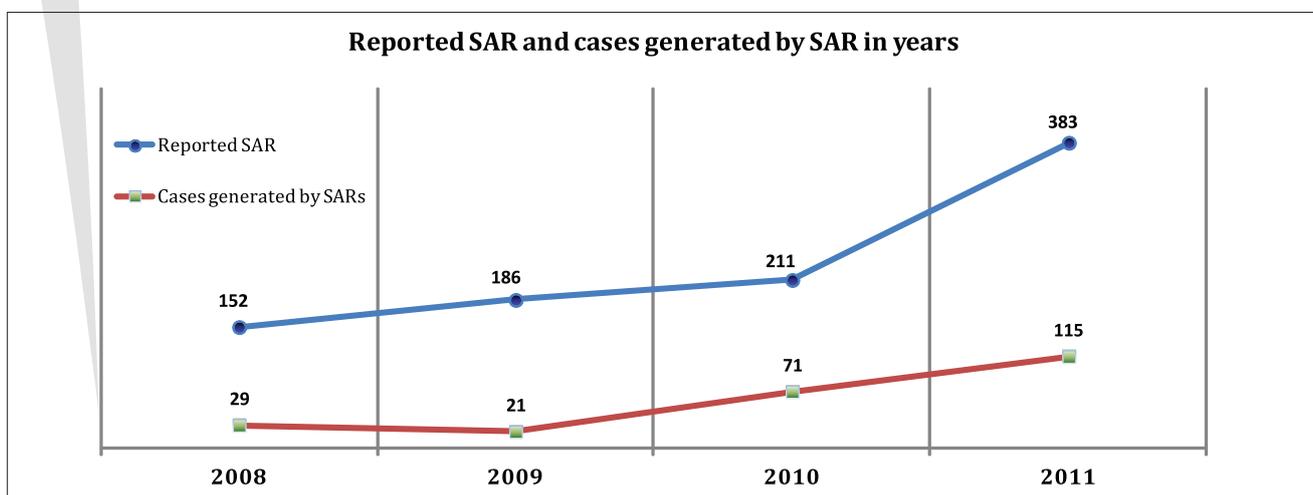
By analyzing the information presented in the table it is noted that for the first time in 2011, suspicious activity reports were filed by exchange offices and accountants, while there has been a significant increase in the reports made by banks, notaries and wire transfers companies. A positive development is also the reporting for the first time by CORIP, and the increase of the number of reports by GDC year over year.

The work carried out by GDPML has yielded direct results in increasing the quality and number of SAR,

and as consequence their number has reached 383 in 2011, from 211 reported in 2010 which represents an increase of 81.5%.

The progress with regard to the preventive measures undertaken by the obliged entities, in addition to the increase of the total number and quality of the SAR, is also evidenced by the expansion of the categories of entities that have reported SAR, by filing them constantly throughout the year and increasing the diversity of typologies of STR and SAR.

The following graph displays the dynamics of suspicious activity reports, and the number of SAR that served as indicators for the cases disseminated to the competent authorities.





# ANNUAL REPORT 2011

An important development for 2011 is the increase of the number of cases disseminated to the law enforcement institutions, which are based on the analysis of the suspicious activity reports. Considering the total disseminations, 99 of them are based on SAR filed by obliged entities.

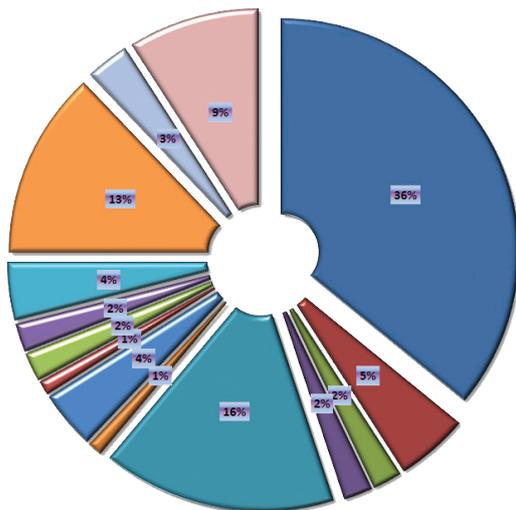
Requests and spontaneous disseminations by counterpart FIU have also been a valuable source of information, whereupon 16 cases were disseminated to the law enforcement authorities compared to 10 such cases disseminated in 2010. Cases based on SAR, together with the information received from the counterpart financial intelligence units constitute 54% of the dissemi-

nations to the competent authorities.

It is worth to note that the assessment of SAR quality, indicates that the obliged entities have furthered their knowledge and the implementation of the FATF 40 +9 Recommendations (reflected in the recent legal changes), and in this context 6 (six) SAR related to attempted transactions have been reported.

During 2011 SAR typologies were expanded compared with the previous years, a fact that reflects the continued commitment of obliged entities in identifying and reporting suspicious activities, but also demonstrates the work performed by GDPML and the impact of the training activities.

## SAR Typologies 2011

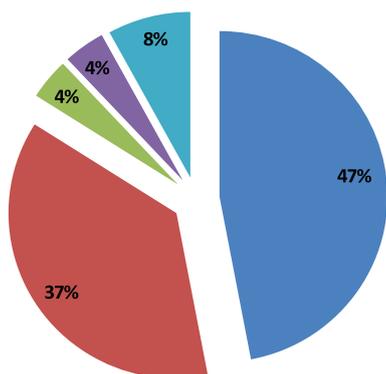


- Suspicious international transfers (36%)
- Vehicle clearance in high values (5%)
- Attempted transactions (2%)
- Customs cash declarations in high values (2%)
- Fiscal evasion (16%)
- Financing of terrorism suspicions (1%)
- Transactions out of the profile of the client (4%)
- NPO transactions (1%)
- Fraudulence (2%)
- PEP (2%)
- Investments in real estates with unknown source (4%)
- Bank deposits in high values with unknown source (13%)
- Refusal to identify the ownership structure for companies registered in tax heavens (3%)
- Others (9%)

In order to analyze the geographical structure of suspicious transfers abroad, SAR categorization is made according to the country concerned (being it a receiving or an originating one).

## The trend of international transfers reported as suspicious

(Analytical presentation of the typology "Suspicious international transfers")



- Transfers with China
- Transfers with EU countries, USA, Canada
- Transfers with Middle East countries
- Transfers with countries considered as tax heavens
- Transfers with other countries



Albania is involved in the globalization of trade and it is very normal for legal and natural persons to conduct a business, and therefore perform transfers with various countries around the world.

As it can be seen from the graph, SAR with China do rank in the first place with 47% of the total of SAR with typology "Suspicious international transfers". Upon their analysis, the suspicion consists in the use of personal accounts for business purposes and deficiencies in the documentation that lead mainly to tax evasion suspicions.

Transfers to/from EU countries/U.S./Canada occupy the second place with 37% where predominate those originating from Albania towards these countries, mainly as payments for various purchases or investments. In general, these transfers

are filed as suspicious due to deficiencies in the supporting documentation regarding the source or purpose of transfer.

SAR with other countries, including tax heavens, amount to not more than 16% of the total and are reported as such, mainly due to deficiencies in the associative documentation, lack of convincing justification for the purpose of transfers, but also based on the risk level of the country with which the transaction is performed.

SAR, as part of the Albanian system of reporting, contain one or more transactions that are considered as suspicious by obliged entities. The following table presents data on the number of SAR as well as the total number of suspicious transactions (STR) they contain.

	Banks	GDC	Accountants	Notaries	Exchange Offices	Money transfer companies	CORIP	Total
Number of SAR	329	20	1	17	1	7	8	<b>383</b>
Number of STR	1 334	149	1	19	1	173	9	<b>1 686</b>

It is worth mentioning that during 2011 there was only one report filed as suspicious for financing of terrorism which involved an incoming transfer from an EU country. The level of attentiveness that the obliged entities show with regard to SAR has been increased in comparison with the previous years.

## VALUE TRANSACTIONS REPORTS

Since its creation the Albanian preventive regime contained the obligation to report threshold transactions according to a preset amount that has been reduced over the years. Thus, with the approval of Law 8610 dated 17.05.2000 "On the Prevention of Money Laundering" and its entry into force all obliged entities had the obligation to report alongside the suspicious activity reports also the trans-

actions exceeding the threshold of 70 million ALL. The amendment to the law for the prevention of money laundering in 2003, among other things introduced a reduction of the transaction's threshold to 20 000 000 ALL, which led to an increase of the number of reports from commercial banks.

Upon the entry into force of the new law no. 9917, dated 19.05.2008 "On the prevention of money laundering and terrorist financing" on September 10, 2008, reports from the obliged entities and in particular the banking sector has undergone a significant increase. The law for the first time stipulated the obligation to report cash transactions in an amount equal to or greater than 1 500 000 (one million five hundred thousand) ALL, along the reporting of suspicious transactions related to money laundering and terrorism financing. Concurrently there was a further reduction to 6 million (six million) ALL of the threshold with respect to the reporting for non-cash transactions.



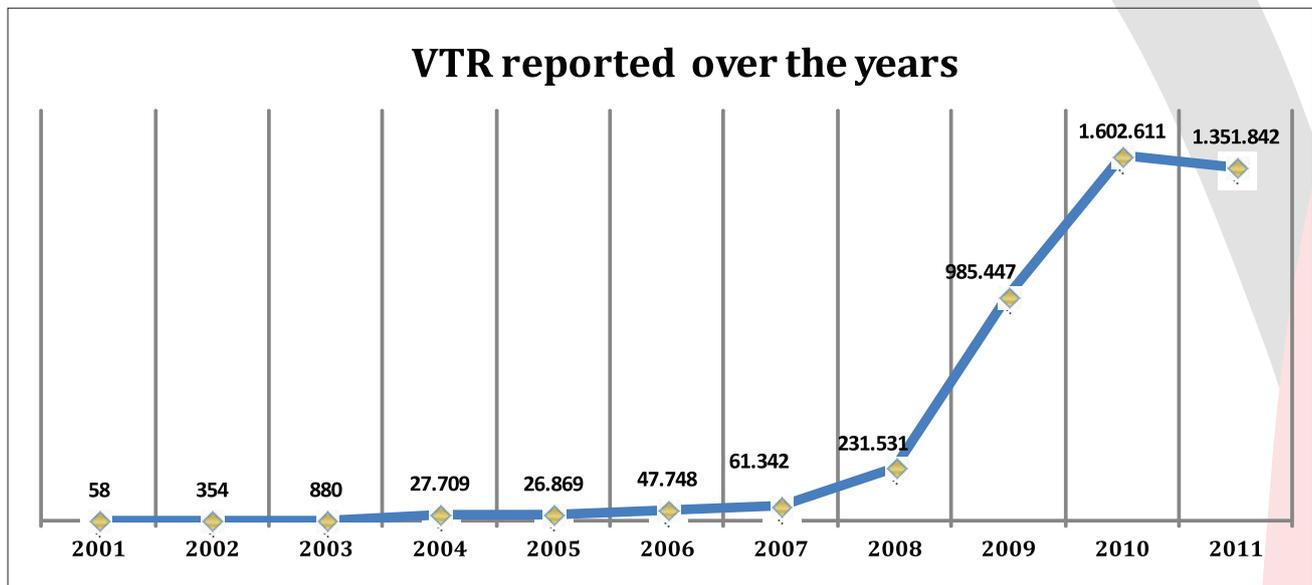
## ANNUAL REPORT 2011

Furthermore, the changes in reporting set out in the law no. 10 391 dated 03.03.2011 "On some amendments to Law no. 9917 dated 19.05.2008 "On the prevention of money laundering and terrorist financing", exempted most of the non-financial entities from the obligation to report transactions above the threshold of 6 million ALL, while it continues to apply to the banking institutions.

### VTR REPORTING FROM BANKS AS THE MAIN REPORTING ENTITIES

In this 10-year overview of the progress of implementation of the national legislation in the field of AML/CFT, banks as obliged entities constitute the largest and most important category. The performance of the reporting has had its own dynamics, while the trend during this entire period has been upward.

Underneath it is graphically presented the performance of threshold transactions by banks, for the years 2001-2011.



Despite the legal changes undertaken in the years 2003, 2008 and 2011, several important factors have affected the level of threshold reports such as the continuous training of employees of the obliged entities, the increase of the number of on/off-site inspections as well as the application of administrative sanctions.

### NOTARIES REPORTS AND THEIR ANALYSIS

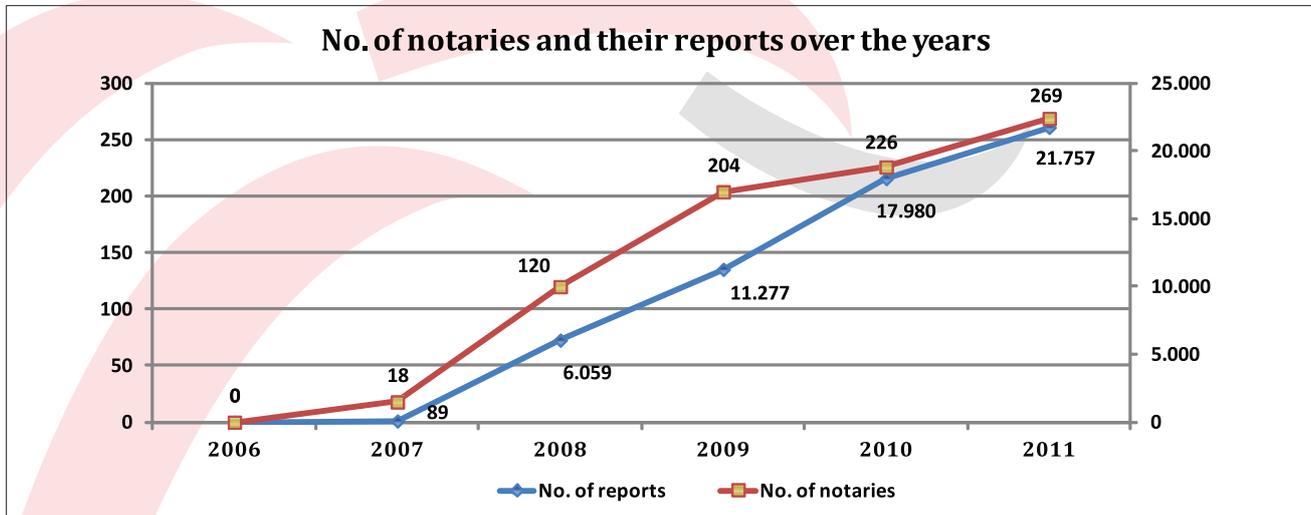
Since its inception the Albanian regulatory framework regarding AML /CFT defined notaries as an obliged entity. Nevertheless their first reports to GDPML, started in 2007. The early stage was rather difficult and the first 18 notaries of the Chamber of Notaries in Tirana, did report only upon being inspected.

Upon the ongoing persistence of GDPML, through the enhancement of awareness of this category of entities as well as repeated requests for cooperation with the Ministry of Justice as the supervisory authority, for the first time in 2008, it was made possible to receive reports from the main regions in the country and an increase in geometric progression of reports from this category of subjects.

Considering the essential and very valuable information that can be obtained from the reports of notary offices, GDPML intensified its efforts in overseeing the implementation of legal obligations of these entities by increasing the number of inspections and trainings, resulting in covering almost the whole territory of the country with reports of notaries in 2010, but also in the increase in number of the notaries that do report.



The following chart shows the number of notaries and their reports over the years:



The ever growing GDPML demands on notaries yielded the first SAR reports in 2010 while at the same time the quality of the threshold transactions and the relevant additional information requested has continuously improved.

The work started by GDPML in terms of awareness and sensitizing these categories of obligors reached its zenith with the signing in May 2010, on the premises of the Ministry of Justice, of the Memorandum of Cooperation between GDPML and the National Chamber of Notaries.

This agreement paved the way to an ongoing joint awareness campaign and among both institutions, providing training in all 6 Regional Chambers of Notaries, which brought about a positive response from these entities in several ways:

- First*, significantly increased the number of reports as well as improved their quality;
- Secondly*, it led to a significant increase of the number of notaries that report, while at the same time ensuring the entire coverage of the whole country with regard to such reports;
- Thirdly*, it set off the continuous SAR reporting by these entities.

From statistical data, the increase of the number of threshold reports by this category of entities is clearly indicated. As it was continuously analyzed and publicized, this increase was made possible due to awareness, inspections and administrative

sanctions applied in cases of non-observance of the reporting obligation.

In 2011, the number of notaries reporting to GDPML reached 269 including here all notaries that are licensed and operate in the Republic of Albania. The increase of 19% of the number of reporting notaries compared to 2010, has brought a growing number of reports reaching 21 757 VTR /CTR or 21% more than in the previous years.

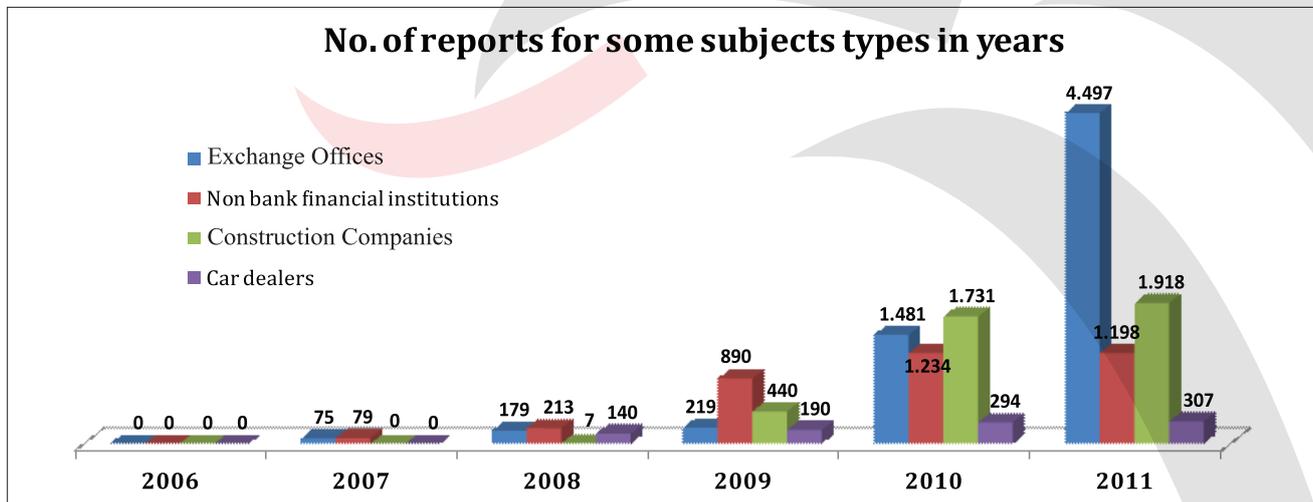
The main focus of awareness raising and training of this category of entities will be the reporting of suspicious transactions and activities, given the fact that the non-reporting of the threshold is no longer considered a problem.

## VALUE TRANSACTIONS REPORTS FROM OTHER OBLIGED ENTITIES

Over the years GDPML has labored to raise the awareness of a wide range of obliged entities aiming at fulfillment on their part of legal obligations, especially after the adoption and entry into force of Law no. 9917 dated 19.05.2008 "On the prevention of money laundering and terrorist financing."

Along the increase of the number of reports there has also been an increase of the categories of obliged entities that report. Thanks to the awareness and training, a better understanding and implementation of the AML/CFT obligations are growing day after day.

The following chart presents the number of reports as well as the performance over the years for some of the categories of entities.



The chart reflects the years of reporting for some group of subjects. It is worth mentioning that currency exchange offices in 2011 reported 4 497 CTR/VTR of which 4 471 online reports, which have more than tripled when compared to the year 2010.

The process of threshold transaction reporting was from its inception associated with numerous problems ranging from erroneous completing of the fields of the form, the impossibility of linking the transactions, etc. The identified problems have been overcome thanks to the joint efforts carried out with the obliged entities, their training and IT investments in GDPML's infrastructure.

## CROSS BORDER DECLARATIONS

Pursuant to Law no. 9917 dated 19.05.2008 "On the prevention of money laundering and terrorist financing", as amended, the customs authorities have continued to meet their reporting obligations in GDPML, concerning the cross border declarations in the Republic of Albania.

The reported declarations have proved valuable and they have undergone further analysis. Some of them have been concluded with their dissemination of suspicious cases to the Police and the Joint Investigation Units (JIU) of the Prosecution.

The table shows the total number and the total value of declarations for the years 2006-2011.

Year	Number of Declarations	EURO	USD	GBP	ALL
2006	33	1.804.735	1.168.431	7.000	0
2007	336	3.629.040	3.989.660	11.000	22.000
2008	462	5.817.100	5.855.950	0	47.500
2009	551	7.491.735	5.985.570	125.570	610.000
2010	520	7.089.427	4.689.050	32.500	1.200.000
2011	456	7.423.537	3.615.850	24.450	16.839.700

By analyzing the statistical data it is noted that, although the number of customs branches has increased from 4 in 2010 to 8 in 2011, nearly 95% of the reported declarations still pertain to the customs branch of the Tirana International Airport "Mother Teresa" and are predominantly made on exit from the Albanian territory.

Unlike previous years, in which the declarations of amounts in the national currency were negligible, the amount declared in 2011 amount to 16 839 700 ALL. Although the number and total value of declarations decreased, which in itself is an indication of the formalization of the economy, we conclude that there is

still more to be done in terms of awareness and performance of this legal obligation by customs branches. In this context it is necessary to convey the positive experience of the customs branch of Vlora and Rinas.

## DEVELOPMENTS IN INFORMATION TECHNOLOGY

The use of Information Technology in GDPML stemmed as an objective necessity to anticipate the growth of the volume of information and its processing over the years. Since its establishment in 2008 the Information Technology sector, thanks to the use of modern technology, has revolutionized the performance and effectiveness of GDPML.

This sector has its origins in 2006, when an IT specialist was added to GDPML's structure, who in addition to the maintenance of the computer hardware, would also care for the management of a modest database, which was installed as a pilot program based on the assistance of the OSCE.

The project for the installation of the computer hardware in GDPML, was completed in 2008 and was made possible with the support of the CARDS 2004 project. The creation of a specific IT unit and the installation of an IT network as well as the computer equipment created the premises to obtain electronically the information from the obliged entities as well as the secure transmission of reports.

Another major innovation for 2008, carried out by the IT sector was the creation and the implementation of a case management program, that allowed for the digitization and centralization of all the information to facilitating thus quick consultation as well as obtaining accurate conclusions on financial analysis.

Creation, updating and maintenance of the GDPML's official web site has been one of the continuous tasks of the IT sector and has served as an efficient tool for sensitization as well as a significant source of information for obliged entities and the public in general.

In the framework of CARDS 2005 project, it was made

possible the procurement of an analytical program for GDPML, whereby a more effective management of information would be ensured coupled with visual modules. Its installation was completed within 2009.

An important development of this period has been the cooperation with the National Information Agency (NIA), thanks to which it became possible for GDPML to become part of the network of institutions of the Albanian government - GOVNET, as well as benefit from the technical and technological assistance provided.

Since 2009 and onward GDPML has signed a number of memoranda of cooperation with institutions within and outside the Ministry of Finance such as GDT, GDC, GDRT, ALUIAC and NRC. The IT sector has ensured the electronic retrieval of information from these institutions which is in turn made available to the analysts.

In the years 2010 and 2011 the IT sector has continued to use the available systems, resources and capabilities which have brought further increase of the efficiency of GDPML's activity. In this context, the entities' reporting modules were improved; the internal network was properly maintained; the IT staff in the banks was assisted in order to improve the quality of reporting. The improvements to facilitate the reporting procedures of other entities have continued, by paying special attention to electronic reporting, which is carried out through the digitization of the process and the creation of specific modules.



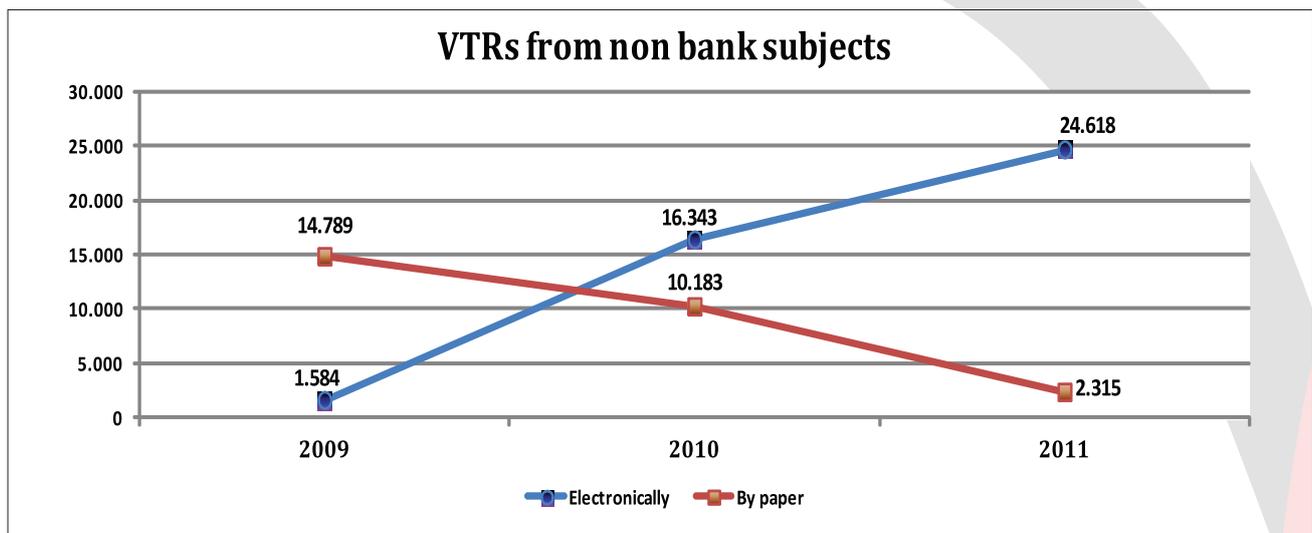


## ANNUAL REPORT 2011

It is worth mentioning that along the process digitization, the standardization of network security procedures was carried out associated with the designing of professional manuals by documenting some of the key aspects of the activity of IT Sector.

Electronic reporting is already performed by all

banks and the majority of notaries. This method of reporting is also increasingly used by wire transfers' companies, exchange offices, construction companies, car dealers, accountants, casino and games of chance, real estate companies etc. The following graph shows the trend of paper and electronic reporting in the past 3 years.



As it can be seen the number of online and offline reports point to opposite directions while the aim is to achieve a fully electronically reporting.

In addition to security, electronic reporting also enhances the productivity of IT processes with the aim of quickly providing the GDPML specialists with the possibility of accessing, consulting and processing the considerable information that is reported and stored in the database.

## FINANCIAL ANALYSIS AND DISSEMINATIONS TO THE LAW ENFORCEMENT AGENCIES

The overall activity of GDPML concerning the col-

lection, management, analysis of the reports and information provided by obliged entities or other institutions, facilitation of access to a variety of databases and public records, exchange of information with counterpart agencies in the country and abroad is geared towards the conclusion of financial analysis and disseminations of suspicious cases of money laundering and terrorism financing to the law enforcement agencies.

The following table shows the number of cases referred to the General Directorate of State Police and the Prosecutor since the establishment of the Financial Intelligence Unit.

Given the fact that no annual data is available for the period 2001-2003 they are presented as an aggregate, based on references from GDPML's first annual report.

Cases / Year	2001-2003	2004	2005	2006	2007	2008	2009	2010	2011	TOTAL
Referred to State Police	19	12	10	11	5	46	135	137	160	<b>535</b>
Referred to Prosecutor's Office	2	8	11	3	2	26	59	64	51	<b>226</b>
<b>TOTAL</b>	<b>21</b>	<b>20</b>	<b>21</b>	<b>14</b>	<b>7</b>	<b>72</b>	<b>194</b>	<b>201</b>	<b>211</b>	<b>761</b>



The data features GDPML's overall development and consolidation of analytical and detecting capabilities of the Financial Intelligence Unit, changing by leaps and bound in the last three years. This is evidenced by the significant increase of analysis and dissemination of information to competent authorities and further strengthening of the preventive regime in our country.

The ascending trend of disseminations was kept even during 2011, continuing the experience of previous years, which is associated with deeper analysis of the financial information.

Among the priorities in the analytical work it should be highlighted the detection of cases of complex transactions, carried out by persons with criminal background, those related to corruption as well as the follow-up of the progress concerning the information previously disseminated to the competent authorities.

Based on the priority that the government has devoted to the fight against corruption, GDPML is focused in this direction. It is worth mentioning that in 2011, among 211 suspected cases disseminated to prosecutors and police, for 18 of them existed doubts that the funds/assets generated or invested derived from corruptive acts of middle and high ranking officials or their relatives.

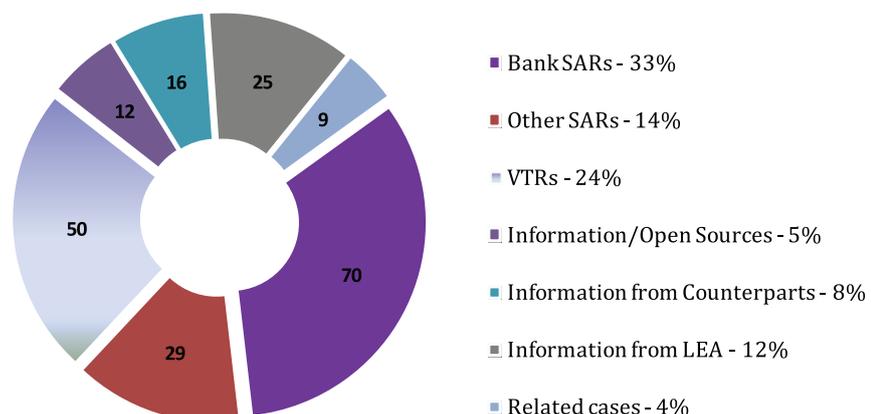
Among the factors that have influenced the results of GDPML are the training of staff, detailed analysis of information, especially that of suspicious activity, and effective use and updating of the database, increasing the use of open source information, intensive exchange of information with obliged entities and state institutions, continuous acquaintance of specialists with the typologies of money laundering and terrorist financing in national as well as international level, etc.

Upon the analysis of the

information that GDPML has disseminated to the competent authorities the main identified typologies are:

- Investment of substantial amounts of illicit income in real estate (mainly luxury vehicles) and property (inside and outside the country);
- Fictitious declaration of income and the investment in economic activities of incomes acquired illegally;
- Signature of fictitious loan statements/contracts in order to justify illegal income;
- Obtaining bank loans in order to legitimize funds and assets derived directly from the illegal activity;
- Investment in new businesses or existing ones through cash deposits or contributions in kind of the partner;
- Transfers of significant amounts without the explanations on the origin and the underlying reasons or the physical transportation of currency in the border crossing points;
- Establishment of companies abroad (including "tax heavens") to conceal the ownership structure and the beneficial ownership;
- Registration of businesses or real estate on behalf of other persons or fictitious donation of funds to disguise their source;
- Flow of funds of dubious origin in the banking system, through cash deposits and in significant amounts;
- Alienation of shares of commercial companies in fictitious value, etc.

**Categorisation of the disseminated cases according to the source of information for 2011**





## ANNUAL REPORT 2011

Analysis of sources of information has an ever growing importance and in this context special attention was paid to maintaining and fusion of the detailed data which are used in the preparation of operational, tactical and strategic analysis.

The above graph reflects cases initiated and disseminated by GDPML in 2011, according to the category of information received (in figures and percentages).

GDPML in 2011 in addition to the detection, analysis and dissemination of new cases suspected of money laundering to the law enforcement, has continued its uninterrupted work for collecting, analyzing and submitting additional information on matters disseminated in earlier periods; the efficient processing of the financial information in the function of investigations on the property proceedings in the implementation of Law no. 10192, dated 03.12.2009 "On prevention and combating organized crime and trafficking through preventive measures against property"; the cooperation with AASCA concerning identification and effective management of seized and confiscated assets; cooperation with the SIS in order to analyze each information on terrorist financing.

### CASES DISSEMINATED TO THE PROSECUTION

In fulfilling its function as the Financial Intelligence Unit in Albania, regarding the dissemination of financial information, GDPML continued to provide infor-

mation and analysis to the prosecution with respect to suspicions on laundering the proceeds of crime as well as terrorism financing.

Based on the analysis of the information reported by the obliged entities as well as the information retrieved from databases, the FIU during 2011, has concluded and disseminated to the prosecution 51 cases. In order to avoid potential transfer of assets and in pursuance of its legal powers, GDPML has issued freezing orders for 13 of these cases while concurrently communicated these orders and disseminations to the prosecution.

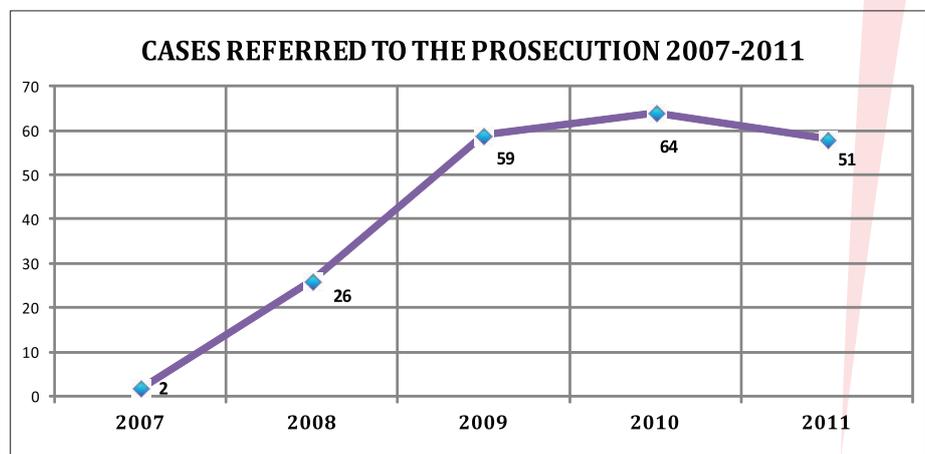
The analysis process is mainly based on the suspicious activity reports from banks and other obliged entities. In addition cross border declarations, spontaneous disseminations from counterparts, threshold transactions reported from the obliged entities as well as information from open sources have been used as indicators.

During the processing of this information and the requests from law enforcement agencies additional links with suspected persons were identified that have led to the commencement of new financial investigations.

The number of cases disseminated to the law enforcement agencies in the recent years has undergone a constant increase, whereas the number of cases GDPML disseminated to the prosecution in 2011, compared to the previous year was lower.

The following chart represents the information submitted to the Prosecutor during the last 5 years:

Based on the former experiences and practices, the majority of the cases disseminated to the prosecution, were relayed to the State Police without any concrete actions and tasks. This has caused a sizeable gap between the number of suspicious cases disseminated by GDPML to the law enforcement agencies and the number of relevant criminal investigations. GDPML has therefore suggested that prosecutors within the scope of the membership and the leading role they have in the functioning of



the JIU, ought to engage other JIU members such as GDT, GDC, SSA, SIS, etc., in order to accelerate



the registration of the criminal proceedings. It should be highlighted that the origin of indicators and the geographical distribution of cases submitted to the district prosecution's offices, has been expanded over

the years. The following table provides detailed records of the cases disseminated to General Prosecutor's, local Joint Investigation Units as well as other district prosecution for the past four years:

Table of the number of referred cases in the years 2008-2011, according to the prosecution they were sent

	Year				TOTAL
	2008	2009	2010	2011	
JIU Tirana	22	39	35	14	110
JIU Fier		3	3	13	19
JIU Vlorë			6	11	17
JIU Durrës	1	1	7	6	15
JIU Korçë		5	2	1	8
Serious Crimes Prosecution			7	1	8
JIU Shkodër	2	4	1		7
General Prosecution	1	2	1	1	5
JIU Gjirokastër		1	1	2	4
Prosecution of Lushnja			1	1	2
Prosecution of Lezha		2			2
Prosecution of Berat		2			2
Prosecution of Elbasan				1	1
<b>Total</b>	<b>26</b>	<b>59</b>	<b>64</b>	<b>51</b>	<b>200</b>

Although the disseminations and financial analysis have been submitted to a broad number of district prosecution offices as it is noted in the table, 55% of the disseminated cases in the past four years, belong to the prosecutor's office in Tirana's District Court. A significant number of cases were sent to the prosecution offices in the more developed regions of the country, by concentrating mainly in Fier, Vlora and Durres.

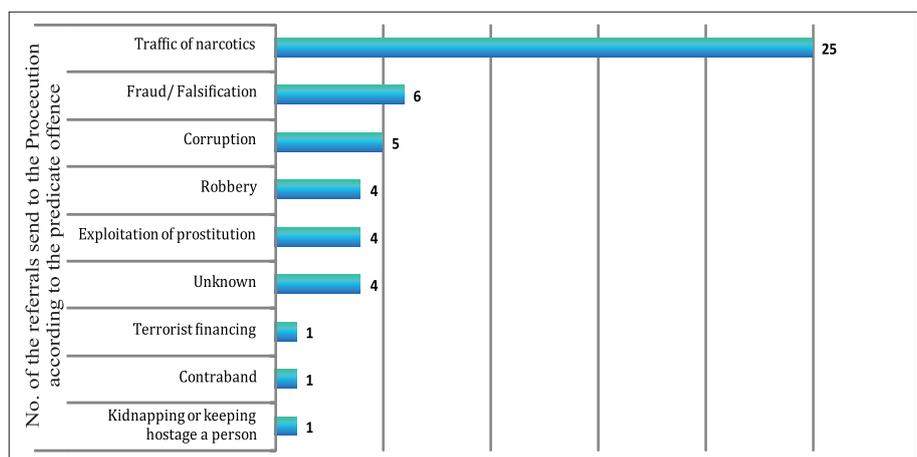
Among other things, the submission of suspicious cases to the Prosecutor at the Court for Serious Crimes and the offices of districts that do not have a JIU, has continued. Therefore compared with the previous year, in addition to the District Prosecutor of Lushnja (not JIU), a case was also submitted to the District Prosecutor of Elbasan.

In some cases, information on suspicious cases is forwarded to two or more JIUs due to the specifics of the cases (the residence of the persons suspected was different from where the locations were the laundering of the proceeds of crime by means of investments, transactions, etc., took place), furthering the level of coordination, the prompt-

ness of the exchange of information and the contribution of JIU, according to their territorial competence.

GDPML as an active member of joint investigation units attached to the prosecutions and in pursuance of the purpose of their creation as well as the leading role the prosecutors have related to them, in addition to the cases disseminated directly, it has notified the JIU about several cases that officially were submitted to the State Police.

From the perspective of the predicate offence, cases disseminated in 2011 to the prosecutor are of the following variety:





## ANNUAL REPORT 2011

Out of 51 disseminated cases, the predicate offence for 25 of them was drug trafficking followed by other cases where the fraud and counterfeiting offences predominate. Similarly to 2010, 5 cases associated with corruption and abuse of office were disseminated to the prosecution. Criminal offences of exploitation of prostitution and theft have constituted predicate offences of four disseminations.

Based on the international experience and the valuable expertise of Spanish prosecutors, GDPML continued to provide information to the prosecutor for four cases where suspects had no direct connection to any generating crime that has produced crime proceeds, which were subsequently laundered.

## TYOLOGIES

### CASE NO. 1 - PEP

GDPML was notified by the obliged entities that a PEP (X), during his mandate, had signed a contract to purchase an apartment in the amount of 80,000 EUR. Given the considerable amount and due to the fact that the buyer was a PEP, further database inquiries were performed by the FIU, which yielded the following results:

- A VTR was reported about a transfer made by X in favor of the citizen Z, that seemed to have no apparent connection with him;
- The individual Y, the brother of the PEP, had purchased an apartment worth 52,000 USD which was reported shortly before the purchase performed by X;
- Citizen Z, on the same day as X, bought an apartment, in the amount 58,000 EUR and the purchase contracts for the X and Z were signed by the same notary;
- X established a trading company @, two months after the expiration of his mandate, as a sole partner and the scope of the activity was closely associated with the task that this citizen had as PEP.

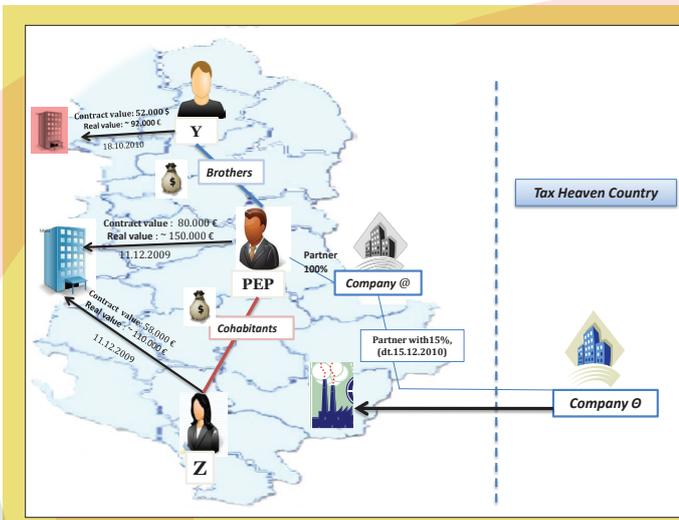
The cross referencing of the data with the information obtained from another case showed that the company @, immediately after its foundation, became shareholder (a partner with 15%) of the company Θ, located in a country known as a tax haven and the latter was to invest in Albania. The scope of Θ activity was closely connected to the work previously performed by X.

Based on the aforementioned information, the FIU requested notarial contracts, banking information, as well as cooperated with the State Police. The information submitted by the State Police indicated that citizens X and Z cohabited and that citizen X had been previously charged of corruption.

Upon verification of notarial contracts the purchases carried out by X and Z were related to apartments located in the building belonging to the same owner, the purchase contracts were identical. The two contracts contained a clause stating that approximately 20% of the amount was to be paid in cash and the rest would be paid through a bank loan (!). Verification and comparison of the values of homes with the prevailing prices in the real market values, showed that the real market value for these apartments was approximately 50% higher. The information on the NRC database showed that, besides X that had founded the company @, none of the other citizens (or their families) had business activities.

The following conclusions were reached upon the processing of the additional information received from banks:

- Citizens X, Z or their families had not received bank loans for property purchases;
- Their banking transactions were minimal in comparison to the assets purchased;
- In the previous years, X had made several transfers (in small amounts) in favor of Z (an indicator that leads to the conclusion that they had known each other for years);
- Before becoming a PEP, X had a job (from which he resigned) providing him with a salary higher than the one received as a PEP (this indicator shows that X became a PEP, in order to acquire money



from corruption).

- The seller of the apartment purchased by Y, the day of the contract, had paid in cash an amount of 92.000 EUR, stating that they derived from the sale of his apartment while under contract, the sale value of the apartment was 52 000 EUR.

Based on the above information and taking into consideration the previous job X had, the grounded suspicion that the money invested in different ways really belonged to him and the function held by X provided numerous opportunities for corruption, the case was disseminated to the law enforcement authorities.

### PROVISIONAL MEASURES

In pursuance to the law on the prevention of money laundering, there is a possibility that vest GDPML with the right to freeze a transaction for 72 hours when concrete facts and circumstances exist to suspect that the transaction is related to money laundering or terrorism financing.

Although such a possibility was earlier stipulated in the law, GDPML in practice, initially applied it in 2008. In subsequent years, this instrument set out in the law, was highly appreciated by GDPML and is used efficiently which demonstrates an apparent increase in the use of such an option.

The table presents detailed information about the orders and amounts frozen.

Freezing Orders 2008-2011

	Year 2008	Year 2009	Year 2010	Year 2011
Freezing Orders	5	23	23	13
Frozen EUR	504.934	3.736.275	891.881	814.170
Frozen USD	486.046	20.000	11.163	845.281
Frozen ALL	952.032	31.737.850	8.355.972	23.065.989
Frozen land lots and apartments	0	1.060 m <sup>2</sup>	8 Apartments valued 371.800 EUR; 45.960 USD and 9.333.280 ALL Total: 473.625 Eur.	0
Seized by the Prosecution and Courts	0	2.946.275 EUR 31.662.565 ALL 1.060 m <sup>2</sup>	480.000 EUR in a Bank accounts 8 Apartments valued 371.800 EUR; 45.960 USD and 9.333.280 ALL Total: 953.625 Eur.	537.989 EUR 10.877.521 ALL 347.084 USD in bank accounts

The year 2009 has been the most successful year in terms of freezing transactions and criminal assets by GDPML. It is also clearly evident that in the year 2011 the value of frozen financial transactions increased in comparison with the previous year.

Even in 2011, as identified in the previous years, the rationale of issuance of these orders is confirmed through

seizure of frozen accounts based on court orders.

This activity of temporary freezing of transactions appears to have been effective in combating the phenomenon of money laundering, given the fact that over the years based on these provisional measures, decisions were taken about the final seizure of accounts and assets from the Serious Crimes Court.

## TYOLOGIES

### CASE NO.II - INTEGRATION IN THE BUSINESS ACTIVITY

A citizen (called Ordiner) who was charged with several counts of committing various criminal acts, including the trafficking of narcotics, had created in 2002 the company "Σ" where he originally invested about 60,000 USD. Due to losses incurred, the company closed in about two years time (2004). In the same year (2004), his brother opened a new company called "€" involved in the construction business and appointed the citizen "Dummy" as a legal representative.

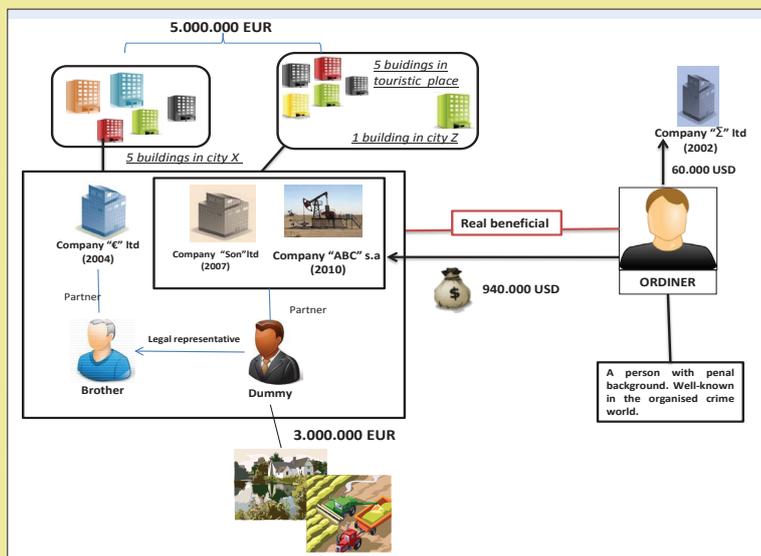
Under the management of "Dummy", the company "€" invested significantly in building several multi-storey residential buildings from 2005 onwards, with a total value of approximately 5 million EUR.

"Dummy" did also establish two new companies on his behalf during the years 2008 and 2010, respectively "Son" Ltd and "ABC" Ltd. The name of the company established by "Dummy" in 2008 ("Son" Ltd) for coincidence was identical with the name of Ordiner's younger son. So "Dummy" managed in this manner the activity of Ordiner's brother and as a legal representative expanded the activity of the other companies.

On 2010, Ordiner cash deposited in the bank account of "ABC" Ltd the amount of 940,000 \$, that served as a guarantee for getting a service contract with a value of millions of dollars .

Surprisingly, "Dummy's" personal bank accounts did show modest transactions, including a loan of 10 000 USD for house purchase! On the other hand, the inquiries of the FIU showed that he owned thousands

of hectares of land with a market value of over 3 million EUR as well as well consolidated business activities.



GDPML upon the investigation concluded that: Ordiner, was well known for his criminal activity (charged also with trafficking of narcotics) had started his activity of laundering proceeds of crime as early as 2002 with the establishment of his company. Further, he sophisticated the scheme by including his relatives, associates and their companies by using them as a façade, in order to avoid direct links with those companies that circulate millions of EUR and USD. The case was disseminated to the prosecution.

## CASES DISSEMINATED TO THE STATE POLICE FOR FURTHER INQUIRY

In order to fulfill its objectives, GDPML in the course of its ten years activity in addition to the Prosecution, has had closer cooperation with the special structures of ASP, which consists in the mutual exchange of information clearly indicated by the number of disseminations to this institution.

During 2011 one of the main goals of the activity of the FIU, was the continuous informing of the specialized structures at ASP, with regard to the results of analysis of information related to money laundering and terrorist financing. In order to achieve this goal GDPML's professional and technical capabilities were used effectively, focusing on the analysis of suspicious activity reports as well as other data available to analysts.



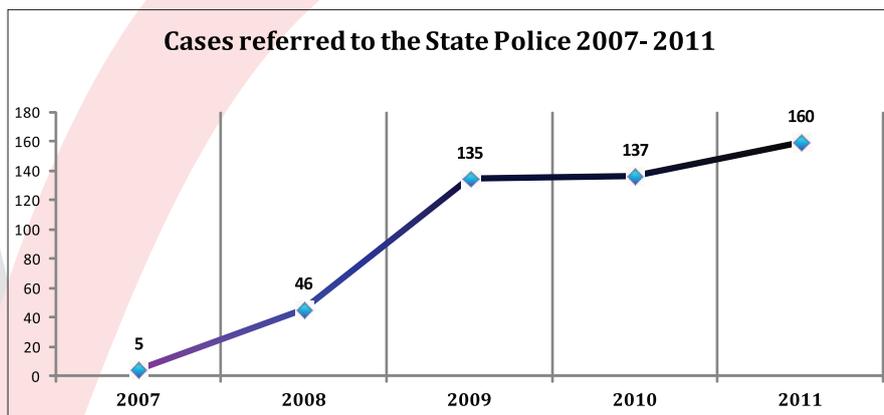
The following chart provides statistical data on cases referred to the General Directorate of State Police for the period 2007 to 2011. As it is clearly shown in the chart, 160 cases were disseminated to the State Police maintaining the upward trend compared to 137 cases disseminated a year ago.

These disseminations are made upon a detailed analysis of the obtained information where it was

concluded that in most of the cases there was a use of funds unjustified by individuals with legal sources as well as transactions characterized by the absence of a clear economic or legal purpose.

GDPML has continued the practice of previous year based on the data exchanged with ASP to undertake administrative investigations for persons/companies involved in the requests made by the latter in the

context of investigations being carried out.



The analysis of the information submitted shows that similarly to the cases disseminated to the prosecution, the main generating offences for the proceeds of crime are trafficking of narcotics, acts of corruption, smuggling, fraud, etc.

## TYOLOGIES

### CASE NO.III - MONEY TRANSFERS CARRIED OUT BY RELEVANT COMPANIES

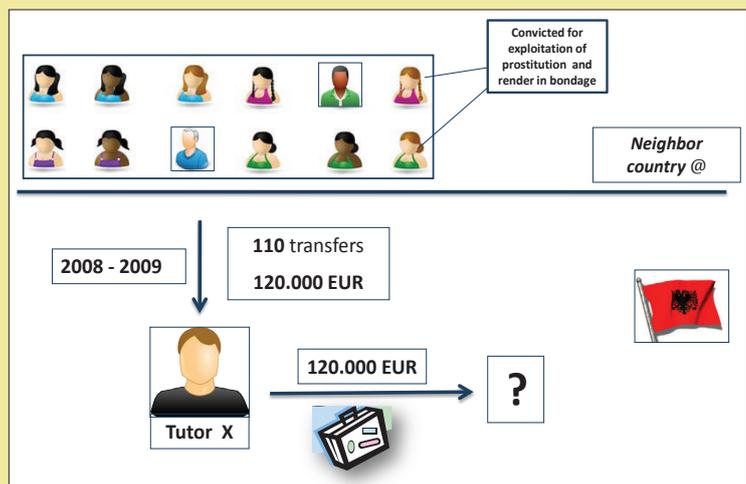
The analysis of the data obtained from money transfers companies showed up that in addition to the persons under investigation by the FIU, in one of the transfers was included also a citizen X who at first glance had no connection with the case, besides the link with the suspected persons.

In order to shed some more light on the case an additional request for X was addressed to the company providing transfer services, whereby it was learned that for two years X had been the beneficiary of 110 transfers (total EUR 120.000), sent from 12 different citizens, from a country@.

At this point of the investigation, GDPML requested the cooperation from the counterparts of the country @ from which the money transfers originated. From the counterparts DFPML was informed that some of the originators of those transfers had been subject to criminal proceedings for sexual exploitation and render in bondage and almost all transfers were sent from the same city of that particular country @.

The additional bank records showed no transactions for the 13 persons involved, but the transfers from the same area of the country @, the considerable amounts transferred and the criminal records lead the FIU to a convincing conclusion for the existence of stable link and maybe the participation in a structured criminal group.

The above information was sufficient to suspect for money laundering and was disseminated to the law enforcement agencies upon the consent provided by the FIU of the country @.





REPUBLIC OF ALBANIA  
MINISTRY OF FINANCE

# INTER-INSTITUTIONAL AND INTERNATIONAL COOPERATION





## INTER-INSTITUTIONAL COOPERATION

Inter-institutional cooperation and coordination is considered by GDPML not only as a legal obligation, but also as a prerequisite for success in preventing and combating money laundering and terrorist financing, maintaining that the fragmentary and detached war by the law enforcement institutions will not bear results.

First initiatives towards the institutionalization of cooperation consist on the signature of the memorandums of cooperation in the years 2003, 2007 and 2009 among the heads of several constitutional institutions and law enforcement agencies to combat organized crime, economic crime and money laundering.

This commitment to an effective inter-institutional cooperation is reflected in action plans for implementing the National Strategy for the fight against organized crime, trafficking and terrorism as well as the National Strategic Document "On the investigation of financial crime", approved by CMD no. 1077 dated 27.10.2009, involving in its implementation several institutions such as: General Prosecutor, the High Inspectorate of Declaration and Audit of Assets, State Information Service, the Bank of Albania, General Directorate of State Police, the General Directorate of Taxation, General Directorate of Customs, General Directorate of Prevention of Money Laundering, the Agency for Administration of Seized and Confiscated Assets, Financial Supervision Authority and the Central Office for the Registration of Immovable Property.

GDPML, as the responsible institution for coordinating and monitoring the fulfillment of obligations defined in the action plan for implementing the National Strategic Document for the fight against money laundering and financial crime, has rigorously followed the schedule of tasks assigned to each institution involved.

In order to improve and strengthen this cooperation, we have continuously assessed the needs of institutions that cooperate to exchange information with GDPML, while at the same time addressing problems that have occurred offering concrete sug-

gestions for improvement.

In 2011 five meetings were held which were attended by key experts of the Bank of Albania, Ministry of Justice, FSA, ASP, DPD, DPT, SIS and HIDAA where each institution reported about measures taken to implement the specific objectives. Steps taken for the assessment of risk of money laundering and terrorist financing at the national level as well as other issues of bilateral and multilateral cooperation were concurrently discussed with the experts.

The problems encountered have been periodically addressed to the relevant institutions and by the end of October 2011 GDPML informed the chairman and the members of DCFAML on the progress of implementation of this strategic document.

GDPML representatives participated in meetings of the technical secretariat to pursue implementation of the action plan for the umbrella strategy "For combating organized crime, trafficking and terrorism" by carrying out the verification of continuous operation of Memoranda of Cooperation with HIDAA, GDC, GDRT and GDT.

GDPML has continued efforts to negotiate the possibility of signing agreements with other institutions, as the basis for accessing their data as well as the rapid exchange of information.

## COOPERATION WITH THE PROSECUTION

GDPML has consistently cooperated with the General Prosecutor's Office structures in the center as well as in the regions. In particular, the increased collaboration with the Joint Investigation Units which are specialized for the investigation of economic crime, money laundering and corruption.

In this context, special meetings of the GDPML coordinator were held with prosecutors from Vlora, Fier, Durres and Tirana JIU showing continued interest for the performance of the information disseminated about which we have received a positive response. Joint meetings are conducted in GDPML in the context of the analysis of concrete cases with the prosecutors and judicial police officers, offering additional expertise in financial matters.

GDPML heads and representatives have actively participated in the JIU analysis organized by the Prosecutor General in January and July of 2011, where they presented their stance regarding certain decisions for non-initiating or terminating of the cases related to laundering of the proceeds of crime. GDPML, has continuously highlighted the necessity of assessment of its information and analysis as well as the feedback by the structures depending on the reaction of the Prosecutor General, in order to monitor the progress of disseminations and the continuous improvement of financial analysis.

Nevertheless, based on the information that has resulted from the periodic analysis of the activity of JIU, compared to the preceding periods, an increase can be noted regarding the number of criminal cases for money laundering initiated by the regional prosecution offices, which have had as an initial information GDPML disseminations.

GDPML's cooperation with the Prosecutor at the Serious Crimes Court has continued mainly in terms of providing information to requests for patrimonial inquiries, initiated by the latter pursuant to law nr.10192. In 2011 the information, data as well as the analysis was provided to the prosecution for 48 requests and 328 persons involved, playing an important role in the fight against organized crime.

One of the problems identified in the meetings as well as the activities of the twinning project has been the inadequate interpretation by some prosecutors of the offense of money laundering, which is reflected in some of the decisions for non-initiation or termination of criminal cases.

With regard to the aforementioned decisions during 2011 GDPML has filed six complaints and objections<sup>5</sup> to the General Prosecutor, who has decided to annul the decisions of the district prosecutor and the resumption of the investigation of five criminal cases.

One of the components of cooperation has also been the effective participation of GDPML experts in the activities conducted in the framework of the project "Support for the structures of the fight against money laundering and structures of financial crime

investigation in Albania", among which stands out the activity conducted in Pogradec in December 2011, with Spanish and Albanian prosecutors as well as judges. This activity was also attended by experts from GDPML, ASP, AASCA, and HIDAA.



At this meeting it was concluded that the Albanian criminal legislation is in line with the international standards and obligations of the Warsaw Convention. This legislation enables the prosecution to investigate laundering of the proceeds of crime offence without having as a prerequisite the existence of a conviction, a prior or concurrent criminal investigation by taking into account the relevant indirect as well as circumstantial evidence.

During the constructive discussions and debates held in this activity, GDPML representatives have argued that through the tracing and prosecution of money laundering, the phenomenon of corruption may be effectively combated, indicating that the suspects used their family and social connections to launder the proceeds of crime and money derived from corruption. The investigation of these connections makes it possible to tackle the phenomenon of corruption for persons who enjoy immunity.

### COOPERATION WITH THE STATE POLICE

Cooperation with the General Directorate of State Police since the establishment of the FIU has experienced a growing trend, especially in the recent years. In addition to the information sent since 2001 that amount 165 cases, information has been constantly provided for cases in process.

5. For those decisions we have been notified about.



GDPML has continuously presented the necessity of assessment of its information as well as analysis and the process of feedback by ASP with respect to the monitoring of the progress of suspected cases and the continuous improvement of the financial analysis.

It is worth mentioning that the year 2011 marks a significant improvement in terms of the feedback process concerning the cases disseminated by GDPML and it has had a significant evolution of cooperation and coordination with the Section of Combating Money Laundering in ASP, which in its annual analysis concluded that: *"All the results and operations that were so far carried out successfully and those that are in process, have been made possible through indications and joint analysis with GDPML, where the obtained materials have been instrumental in the outcomes of the investigations"*.

One of the main directions of cooperation has been, the provision of prompt responses for 84 requests that ASP has made with respect to various individuals and companies in the framework of prosecutions, patrimonial verifications or investigations related to organized crime issues.

Despite improvements as to the strengthening of cooperation and efficiency between the two institutions, it remains to be resolved by ASP the fulfillment of the legal obligations specified in CDM No. 1103 dated 14.11.2009, aiming at facilitating the access of GDPML analysts in the ASP database.

Furthermore, the regional directorates of Border Police based on the experience of the Rinas Border Directorate ought to inform GDPML on any criminal contraventions provided by article 179/a of the Criminal Code regarding the non-declaration of cash, precious metals and stones in the border crossing points.

## COOPERATION WITH OTHER INSTITUTIONS

The General Directorate of Customs, pursuant to Law 9917 dated 19.05.2008 "On the prevention of money laundering and terrorist financing", as amended, has consolidated the online reporting in line with the threshold stipulated for the cash declarations made in the border crossing points. Dur-

ing this year the number of SAR has increased to 20 compared to 15 a year ago and based on the quality of their analysis it can be stated that there is a progress in the preventive measures undertaken within its scope of activity.

In addition to meeting the specific tasks, GDC has increased cooperation with GDPML through the delivery of information and very important data obtained in the framework of cooperation with their international counterparts. Sharing data in electronic format is made possible by the implementation of the Memorandum of Cooperation between the institutions, which entered into force in July 2009.

The General Directorate of Taxation, has continued the work done in previous years to provide to GDPML timely information in response to requests made in the context of analyzing information. Interagency cooperation is advanced also in terms of surveillance of non-profit sector in the country and the implementation of the strategy "On the investigation of financial crime."

It is worth mentioning that more must be done from GDT, regarding the fulfillment of legal obligations to report suspicious money laundering activities of the proceeds of crime from entities conducting economic activities, due to the fact that non submission of SAR in 2011, compared with previous years constitutes regress.

Cooperation with the State Information Service, having as a priority the exchange of information concerning issues related to financing of terrorism, has increased. In this context we have continued cooperation on financial investigation for groups or individuals, according to the criteria that the competent institutions classify as high risk for terrorism or its financing.

In addition to the systematic exchange of the written information, meetings of representatives of both institutions were held at various levels and communication between contact points has functioned well.

In view of preventing and combating the financing of terrorism, GDPML continued to address with priority the list of persons designated by the UN for terrorism, while updating them and maintaining constant



## ANNUAL REPORT 2011

contact with the obliged entities as well as continuous exchange of the relevant information with SIS.

Coordination of efforts at the inter-institutional level has been extended also in the developing of the strategy against terrorism jointly with the State Police and other institutions involved. SIS has contributed to providing information and support to GDPML with respect to the risk assessment of the non-profit sector.

Although from the analysis of cases and information exchanged with SIS the risk of terrorist financing in Albania is considered low, given the potential global threat that this phenomenon represents, inter-agency cooperation and coordination in this regard will continue to grow.

Cooperation with the High Inspectorate of Declaration and Audit of Assets continued to be effective. In addition to the periodic updating and delivery of the full list of politically exposed persons that HIDAA performs in line with the provisions of law no.9049, dated 10.04.2003 "On the declaration and control of assets, financial obligations of elected officials and certain public officials" amended, meetings and joint activities were held which have contributed to the enhancement of the level of inter-institutional relations.

A stable cooperation was fostered with the Agency for the Administration of the Seized and Confiscated Assets whereby joint working groups have been set up for the verification of assets seized under the Orders of the Minister of Finance and information was exchanged continuously about persons whose assets are managed by AASCA, pursuant to seizure or confiscation orders of the competent authorities.

## INTERNATIONAL COOPERATION

Due to the nature of the money laundering and terrorist financing phenomena as well as the global expansion of crime from which proceeds are generated, international cooperation is a priority for the FIU. In recognizing this priority the Albanian legislator has given GDPML full authority to exchange information and sign memorandums of cooperation with its counterparts anywhere in the world.

GDPML has participated and represented the country in important meetings held at regional as well as European level and beyond, such as: the conference of heads of FIU in the Balkans, plenary sessions of the MONEYVAL Committee of the CoE, meetings of the international network of FIU (Egmont Group), etc.

## COOPERATION WITH REGIONAL PARTNER UNITS

Ongoing attention is paid to the regional cooperation during the activity of the Albanian Financial Intelligence Unit and the same commitment is noticed from the regional counterparts. In this context the first agreement of cooperation of the Albanian was signed with OMLP - Slovenian Financial Intelligence Unit prior to former's membership in the Egmont Group. The implementation of bilateral agreements of mutual exchange of information with other units in the region ensued.

Regional cooperation in the Western Balkan countries is further intensified in the context of implementation of the regional protocol for combating money laundering and terrorist financing, signed in Podgorica on 29 April 2008, among the directors of the financial intelligence units of Albania, Bosnia-Herzegovina, Croatia, Montenegro, Macedonia, Serbia, and Slovenia.

On this basis were held five regional meetings of the directors of the FIU, the last meeting being in October 2011 in Otocec Slovenia, aimed at to discussing the need for the rapid and real time exchange of information as well as the commencement of activities in order to develop strategic analysis. There have also been exchanges of experience with respect to the monitoring of businesses that perform electronic transfers (e-business). The next regional meeting will be held in Macedonia, and the seventh meeting of the heads of FIU in the region will take place in Albania in 2013.

Relationship with counterpart units in Greece and Kosovo, due to the particularities of the high movement of persons, goods and capital, have been intensified further through spontaneous exchange of information as well as requests on matters under investigation from GDPML and counterparts.

The study visit performed by a GDPML delegation in Rome in the framework of the second twinning project that is supported by the European Union, has also led to the improvement of the relationship with the Italian Financial Intelligence Unit, giving a greater impetus to the exchange of information and obtaining the relevant experience regarding strategic analysis.

## COOPERATION IN THE FRAMEWORK OF THE EGMONT GROUP

The Albanian Financial Intelligence Unit, enjoys full

membership rights in the Egmont Group, an international forum of financial intelligence units around the world. The Financial Intelligence Units, in their capacity as Egmont Group members, meet regularly in plenary meetings and working groups to explore new ways of cooperation in terms of information exchange, training and sharing of mutual experiences.

This forum and its structures enable inter alia an ever increasing operational cooperation with all partner units worldwide as well as a safe, real time exchange of information with reference to the prevention of money laundering and terrorist financing.

The table provides that data regarding the exchange of information through the Egmont Secure Web since its installation in the Albanian FIU.

	Requests from homologues	Requests from FIU	Response from homologues	Response from FIU
2005	16	14	1	1
2006	33	32	26	23
2007	24	20	22	18
2008	26	44	108	37
2009	36	114	124	50
2010	42	100	172	25
2011	69	54	55	59

The increase of the quality and speed of information exchanged with partner units was an important factor to ensure faster data processing and analysis. This is also pointed out in the IMF/MONEYVAL evaluation report where experts have stated that GDPML has the right framework to respond effectively and within a two to three week period to requests from counterpart financial intelligence units.

## SIGNING OF THE MEMORANDUMS OF COOPERATION

In the exercise of the legal function as provided in letter 'f' of Article 22 of Law 9917, dated 19.05.2008 "On the prevention of money laundering and terrorist financing", as amended, in order to further strengthen cooperation with the financial intelligence units, GDPML to date has signed 39 cooperation agreements with counterpart units.

These Memoranda of Cooperation, are based on the mutual obligation of data confidentiality concerning the exchange of information with international counterpart structures, members as well as non-members of the Egmont Group.



GDPML continued during 2011 to initiate, negotiate and sign such memoranda. In this context memoranda of cooperation were signed with the FIU of South Africa, Saudi Arabia and Israel.



## ANNUAL REPORT 2011

The following table lists chronologically the memoranda signed since the establishment of the Albanian FIU, for the exchange of information with counterparts around the world.

No	Jurisdiction	FIU	Date of signing
1.	Slovenia	OMLP	30.01.2003
2.	Bulgaria	FIA	09.06.2003
3.	Macedonia	MLPD	26.01.2004
4.	Montenegro	APML	06.03.2004
5.	Croatia	AMLDD	07.06.2004
6.	El Salvador	UIF	14.06.2004
7.	Czech Republic	FAU-CR	14.06.2004
8.	Lebanon	SIC	14.06.2004
9.	Estonia	RPAB	15.06.2004
10.	Barbados	AMLA	15.06.2004
11.	Serbia	APML	28.06.2004
12.	Portugal	UIF	23.09.2004
13.	Cyprus	MOKAS	27.09.2004
14.	Finland	RAP	25.10.2004
15.	Taiwan	MLPC	05.11.2004
16.	St.Vincent&Grenadines	FIU-SVG	07.12.2004
17.	Korea	KoFIU	31.12.2004
18.	Slovakia	SJFP UBPOK	15.02.2005
19.	Guatemala	IVE	05.04.2005
20.	Ukraine	SDFM	06.04.2005
21.	Romania	ONPCSB	06.04.2005
22.	Venezuela	UNIF	12.04.2005
23.	B.& Herzegovina	FID	18.11.2005
24.	Kosovo	FIC-UNMIK / FIC-EULEX	21.02.2006/04.02.2009
25.	USA	FINCEN	06.03.2006
26.	Moldavia	SPCSB	13.12.2006
27.	Australia	AUSTRAC	01.03.2007
28.	Poland	GIIF	15.11.2007
29.	Aruba	MOT	27.05.2008
30.	Paraguay	SEPRELAD	13.06.2008
31.	Turkey	MASAK	21.07.2008
32.	Russian Federation	ROSFINMONITORING	03.12.2009
33.	Canada	FINTRAC	21.12.2009
34.	Argentina	UIF	30.03.2010
35.	San Marino	AIF	30.06.2010
36.	Bermuda	FIA	05.07.2010
37.	Saudi Arabia	SAFIU	12.07.2011
38.	Israel	IMPA	12.07.2011
39.	South Africa	FIC	09.12.2011

The signing of these memorandums allows the facilitation and improvement of mutual cooperation regarding GDPML's exchange of financial information at the international level with those countries that consider such signature a prerequisite.



The EGDMONT Group network has been actively used by GDPML with regard to typologies projects that are devised at the international level as well as providing ideas for different questionnaires in the fight against money laundering and terrorist financing.

The global scope, further expansion and consolidation of the Egmont Group, the level of experience of its member states, the involvement of professional capacities in various areas, and visibility at the international level, provide increasing opportunities for the Albanian FIU, which will continue to be an active participant in plenary sessions and working groups in year to come.

## MONEYVAL COMMITTEE

MONEYVAL Committee of the CoE was created in 1998 and is an important forum, actively engaged in the international arena as to the issues of prevention and combating money laundering and terrorist financing.

This committee performs assessments and provides recommendations to member countries on meeting the AML/CFT international standards, in terms of relevant legislation and its implementation. During the session held in April the committee adopted Albania's fourth round evaluation reports whereby the rating of GDPML's performance was upgraded.

Participation and involvement in the activities of the MONEYVAL Committee of the Council of Europe are further intensified in 2011. In this context GDPML is represented in all three plenary sessions of this committee held in April, September and December.

In addition to the participation in the plenary sessions GDPML has addressed the problems identified by the MONEYVAL Committee for Albania and is engaged in the training activities it has organized as well as the drafting of typologies reports in the field of the prevention of money laundering and terrorism financing etc.

## OBJECTIVES FOR THE YEAR 2012

The consolidation of GDPML during those 10 years of its existence and in particular the achievements of 2011, constitute a secure foundation in confronting the challenges of our time as well as the implementation of strategic objectives of the Albanian Government in the context of the fight against economic and financial crime in general and especially money laundering and terrorism financing.

The major obligations undertaken by our country in the process of EU integration will be the main guidelines on which will be based the realization of the following FIU objectives for the 2012:

- Further enhancement of interagency cooperation in terms of providing expertise to the institutions involved in combating money laundering, to accelerate the exchange of information and reconciliation of statistics regarding the cases disseminated to law enforcement institutions;
- Further harmonization of legislation for the prevention of money laundering and terrorism financing with international standards of the Financial Action Task Force as well as the *Acquis Communautaire*;

- Rigorous implementation in cooperation with other state institutions of the National Strategic Document "On the investigation of financial crime" and its action plan;
- Further support of obliged entities, enhancement of their awareness and training, in terms of identifying and reporting suspicious activities;
- Cooperation with the supervisory and licensing authorities, according to the relevant specifications, and conducting joint inspections and training by focusing on the implementation of legislative changes and the SAR increase;
- Serious commitment and participation in the activities of the relevant international organizations as well as the participation in working groups involved in the drafting of trends/typologies reports;

The accomplishment of these goals will make the system for the prevention of money laundering and terrorist financing in the country more effective, by providing the law enforcement agencies information and a comprehensive as well as qualitative financial analysis in the framework of the fight against organized crime.



## ANNUAL REPORT 2011

### ACRONYMS

AASCA	- Agency for the Administration of Seized and Confiscated Assets
ACPA	- Anti-Corruption Project in Albania
ALUIAC	- Agency for the Legalization and Urbanization of Informal Areas and Construction
ASP	- Albanian State Police
AML/FT	- Anti Money Laundering/Financing of Terrorism
CPA	- Certified Public Accountants
CoE	- Council of Europe
CFAML	- Committee for the Coordination of the Fight Against Money Laundering.
CMD	- Council of Ministers Decision
CORIP	- Central Office for the Registration of Immovable Property
CTR	- Cash Transaction Report
DCFAML	- Directorate for the Coordination of the Fight Against Money Laundering
EGMONT	- Network of Financial Intelligence Units in the World
FSA	- Financial Supervisory Authority
FATF	- Financial Action Task Force
FIU	- Financial Intelligence Unit
GDPML	- General Directorate for the Prevention of Money Laundering
GDT	- General Directorate of Taxation
GDC	- General Directorate of Customs
GDRT	- General Directorate of Road Transportation
HIDAA	- High Inspectorate for the Declaration and Audit of Assets
ILECU	- International Law Enforcement Coordination Units
IMF	- International Monetary Fund
IT	- Information Technology
JIU	- Joint Investigation Unit for Investigation of Financial Crime and Corruption
MONEYVAL	- Committee of Experts for the Evaluation of Measures Against Money Laundering
NRC	- National Registration Center
OPDAT	- Overseas Prosecutorial Development, Assistance and Training (US Justice Dept)
OSCE	- Organization for Security and Cooperation in Europe
PAMECA	- Police Assistance Mission of the European of the European Community to Albania
PEP	- Politically Exposed Persons
SAR	- Suspicious Activity Report
SIS	- State Information Service
SSA	- Supreme State Audit
STR	- Suspicious Transaction Report
TRACFIN	- French Financial Intelligence Unit
UNO	- United Nations Organization
VTR	- Value Transactions Report