

REPUBLIC OF ALBANIA

**MINISTRY OF FINANCE**



GENERAL DIRECTORATE FOR  
THE PREVENTION OF MONEY LAUNDERING



# ANNUAL REPORT

## 2007

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1. Introduction
2. Greeting of the General Director of GDPML
3. GDPML at a glance
  - 3.1 The structure
  - 3.2 The budget for 2007
  - 3.3 Budget allocation for 2007
4. Reporting subjects and partner institutions according to the Law 8610, date 17.05.2000 "For the prevention of money laundering", changed
  - 4.1 Reporting subjects
  - 4.2 Inspections carried out in the reporting subjects during 2007
  - 4.3 Administrative penalties verified during the inspections in the 2<sup>d</sup> tier banks
  - 4.4 Administrative penalties verified during the inspections in the reporting entities
  - 4.5 Administrative sanctions
  - 4.6 Reporting to the Responsible Authority
  - 4.7 Trained subjects
5. Information technology within the GDPML
  - 5.1 "Anti Money Laundering" (AML) software
  - 5.2 Projects
6. Changes in the Albanian legislation on AML/CFT during 2007
  - 6.1 Legislative initiatives
  - 6.2 Innovations
  - 6.3 Financial effects
  - 6.4 In-laws on AML/CFT
  - 6.5 Objectives
  - 6.6 Approximation of the legislation with *acquis communautaire* of the

## European Union

7. Inter-institutional cooperation
  - 7.1 Inter-institutional Working Group
  - 7.2 Inter-institutional cooperation MoU's
8. International cooperation
  - 8.1 The fulfilment of the obligations in the framework of the Stabilization and Association Agreement
  - 8.2 Cooperation with Egmont Group
  - 8.3 Cooperation with MONEYVAL
9. CARDS 2004 Programme
  - 9.1 Information Technology in the framework of CARDS 2004
  - 9.2 Twinning with the German Counterpart.
10. Countering the financing of terrorism
11. Objectives for 2008
  - 11.1 Mission
  - 11.2 Aim
  - 11.3 Objectives
  - 11.4 Standards and strategic aims
  - 11.5 Middle term activities for 2008

## 1. Introduction

A lot of efforts have been made from the Albanian Government within the framework of the association in the European Union. The countering of the informal economy, corruption, money laundering and terrorism financing are the biggest goals for the time being.

Even though with a predominant cash based economy and a new and fragile banking system, consisting of 16 second tier banks, the albanian informal economy has decreased considerably according to the yet low figures of cash usage out of the banking system and the increase of the bank transactions, not only from the businesses entities but also from the public.

The new law on tax procedures obliges all the subjects to carry out all transactions exceeding 300.000 ALL through the banking system. At the same time the new law on AML/CFT obliges the reporting subjects to report all the transactions exceeding 1.5 million ALL to the GDPML. This will have a tangible impact in formalizing the cash based economy.

Although the number of bank transactions increased considerably during 2007, the total of cash in circulation in and out the albanian border remains high. Based on statistics, cash is being transported across the borders with neighbouring countries for commercial purposes.

A lot of efforts have been made also in countering the economic and financial crimes, especially corruption, money laundering and terrorism financing. The fight against terrorism financing has been more successful considering the number of seized assets and properties from the albanian government belonging to individuals listed in the UN Black List.

## 2. Message from the General Director of GDPML

The General Directorate for the Prevention of Money Laundering acts as a specialized financial unit to prevent and fight the money laundering and the financing of terrorism. The General Directorate acting like a national centre (Financial Intelligence Unit) charged with data set, data analyzing and disseminating for the possible activities of money laundering, is the most important structures for the prevention of money laundering and terrorism financing.

The role of this institution becomes even more important in the framework of a global economy and of the free movement of people, goods and capital all around the world and the relevant destabilizing risks that they can bring to the integrity of the democratic system, the good governance, the economy and the consolidation of the financial system. Most of all the fight and prevention of these criminal activities is a crucial step towards good relations between Albania and all the other democratic countries including the international organizations which intends to join.

The activity of GDPML is based mostly on the good cooperation between the partner institution and the law enforcement agencies. A good and ever increasing cooperation is the only way to cope with, prevent and fight the criminal activities of money laundering and terrorism financing.

During 2007 the number of reports received from the reporting subjects was higher than previous years due to the inspections and training seminars carried out by the Inspections Directorate within the GDPML.

A new structure for the GDPML was drafted, designed to increase the effectiveness of our work. We hope this new structure will help us to better use all our human resources with greater professional capacities.

In the framework of the Stabilization and Association Agreement, especially of the approximation of the Albanian legislation with the European Standards, a great deal was done with the drafting of the new law on AML/CFT. The law was drafted from a working group made of specialists from all the partner institutions and we hope they will go on cooperating with GDPML also in the drafting of the in laws.

In the framework of a EU Commission project, the installation of a new network of hardware and software in the GDPML started in December 2007 and we hope this new network will enable a better and safer communication between the specialists of the GDPML. The digitalization of the receiving and analysing the data will be the next important step within the coming years in order to improve our work.

A commendable work was also accomplished in the framework of the cooperation between the partner institutions within the Inter-Institutional Working Group Meetings.

International cooperation is also improved during 2007, resulting in a continuous and effective cooperation with Egmont Group members, training seminars within the MONEYVAL Committee and the signing of two other MoU's with counterparts, the Australian and the Polish FIU's.

A very important twinning project with the German counterpart started in September 2007 in the framework of CARDS 2004 Programme. This project aims to help the responsible Albanian institutions in the prevention and fight of ML/FT to enhance and improve the cooperation and the professional capabilities in their daily work. The project will last for two years and the beneficiaries, apart from GDPML that is the principal beneficiary, are also the law enforcement agencies of Albania.

At last I would like to send a message to all colleagues and partners:

Let us work together to enhance and improve our individual professional capabilities to better tackle the new challenges and threats.

Let us enhance and improve the cooperation between the reporting agencies and the Responsible Authority, the national and international partner institutions in achieving better results in the analysis of a good quality of data.

Let us try to benefit from the best practices of our German twinning colleagues and further more.

Let us focus our work in a risk based analysis of information and try to find other ways of analysing with higher and more professional quality the financial information aiming to increase the cases sent to the law enforcement agencies with the result of more cases of prevented money laundering or terrorism financing activities.

### 3. Reporting subjects and the partner institutions as foreseen in Law no.8610 date 17.05.2000 "For the prevention of money laundering " amended

#### 3.1 The Reporting Subjects

The most important reporting subjects as defined by the law are all the financial institutions banks and non bank financial institutions, currency exchange offices, attorneys, notaries, certified public accountants, casinos and gambling games, offices for the registration of the real estate properties, etc.

The reporting duty is as follows:

- a) Financial institutions and other obliged entities listed in the LPML must file reports concerning:
  - all transactions in cash and transfers of funds above ALL 20,000,000 (USD 150,000) or the equivalent value in foreign currencies;
  - all transactions in case of: a) abnormalities, b) unjustified, complex and unusual circumstances in the transactions, c) transactions without legal or economic justification; d) information indicates that the funds derive from a criminal activity; e) suspicions of money laundering arise after

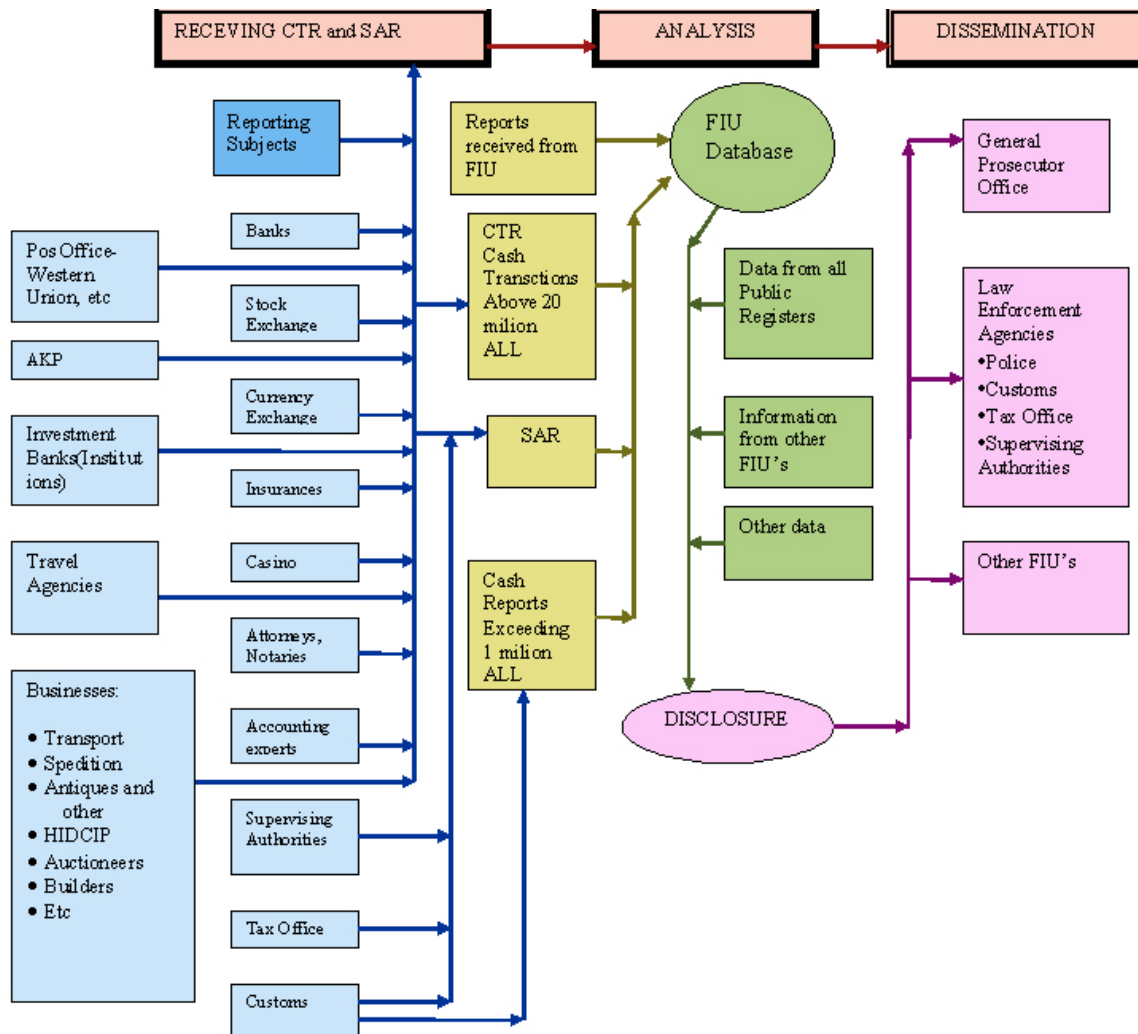
the transaction has been executed; f) consecutive or structured transactions that together exceed the threshold above;

- all suspicions of money laundering related to transactions;
- all information and suspicions concerning transactions, proceeds or property that might be linked with terrorist acts or terrorist financing.

- b) Customs authorities must file reports concerning "any suspicion, information or other data" on money laundering;
- c) Tax authorities must file reports concerning "any suspicion, information or other data" on money laundering;
- d) Licensing bodies/authorities must file reports concerning "any suspicion of money laundering and financial operations above ALL 20,000,000 or the equivalent value in foreign currencies".

The report should be submitted immediately and not later than 72 hours after the transaction in money laundering cases and immediately for suspicions of terrorist financing.

The following scheme shows how the reporting subjects report, how the information is collected and then disseminated to the Law Enforcement Agencies and partner institutions:



### 3.2 Inspections to the reporting subjects during the 2007

A considerable number of the reporting subjects have been inspected during the 2007, aiming to grow the cooperation and to increase the reporting of currency (financial) transaction reports and suspicious activity reports.

Following the inspections performed, the number of the reports submitted to the General Directorate for the Prevention of Money Laundering during the second quarter of the year, regarding the currency (financial) transaction reports, suspicious activity reports and cross border cash transaction report, doubled.

At the beginning of 2007, banks were the only reporting subject submitting the value transaction reports and the number of Suspicious Transaction Reports was insignificant.

The reporting system, during the 2007, has improved having even subjects reporting for the first time after the onsite inspections. Subjects such as notaries, the Central Office for the Real Estate Registration (district offices), currency exchange offices, and casino and

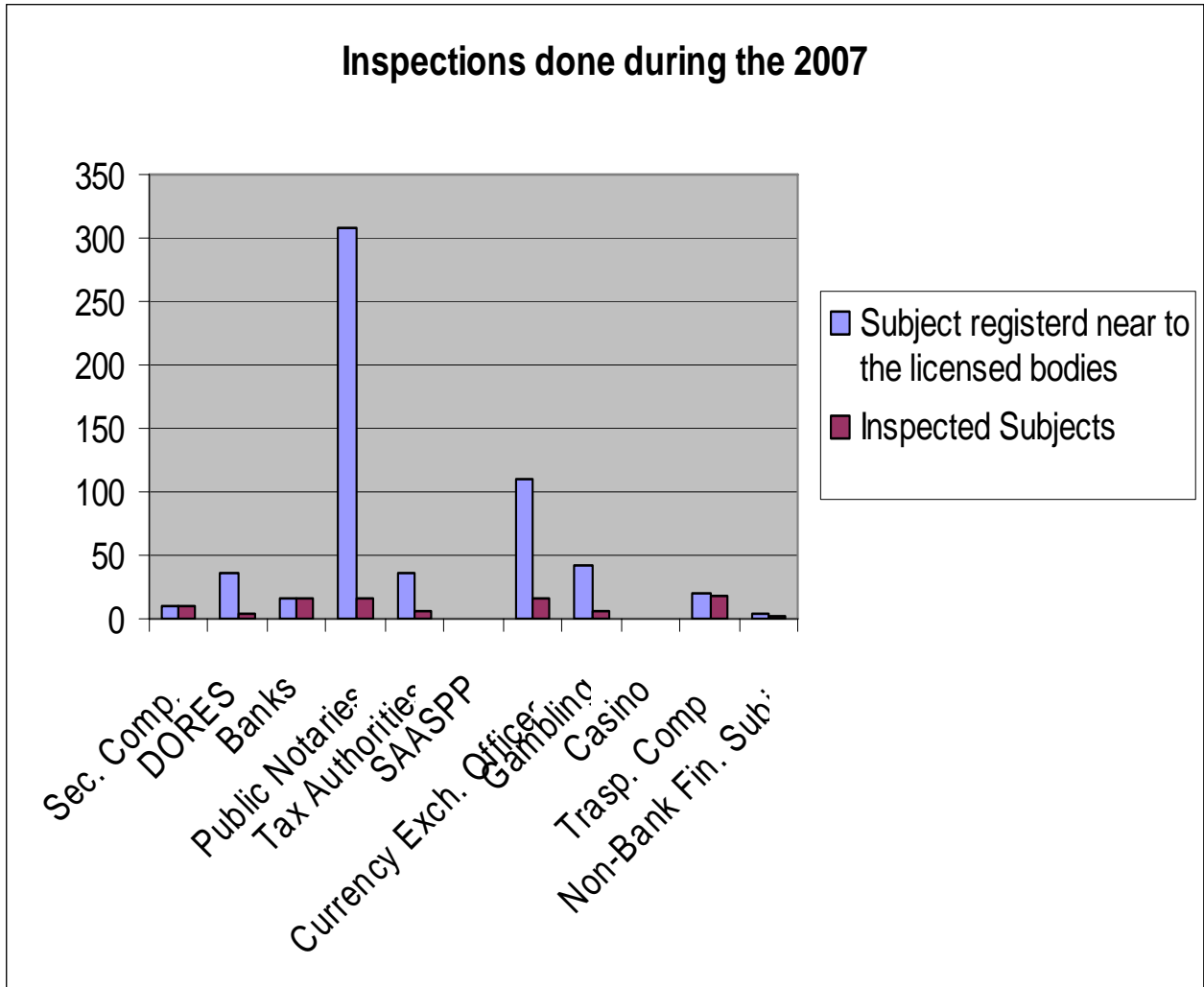


car dealers have filed reports for the first time.

During the inspections, priority was given to the subjects executing considerable financial transactions and to the subjects where a considerable risk and tendency for money laundering, based on the risk approach, exists.

The following table shows the inspections done during the 2007:

No.	Reporting Subject A	Subject registered near to the licensed bodies Totaling B	Inspected Subjects C	(Ç) 'C' in %
1	Insurance Companies	10	10	100
2	District's offices for the real estate registration	36	5	14
3	Banks	17	17	100
4	Public Notaries	309	17	0.5
5	Tax Authorities (also in districts)	37	6	16.2
6	State Authority for the Administration and Sale of Public Property	1	1	100
7	Bureaux de change	110	16	14.5
8	Gambling	43	6	14
9	Casino	1	1	100
10	Car Dealers	20	19	95
	Non-Bank Financial Subjects CREDINS Institution Financial Union AK Invest	5	3	60
Total:		589	101	17



As it is shown by the table and the graphic, the second level banks, the insurance companies, the State Authority for the Administration and Sale of Public Property and car dealers, have all been inspected by the GDPML's inspectors. Considering that the reporting frequency of the banks is the highest, and are considered as the riskiest, they will be subject of frequent inspections.

The inspection, in percentage, of the public notaries, district's offices of the real estate registration, bureaux de change, non-bank financial institutions, gambling and casinos, is still low totalling 17 %.

### 3.3 Administrative penalties

The administrative penalties have been applied, for the first time since the establishment of the General Directorate for the Prevention of Money Laundering, as foreseen in the Article 14 of the Law no.8610 'For the prevention of money laundering' amended. The penalties were imposed depending on irregularities, frequency of iteration and the commitment of law subjects to fulfil the law obligations.

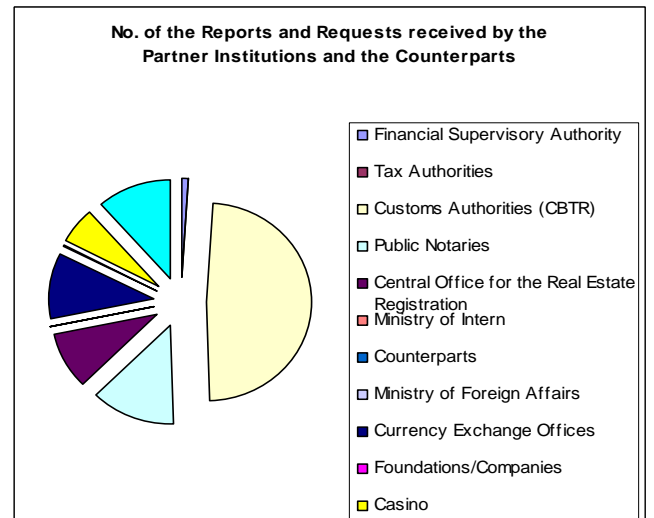
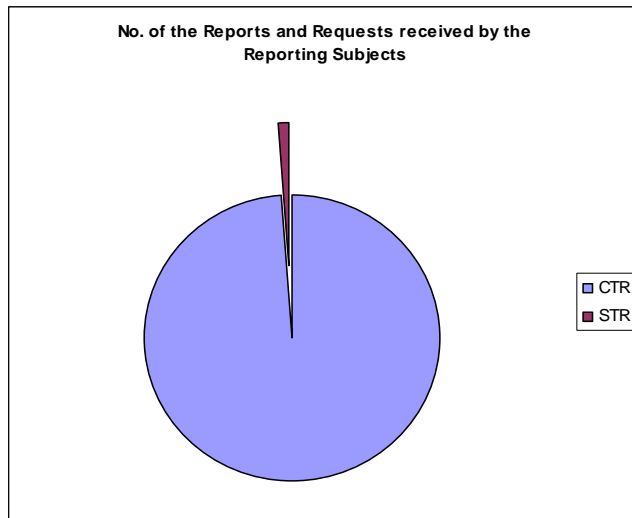
### 3.4 Reporting to the Responsible Authority

The following presents the number of the reports submitted to the GDPML and analyzed by the Analysis Department:

Table1: Number of the reports and requests received by the reporting subjects, partner institutions and the counterparts

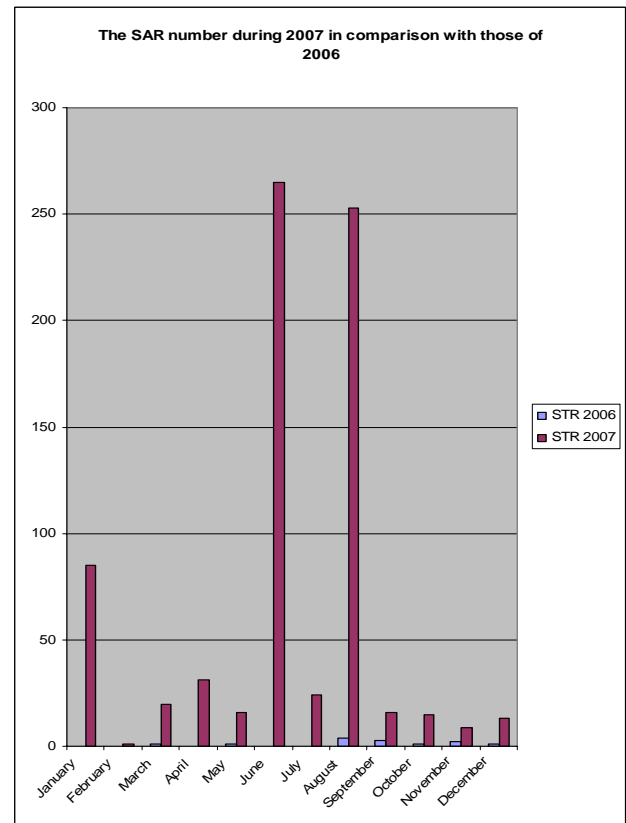
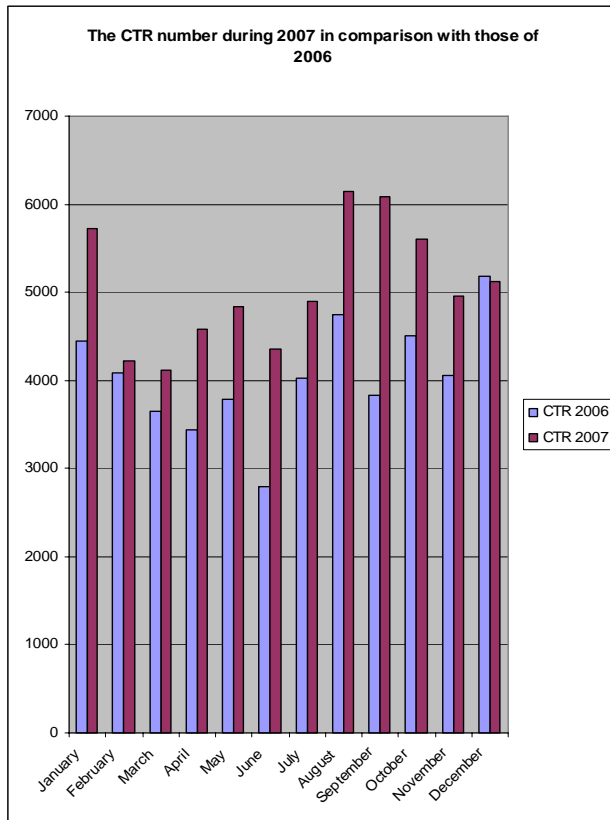
No.	Description	CTR	STR	Requests
1	Banks	60.650	748	
2	Financial Supervisory Authority	7		
3	Tax Authorities		2	
4	Customs Authorities (CBTR)	336	38	
5	Public Notaries	89		
6	Central Office for the Real Estate Registration	64	1	
7	Ministry of Interior			9
8	Counterparts			22
9	Ministry of Foreign Affairs			1
10	Bureaux de change	75		
11	Foundations/Companies	2		
12	Casino/Gambling	40		

13	Non-Banks Financial Institutions	79		
	TOTAL	61.342	789	32



May	3.783	4.837	1	16
June	2.795	4.352		265
July	4.032	4.896		24
August	4.752	6.148	4	253
September	3.826	6.088	3	16
October	4.508	5.603	1	15
November	4.060	4.954	2	9
December	5.183	5.121	1	13
<b>Totali</b>	<b>48.579</b>	<b>60.650</b>	<b>13</b>	<b>748</b>

Considering the comparative tables and the



charts, it is visible the growth of the number of STR that have been reported from the Second Level Banks, during the year 2007. Therefore in 2006, the number

of the reported STR was only 13, while during the 2007 it has been 748. It is worthy mentioning the fact that many of the STR have not been reported before by Banks.

As for the reported transactions above the threshold, a gradual growth is observed that indicates the growth of the transactions from the Commercial Banks.

The majority of the "cash" reporting from customs authority is collected by the customs branch located at the Rinas International Airport. The total declared in 5 customs branches throughout the country amounts to: 3.629.040 EURO; 3.989.660 USD and 11.000 GBR.

### 3.5 Trained Subjects

During the year 2007, some of the reporting subjects have been trained in the framework of their sensibilization on the "Prevention of Money Laundering and the Terrorism Financing". Some of the trainings taking place this year are listed below;

- Training seminar "For the Prevention of Money Laundering and the fight against financing of terrorism in the Custom system".
- Training seminar "For the Prevention of Money Laundering and the fight against financing of terrorism in the Insurance Companies".
- Training seminar "For the Prevention of Money Laundering and the fight against financing of terrorism in The Central Office for the Real Estate Registration".
- Training seminar "For the Prevention of Money Laundering and the fight against financing of terrorism with the Certified Public Accountants", also the training seminar "Legal obligations of the Certified public Accountants, regarding the Prevention of Money Laundering and the fight against terrorism financing".
- Training seminars with attorneys from Durres, Elbasan, Pogradec and Korça " "For the Prevention of Money Laundering and the fight against financing of terrorism". Other meetings with the Chiefs of Attorneys' Chamber have taken place in the building of the General Directorate for the Prevention of Money Laundering".

#### 4. GDPML Information Technology

##### 4.1 "Anti Money Laundering" (AML) Informative Program

The main aim of this program is the registration, the searching and the protection of Value Transactions Reports (RTV) and Suspicious Activity Reports (RAD). Also, it includes the compiling of different reports on these registrations. "AML" is an applicable program that offers a chart for the user. The communication between the user and the program is realized in the Albanian language. The implementation of this project started since 2006 and is still in the process of execution.

#### 5. Changes in the legislation on Preventing Money Laundering and the Financing of Terrorism during 2007

## 5.1 Legislative initiation

In October 2004, FATF (Financial Action Task Force) reviewed the standards countering money laundering and added 9 special recommendations to the 40 previous ones, being referred directly to the prevention of terrorism financing.

After the third round of the evaluation of Albania in the field of combating money laundering and the financing of terrorism, made by MONEYVAL (Committee of Experts on the Evaluation of Anti-Money Laundering Measures), it has been ~~carried out~~

Clarify the importance and the concrete need for drastic changes in the Albanian legislation. MONEYVAL pointed out a number of recommendations in order to help the Albanian Government in approaching its legislation to the international standards in combating money laundering and financing the terrorism (PP/FT), which are stated in the 40+9 recommendations of FATF.

The General Directorate for the Prevention of Money Laundering supervises the compliance of the law in Combating Money Laundering and Financing the Terrorism, from the part of the reporting subjects specified in the law.

The Minister of Finances, as one of the main institutions that has the constitutional right in undertaking legal initiatives for proposing in the Council of Ministers, is included in this process based on the national activity that has in its competence as an institution, having under direct dependency the General Directorate of the Prevention of Money Laundering.

In the frame of inter-institutional collaboration in realizing the law-project on PP/FT, there have been included even the Albanian Bank as the supervising and regulator authority in bank activities defined in the law nr. 9662, dt. 18.12.2006 "Banks in the Albanian Republic"; the General Prosecutor Office and the Ministry of Home Affairs, as the main institutions for the execution of law in the Albanian Republic.

In March 2007 MONEYVAL has made an evaluation on the Progress-Report for Albanian after the third round of the evaluation. The aim of this evaluation was the ascertainment of changes made based on MONEYVAL recommendations and their consistency scale to the international standards. It was a positive evaluation as for the consistency scale of the new law-project on money laundering and financing of terrorism.

It has been evaluated exactly;

- the increasing number of the reporting subjects

- the decrease of monetary value of reports given by the reporting subjects
- the increase of the preventing measures that should be undertaken

and also

- the provision, for the first time, in this law-project, for the measures in preventing the financing of terrorism.

The final draft has been sent to the Ministry of Finance, after the approval of the respective report by the Ministry of Integration, in which was reflected the approach to *acquis communautaire*. The Minister of Finances showed his readiness in introducing the project to the Council of Ministers, in a very short time. Actually remain only the last comments from the Directory of Codification in the Ministry of Justice, after the last changes that have been made due to the suggestions of this directory. These changes have been introduced to GDPML after an intensive work throughout the year. Even though the Ministry had its own representatives in the Work Group, the comments were left for analysis in GDPML only in mid-December 2007.

## 5.2 Objectives to be achieved

This law-project aims the establishing of the proper law base in preventing money laundering and the financing of terrorism, according to the Directive 2005/60, dt. October 26<sup>th</sup> 2005 of the Parliament and the European Council for "Preventing the utilization of the financial system for the purpose of money laundering and the financing of terrorism", also with the international standards in this field, just as the 40+9 recommendations of FATF.

The law-project for the Prevention of Money Laundering and the Financing of Terrorism defines the preventing measures that should be taken from the financial and non-financial institutions in preventing the harmful usage of these subjects in money laundering and the financing of terrorism. This law-project identifies the reporting subjects of the value and suspicious transactions to the Responsible Authority; the categories of the clients on which the subjects have to pay a proper attention; defines the way of reporting and its deadlines; the collaboration between the Albanian and foreign institutions in the field of PP/FT; the administrative sanctions applied in case of not-reporting or not accomplishing the measures foreseen in this law.

## 5.3 The consistency scale to *Acquis Communautaire*



In committing the engagements that come out of the Articles 4, 70 and 82 of the Stabilization-Association Agreement, in relation to the mid-term strategies in combating and preventing the corruption, organized crime, ~~se~~ ??, economic-financial crime in general, money laundering and the financing of terrorist activities. The Albanian Government in consistency with mid-terms measures foreseen in the National Plan for the Prosecution of Stabilization-Association Agreement took the initiative to compile a law-project for the Prevention of Money Laundering and the Financing of Terrorism. This law-project represents the first phase for the adaption of the resident legislation to that of European in this field, during which the adaption and the execution of the Acquis will be focused on the main elements of the resident market. During the second phase of the execution of MSA, the adaption of resident legislation will be focused on the other elements of *acquis communautaire*. Actually, the prevention of money laundering is amended by the law Nr. 8610, dt. 17.05.2000 for the prevention of money laundering.

Due to this law-project it is aimed the partial consistency to *acquis communautaire* because the full consistency it is aimed to be realized in the second phase of the prosecution of MSA, considering the fact that *acquis communautaire* has been compiled for countries that are members of EU.

## 6. Inter-institutional collaboration

### 6.1 Inter-institutional collaboration agreements

In the frame of inter-institutional collaboration it has been signed a MoU with the Department of Administrative Internal Control in the Council of Ministers, in May 2007.

Lastly, in 22.05.2007 it has been signed a collaboration Memorandum for the creation of a Joint Investigation Unit (JIU) for the investigation of economic crime and corruption, through the General Prosecutor, the Minister of the Internal Affairs, the Minister of Finances and the Director of State Informative Service. The Minister of Finances has appointed the JIU in prosecution for the Memorandum, 3 officers from the Judiciary Police, having experience from DPT and 4 other officers of Judiciary Police from DPD

(Operative Investigative Department). Also, as members of JIU are even an employee from GDPML, one from DPD and from the Internal Investigation Directorate (anti-corruption) in DPT, that will serve as a special link for the unit.

## 6.2 Inter-institutional Technical Group

In the frame of inter-institutional collaboration, the MoU between the Ministry of Internal Affairs, SIS, Albanian Bank and the General Prosecution, has been the base for this collaboration. Also, it has been established a Working Group from the General Director of GDPML which is called once a month for discussing over specific matters on PP/FT and even to build and commit inter-institutional strategies in combating PP/FT and the economic crime in general.

A series of joint training seminars have been organized in the frame of inter-institutional collaboration, as;

- A training seminar organized by the Ministry of Internal Affairs in the frame of the Twinning Project with the Austrian Ministry of Internal Affairs " Operative Criminal Analysis", in which took part 2 specialists.
- A training seminar organized by the State Police in the frame of the Twinning Project with the Austrian Counterparts, called " Strategic Criminal Analysis", in which took place 2 specialists.
- A training seminar organized by the Ministry of Internal Affairs in the frame of the Twinning Project with the Austrian Ministry of Internal Affairs "Inter-institutional collaboration", in which took place one specialist.
- A training seminar over the methods of financial investigation in the cases of money laundering, organized by the TAIEX office, a collaboration between European Commission Delegation in Tirana and the Albanian Government, in which took place 6 representatives from GDPML.
- The meeting of experts who profit from the Twinning Project for the defining and designation of activities organized in Germany, with representatives from the police, customs, taxing, prosecution office and FIU.

## 7. International Collaboration

## 7.1 The commitment of obligations that come out from Stabilization-Association Agreement

In committing the obligations foreseen in the Articles 4 and 82 of SAA, the Albanian Government is engaged in enforcing the authority in combating money laundering, the one resulting from criminal activities and also the decriminalization of home economical activity. Hence, in this way it is aimed to serve the increasing of credibility in place and its economical and legal system. The main attention will be focused on the strengthening of capacities in this direction, aiming to achieve obvious and concrete results. In order to fulfil these obligations, the Albanian Government cooperates with other places aiming the prevention of financial systems used in money laundering and the financing of terrorism.

*There have been undertaken many activities for the addressing of mid-term priorities coming out of SAA;*

- Training activity for the insurance and reinsurance companies over the legislation on preventing money laundering and the financing of terrorism.
- Training activity for the second level banks over the legislation on preventing money laundering and the financing of terrorism.
- The Twinning Project with German financial intelligence unit.

## 7.2 The cooperation with Egmont Group

The Albanian FIU is a member of Egmont Group Financial Intelligence Units, since July 23<sup>rd</sup> 2003 during the second Session Plenary of Egmont Group in Sidney, Australia. Considering this fact, membership in the Egmont Group, which plays the role of an international organization aiming to cooperate and exchange information in the field of money laundering and the financing of terrorism, gives the possibility to exchange information of financial intelligence even with counterparts all over the world.

The basic principle of the relations with other counterparts is the exchange of financial intelligence, based on the principles of Egmont Group FIUs. (Declaration of Hague, 13 of June 2001, amended in Sidney, 23 of July 2003) for the exchange of information

among FIUs over the money laundering matters and the International Convention on combating the financing of terrorism.

### 7.3 Memorandums of Understanding (MoU)

On the purpose of committing the proper mechanisms and standards in combating money laundering and the financing of terrorism, focusing precisely on the European standards and other international instruments, there have been signed out 28 Memorandums on the field of cooperation in exchanging financial information with other counterparts, related to money laundering and the financing of terrorism.

26 of these Memorandums are signed out with counterparts' services, members of Egmont Group, and two others with Financial Intelligence Centre (FIC) of Kosovo and Moldavian service of Financial Intelligence.

There are in the process of signing Memorandums of Understanding with; Paraguay, Turkey, Japan and the United Emirates of Arabia. With Russia is near the approval the Agreement that will be signed by the Council of Ministers, one of the cooperation fields included in this is the one for the prevention of money laundering and the financing of terrorism. Even the year before, the exchange of information with Greek counterparts were problematic.

*During the passing year, the MoUs that have been signed by GDPML for the exchange of information are:*

1. The one with the Austrian counterpart (AUSTRAC), in March 2007
2. The one with Polish counterpart, in November 2007.

### 7.4 The cooperation with MONEYVAL (Committee of experts on the evaluation of anti-money laundering measures)

On September 2006 Experts Committee of MONEYVAL, did the next evaluation (the third in Albania) in the field of combating and preventing money laundering and the possible financing of terrorist activities. At the end of May 2007, in Strasbourg, during the session of MONEYVAL, was discussed the Progress Report on Albania. In conclusion, the evaluation Committee thought was more positive compared to the three previous evaluations done by European Council of MONEYVAL.

A special evaluation was given to the composition of the law-project on PP/FT that aims to have an approximate Albanian legislation with that of the International one in

general and specifically with the legislation of other BE countries, regarding the fulfilment of engagements taken for the commitment of SAA. Even though the evaluation had positive notes, the Evaluation Experts Committee came out with new recommendations that emphasized expanded cooperation between institutions.

Also, it was mentioned the importance of the changes in the Penal Code, in approaching the Albanian legislation on PP/FT with others in all over the world in general and those of BE countries in particular.

## 8. Cards Program 2004

### 8.1 Information Technology in the framework of Cards Program 2004

The year 2007 is associated with important developments in the field of information technology in GDPML.

#### *The built of infrastructure of information technology*

In the framework of Cards Project 2004, the GDPML was accorded a fund of 400.000 E for building up a contemporary IT infrastructure. For this purpose, it was needed a detailed IT project including here the technical specifications of the equipments and installations that would be prosecuted through the international tendering. With the financing of OSBE, it was given a contract to INTECH+ Company which prepared the project. In August, the European Commission Delegation developed an international tender with the topic; "Supply and installation of IT equipment Hardware & Software for the Financial Intelligence Unit (Ministry of Finance)".The winner was Infosoft Systems Company.

The importance of this project consist in the fact that the built of a contemporary IT infrastructure would help rising the efficiency of GDPML staff, giving them the logistic needed supplies, not only for the internal communication but even with the other institutions.

This project includes;

The built of the servers central room (Data Centre),which will have 4 central servers ( 2 Application servers and 2 Database servers) of a high quality, other servers that will serve as mail-server, domain controller server, testing and developing server, server back-up. The appliances for the back-up server (tape library), other network appliances (switches, routers, firewall etc.) that will provide not only an optimal function

of the network and the online link with the reporting subjects or other partner institutions but even a secure system of a very high level.

The built of the back-up room (Back-up Centre). This back-up room will have 2 central servers (Application server and Database server), mail-server, domain controller server and one of the network appliances the same with the ones used in the central room. The back-up centre will have a parallel function with that of the central room. These measures will eliminate any kind of risk in the lost of information.

This project also includes;

- The built of a new electrical system for the GDPML area.
- The built of the telephonic centre.
- The built of a central system UPS (Uninterruptible Power Supply).
- The built of a system against fire.
- The putting of surveillance cameras on the central entry of GDPML, on the central room of servers and on archives.
- The supply with a new generator for GDPML.
- A central room with cold system only for servers.
- The supply with logistic base, including computers, lap-top, printers etc.
- Training activities for IT staff related to the equipments.

On December, Infosoft Company has started composing this project which will be completed by the beginning of the year 2008. According to the contract, with the Company-the project should have been implemented by December of 2007.

## 8.2 Twinning Project with German Counterpart Unit

Aiming to strengthen the capacities of responsible institutions in the war against crime in general and money laundering in particular, and in developing better relations with other institutions in this field, in the framework of Cards Program 2004 it has been realized the Twinning with German Counterpart Unit for 1.3 million E.

On March, BE realized the tendering procedure for the Twinning project, in which the winner was the German Counterpart Unit, as a part of the Federal Criminal Police Office (Bundeskriminalamt).

All the components and activities of this project aim to strengthen the cooperation with partner institutions in combating and preventing money laundering and the financing of terrorism. 3 important institutions of this project are; General Directorate for the Prevention of Money Laundering, the General Prosecutor's Office and Organized Crime Directorate in the Internal Affairs Ministry, having as partners even the General Directorate of Customs and General Directorate of Taxing.

Considering the Project, the profitable institutions besides the General Directorate for the Prevention of Money Laundering are even the Prosecutor's Office and the Ministry of Internal Affairs.

The Twinning Contract will have a duration of about 27 months, during which 78 activities divided in 4 components will take place.

This project aims to achieve tangible results in the fight against money laundering, financial crime and the organized crime in general. The project strives to improve;

- The inter-institutional cooperation and the exchange of information through GDPML and other agencies of law commitment.
- The development of a mid-term and long-term strategy to develop investigations for economic-financial crime.
- The development of professional abilities from the Joint Investigative unit and other institutions, to determine clearly the role of any institutions in the 'chain' of financial investigations.

#### 9. The measures taken in combating the financing of terrorism

GDPML's activity is that of preventing money laundering and the financing of terrorism. There have been approved 16 orders of the Minister of Finances, in providing funds and assets for a period that includes 2004-2006, that will be used in combating the financing of terrorism.

There have been foreseen the measures against the financing of terrorist activities, in

the law 9258 for 'The measures against terrorism financing', dated 15.07.2004.

The continuous monitoring of the financial market and its supervision, in order to secure the legal consistency of their activities in relation to the measures that have to be taken for not allowing the system to be used by terrorist financiers in committing illegal transactions.

- The continuous update of the black list of OKB, due to suggestions of the Minister of Finances and then in the Council of Ministers for the changes that have to be made.
- The blocking for 72 hours and then the sequestration and confiscation, based on the orders introduced by the Minister of Finances, the assets or bank accounts of individuals or subjects included in the black list of OKB.
- The cooperation with counterparts through out the world related to possible terrorist activities inside or outside the country.
- The cooperation with partner institutions related to possible terrorist activities inside or outside the country.

There have been made great attempts in combating economic-financial crime, money laundering and the financing of terrorism. The war against financing of crime has had many results due to the sequestration, from Albanian State, of assets belonging to subjects or individuals in the UN list.

One of the most important steps in this field is the changing of Albanian legislation on PP/FT for making possible the adoption of war mechanisms to international standards.

In this frame, during 2007 has been compiled and approved from the Council of Ministers, the Decision Nr. 767 dated. 14.11.2007 on some additions to Decision Nr. 718 dated. 29.10.2004, of the Council of Ministers 'on the list including persons considered as terrorism financiers'. Due to this Decision it is accomplished the legal obligation of the Article 5 of the Law Nr. 9258, dated 15.07.2007 on 'The measures against the terrorism financing', an Article which is related with the obligation of the Council of Ministers for introducing the black list of the persons related to terrorist activities.

In order to support the Article 100 of the Albanian Republic Constitution and with the ratification of 'The International Convention in combating the financing of terrorism', UN year 1999, of the Security Council Resolutions (SC) nr. 1267, 1269, 1333, 1363, 1377, 1390, 1452, 1455 and 1526, based on the resolutions added in the Security Council of



the United Nations, it is compiled a list of individuals and companies suspected/are involved in terrorist activities.

This Decision includes 2 lists. The first one includes individuals who are suspected to be members or collaborators of the terrorist organization Al-Qaeda, while the second one includes companies or organizations related to Al-Qaeda.

The introducing of these persons is very important for the institutions that will deal with this process, especially for the Ministry of Finance, because after the approval of this decision by the Council of Ministers measures will be taken for sequestration, freezing of assets and financings according to Article 6 the Law 9258 'Measures against the financing of terrorism'.

Also, the approval of this Decision is very important because besides the legal obligation for its approval, it shows the engagement and the seriousness of the government and the Albanian institutions in the war against terrorism, where our country has given concrete cases.

## 10. Objectives for year 2008

### 10.1 The Mission

Gathering, searching, analyzing and handing out for the competent authorities and Agencies of committing law, of the financial information related to the amounts that are suspected to have a criminal origin and also the amounts that are suspected to be used for the financing of terrorist activities.

### 10.2 Purpose

1. Expanding the war against money laundering and the financing of terrorism.
2. Adapting the Albanian legislation with international standards in the war against money laundering and the financing of terrorism, through the compiling of a new law and by-laws.
3. The growth of efficiency through the building of a platform of information technology infrastructure and the development of human resources performances.
4. Composing national policies and strategies in preventing money laundering and the financing of terrorism, through the development and improvement of national and international cooperation.

5. The development of cooperation with international counterparts for a global war against money laundering and the financing of terrorism.

6. A successful implementation of all the international standards in combating money laundering and the financing of terrorism within the year 2014.

### 10.3 Objectives

1. Adapting the Albanian legislation on PP/FT with the international standards of war against PP/FT; having a high number of reports (RTV and RAD) taken; approximately 150.000 a year and inspections to 350, due to the end of 2008.

2. Composing the national policies and strategies in preventing money laundering and the financing of terrorism.

3. Designation of a full and efficient IT platform to help in absorbing, analyzing and handing out the financial information; the efficient analyses of the financial information taken through RTV and RAD with the purpose to compose and compile full files referring to the General Prosecution for a penal treatment.

4. The growth of efficiency at work and also that of cases in preventing money laundering and the financing of terrorism.

### 10.4 Standards and strategic purposes

International standards on combating money laundering and the financing of terrorism also known as the 40+9 FATF recommendations (Financial Action Task Force).

#### Purpose 1

The war against money laundering, financing of terrorism and other financial crimes through analyses of financial intelligence and other important information.

#### Purpose 2

The international cooperation in combating money laundering, through a global network of the financial intelligence units.

### 10.5 The applied mid-term activities for the year 2008

- Analyzing with much more professionalism of RTV/RAD.
- Rising up a professional level of through the Twinning project with German counterpart.
- Building up a contemporary infrastructure.

- Planning, designation and creation of a digital data base.
- Having analytical software.
- Composing a correct mid-term budget project 2009-2010.
- The efficient usage of budget funds accorded for the year 2008.
- Finding new means of communication with the public for its sensibilization on PP/FT.