



ANNUAL REPORT 2014

General
Directorate
for the Prevention
of Money
Laundering



Republic of Albania
Ministry of Finance

www.fint.gov.al
Ministry of Finance “Bulevardi Deshmoret e Kombit”, No. 3
Tirana, Albania tel: +355 4 22 44 602

CONTENT

| | |
|---|----|
| ABBREVIATIONS..... | 4 |
| MESSAGE OF THE GENERAL DIRECTOR..... | 5 |
| INTRODUCTION..... | 6 |
| IMPORTANT MILESTONES..... | 7 |
| REPORTING IN THE FRAMEWORK OF AML/CFT..... | 13 |
| INVOLVEMENT IN PROJECTS AND CONFERENCES | 13 |
| SUPERVISION AND COMPATIBILITY..... | 14 |
| Inspections | 14 |
| REPORTING OF THE LAW SUBJECTS..... | 15 |
| Reporting of Suspicious Transactions | 15 |
| Currency Transaction Report..... | 18 |
| INFORMATION ANALYSIS | 18 |
| Temporary freezing..... | 21 |
| Progress of the information sent in the competent bodies DPPSH..... | 21 |
| Measures against financing of terrorism..... | 28 |
| INTER-INSTITUTIONAL COOPERATION | 28 |
| INTERNATIONAL COOPERATION..... | 29 |
| Regional meetings..... | 29 |
| EGMONT Group..... | 29 |
| MONEYVAL Committee | 30 |
| Exchange of information with FIU..... | 30 |
| MANAGEMENT OF RESOURCES..... | 31 |
| OBJECTIVES FOR THE YEAR 2015..... | 33 |

ABBREVIATIONS

| | |
|----------|---|
| NAIS | - National Agency on Information Society. |
| EU | - European Union. |
| GDC | - General Directorate of Customs. |
| GDPML | - General Directorate for the Prevention of Money Laundering. |
| ASP | - Albanian State Police. |
| GDT | - General Directorate of Taxation. |
| EGMONT | - Network of Financial Intelligence Units in the World. |
| FATF | - Financial Action Task Force. |
| IMF | - International Monetary Fund |
| HIDAACI | - High Inspectorate for the Declaration and Audit of Assets and Conflict of Interests. |
| CCFAML | - Committee for the Coordination of the Fight Against Money Laundering. |
| CoE | - Council of Europe. |
| MONEYVAL | - Committee of Experts on the Evaluation of Anti-Money Laundering Fight - CoE. |
| FIU | - Financial Intelligence Unit. |
| NPO | - Non-Profit Organisations. |
| PEP | - Politically Exposed Person. |
| SAR | - Suspicious Activity Report. |
| CTR | - Currency Transaction Report |
| CMD | - Council of Ministers Decision. |
| CORIP | - Central Office for the Registration of Immovable Property |

MESSAGE OF THE GENERAL DIRECTOR

Money laundering and financing of terrorism are criminal offenses which are increasingly characterized by the transnational dimension, the complexity of the financial transactions that enable concealment of the illicit origin of the funds or assets and the broad range of actors involved in the different stages process.

The negative effects and the risk that such offenses constitute to the financial and economic stability of countries, and the growing threats to the national security, dictate the necessity of the continuous strengthening of the measures that the countries around the world undertake in order to consolidate their preventive and striking systems. Dealing effectively with these illegal activities requires a wide coordination and cooperation between public and private sector bodies.

GDPML is an integral part of this system and has a special role in the preventive stages of concealment or alteration of the source of illegal funds or assets acquired from criminal activity. The accomplishment of this role is enabled by reporting of the entities that are legally obliged in this regard, the analysis and dissemination of information to the competent authorities that is associated with the investigation of the persons involved and the confiscation of their funds or assets.

The annual Report 2014 presents in general the activity of the GDPML in the prevention of money laundering and terrorism financing in Albania. This multifaceted activity is focused to the further strengthening of the cooperation with the competent authorities in the country, the increase of the supervisory role of the reporting entities, the inter-institutional cooperation and coordination of work in function of the reporting to the international organizations as well as the exchange of information with the FIU partners.

Besides the challenges faced in fulfilling the functions of FIU in the Republic of Albania, the GDPML work during this year has made progress in collecting, analyzing and disseminating information on laundering of proceeds of criminal activity, the continuous improvement of the legislation in the area of the prevention of money laundering and financing of terrorism, further strengthening of the human and technical capacities, the cooperation with the supervisory and licensing authorities and the increase of the level of compliance with the recommendations of the international organizations.

In conclusion I would like to express my gratitude for the cooperation with the competent authorities in the country and with the partner FIUs in international level, which besides the work and dedication of FIU employees have had a positive role in meeting the legal obligations of the institution.

General Director

Genti GAZHELI



INTRODUCTION

The year 2014 was characterized by the further increase of the capacity of the GDPML in order to prevent the laundering of proceeds of criminal activity and financing of terrorism in Albania.

The Annual Report of the GDPML presents in details the work done and the results achieved up to now, thanks to the efficient use of human and technical resources available. Based on these results we have further consolidated our capacity to provide valuable data to the law enforcement bodies in our country, which include information on the operational, tactical and strategic nature.

The preventive role of the GDPML in the identification and blocking of the transactions with potential elements of inclusion in concealment or altering their illegal origin, has recognized during 2014 a qualitative leap that will continue to be a positive experience in the further operation of the institution and in the cooperation with the authorities in this regard.

An important place in our work has had the inter-institutional cooperation and coordination as a matter of particular importance to ensure an effective preventive system and, at the same time, the protection of the integrity of the financial system in our country.

The results of the work of the institution have derived even as a result of the efficient use of budgetary resources, aiming at transparent process in the procurement of public funds combined with the accountability and ongoing monitoring to ensure the normal functioning of the institutional work.

The strengthening of the international cooperation with the partner FIUs, is reflected in the detailed data for the exchange of information on the issues of prevention of money laundering and financing of terrorism. An important part of the international cooperation has been the continuous representation of the institutions in the meetings of the international organizations that periodically monitor the level of compliance of the country with international standards (FATF, Moneyval).

Based on the best international practice current steps are taken aiming at the orientation of the work towards risk analysis of money laundering and financing of terrorism both at sectorial as well as country level, which will continue to be one of the priorities of the GDPML in the future.

IMPORTANT MILESTONES

- On May 2000, the Albanian Parliament, after the requests of the CoE and of the MONEYVAL Committee, approved the Law no. 8610, May 17, 2000 “*On the prevention of money laundering*”;
- On August 2001, The Directorate for the Coordination of the Fight Against Money Laundering (DCFAML) within the Ministry of Finance is created for the first time;
- On June 2003, the Albanian Parliament, based on the demands of the second round of the evaluation of Albania from the MONEYVAL Committee, made some important amendments to the law “*On the prevention of money laundering*”, by approving the Law no. 9084, June 19, 2003 “*On some additions and amendments to the Law 8610, May 17, 2000 “On the prevention of money laundering”*”;
- On July 2003, DCFAML became a member with full rights of the EGDMONT group;
- On July 2004, Albanian Parliament approved the law no. 9258 “*On the measures against the financing of terrorism*”;
- On August 2005, DCFAML was promoted to a General Directorate for the Prevention of the Money Laundering within the Ministry of Finance;
- On March 2006, was published the first annual report of the GDPML;
- On August 2006, DCFAML approved the National Program for the Control of Cash Transfers in the territory of the Republic of Albania;
- On November 2006, Approval of Law no. 9641, of 20.11.2006, “*On the ratification of European Council Convention “For the prevention of terrorism” and Law no. 9646, of 27.11.2006 “On the ratification of European Council Convention “On the search, seizure and confiscation of proceeds of crime and terrorism financing”*”;
- On January 2008, GDPML undergoes a reorganization process based on the order of the Prime Minister. An IT section is established for the first time;
- On May 2008, Albanian Parliament approved the Law no. 9917, May 19, 2008, “*On the prevention of money laundering and financing of terrorism*”, which entered in force on September of the same year;
- On September 2009, The Twinning Project “*Tackling money laundering and financial crime*” in cooperation with the German Federal Criminal Office, was completed;
- On October 2009, The Council of Ministers approved by decision no.1077, of October 2009, the National Strategic Document “*On the investigation of financial crime*”. GDPML had the leading role in the drafting of this document;
- On November 2009, GDPML presented to the Parliamentary Commission on National Security its activity for the last two years in the area of prevention of money laundering and

financing of terrorism;

- On November 2010, On-site visit of the IMF team of experts in the framework of the fourth round of evaluation of measures undertaken by Albania in the area of prevention and combating of money laundering and financing terrorism;
- On March 2011, Commencement of the second twinning project “Support for structures of the fight against money laundering and financial crimes investigation structures in Albania” financed by EU;
- On March 2011, Albanian Parliament amended the law “On the prevention of money laundering and financing of terrorism”, through the enactment of the Law no. 10391 March 03, 2011;
- On April 2011, MONEYVAL Committee of the CoE adopted the 4th round report of Albania reflecting the upgrade of the recommendation 26 of the FATF directly related to the activity of GDPML as a Financial Intelligence Unit;
- On February 2012, Completion of the risk assessment regarding exposure to the non-profit organizations in Albania to the financing of terrorism, that was conducted in accordance with the Special Recommendation VIII of the FATF;
- On June 2012, Amendment of the law no. 9917 May 19, 2008 “On the prevention of money laundering and financing of terrorism”;
- On October 2012, National Assessment of the Risk of Money Laundering and Financing of Terrorism concluded and presented to CCFAML;
- On April 2013, Completion of the EU project “*Support for the structures of the fight against money laundering and the investigation structures of the financial crimes in Albania*”;
- On July 2013, Participation of GDPML senior staff in the plenary meeting of the Egmont group of FIUs;
- On October 2013, GDPML organized the regional conference of the FIU directors;
- On October 2013, the Albanian Parliament approved the law “*On the measures against financing of terrorism*”;
- On February 2014, the Prime Minister of the country approved the new structure of the GDPML;
- On October 2014, CCFAML meeting chaired by the Prime Minister;

LEGISLATIVE REFORM

The General Directorate of Prevention of Money Laundering, paying particular importance to further approximation of the Albanian legislation in the field of prevention of money laundering and financing of terrorism, in addition to the bylaws of the Law no. 157/2013 October 10, 2013, has proposed draft guideline *“On the definition of the rules and procedures for the allowed expenses on the funds and other seized assets of designated persons”*, which was approved by Minister of Finance by guideline no. 1, January 16, 2014.

This draft directive sets out the rules and procedures for expenditures allowed on funds and other assets seized from the persons designated pursuant to law no. 157/2013, October 10, 2013 *“On the measures against the financing of terrorism”*.

Upon the proposal of the GDPML, CMD 687/2011¹ on the Agency of Administration of the Seized and Confiscated Assets, was amended in order to define the administration of the seized assets and funds in accordance with the law no. 157/2013. This amendment was approved through CMD no.324 May 28, 2014.

In the context of the changes made in the area of activity and competencies of several ministries, with a view to increase the cooperation with the Supervisory Authorities for the supervision of reporting entities and their awareness it is proposed the amendment of the Decision no. 343, April 8, 2009 of the Council Ministers *“On the methods and procedures of reporting of the licensing and / or supervisory authorities”*.

To increase the level of supervision of the NPOs, was proposed by the Inter-institutional Work Group, where GDPML has had an active role, the guideline *“For the supervision of the NPOs”*, which was approved by guideline no.22 November 19, 2014 of the Minister of Finance.

During this year, pursuant to the Law no. 157, GDPML has continuously followed the changes applied to the list of persons designated by the decisions of the United Nations Security Council, which were approved by CMD no. 14, January 15, 2014, no. 37, January 29, 2014, no. 226, April 23, 2014, no. 649, October 08, 2014, no. 799, November 19, 2014 and CMD no. 855, December 10, 2014, of the Council of Ministers *“On some additions to the CMD no. 718, October 29, 2004, “On the list of persons declared as financiers of terrorism”*, as amended.

AWARENESS OF THE REPORTING ENTITIES

In fulfillment of its legal obligations, GDPML has been very active to the awareness and training of the reporting entities, either by organizing meetings with reporting entities as well as supervisory authorities.

The GDPML’s official website has directly influenced on this, through the continuous publication of data that serve as source of information to the reporting entities, with regard to acquaintance with the legal acts and bylaws, activities and typologies in the area the prevention of money laundering etc;

¹ Amendment approved with CMD n. 324, May 28, 2014.

The categories and the number of trained entities for the last three years are presented in table no.1.

Table no.1

| SUBJECT | NO. OF TRAINED PERSONS | | |
|---|------------------------|------------|------------|
| | YEAR 2012 | YEAR 2013 | YEAR 2014 |
| Banks | 116 | 84 | 120 |
| Exchange Offices | 179 | 151 | 70 |
| Non bank financial institutions | 50 | --- | 68 |
| Gambling games | -- | 15 | 12 |
| Notary public | 71 | 75 | 237 |
| Lawyers | 5 | --- | 0 |
| Accounting experts | 88 | 63 | 1 |
| Insurance companies | 18 | --- | 0 |
| Supervising authorities and institutions (FSA, CORIP, ASP, GDC, GDT) | 37 | 13 | 139 |
| Car dealers | -- | --- | 14 |
| Construction companies | --- | --- | 38 |
| Private pensions institutions | 3 | --- | 0 |
| TOTAL | 589 | 401 | 699 |

Special attention is paid to the training of bank financial entities, through periodic meetings organized with the cooperation of the Albanian Banker's Association and the Bank of Albania as the supervisory authority, emphasizing among others the fulfillment of the obligations of the law "On the measures against financing of terrorism". GDPML's specialists have participated in the trainings organized by banks, non-bank financial institutions and exchange offices.

In the context of expanding the range of the trained entities, we emphasize the trainings organized during 2014 with car dealers and the training seminar on "System of preventing money laundering and financing of terrorism and the role of the construction companies" organized in cooperation with the Albanian Builder's Association.

GDPML, in collaboration with representatives of the National Chamber of Notaries, has also

organized trainings for the Notary Chambers of Tirana, Durrës, Shkodër, Fier, Gjirokastër and Korça, underlining among others the fundamental role that the notaries have as reporting entities as stipulated in the law.

The 2014 has also seen an intensification of the training meetings with government bodies, particularly those with FSA experts, CORIP's competent persons as well as the participation, in the quality of lecturer, in the trainings organized by the Center for the Police Trainings with police experts, GDC and GDT.

ADMINISTRATIVE MEASURES AND PROCESS OF THEIR EXECUTION

In addition to the collaboration and training of the reporting entities, GDPML during its activity has paid attention to the level of application of laws and bylaws on their part. In this regard, administrative measures have been imposed as a coercive measure to enforce the application of the legal framework in the area of prevention of money laundering.

On-site inspections were also accompanied with an initiative undertaken in order to increase the awareness and on-going monitoring of the compliance of the activity of the reporting entities with the requirements of laws and bylaws for the prevention of money laundering and financing of terrorism, through off-site inspections and cross-referencing of the information submitted pursuant to the law.

In exercising its competencies, GDPML has imposed administrative sanctions (fines) for the infringements encountered during the supervisory process.

The administrative violations of the reporting entities consist in;

- Violation of the article 4, 4/1 and 5 of the law on the identification and maintenance of the documentation required for the identification;
- Violation of the article 11;
- Violation of the article 12, paragraph 1, 2 and 3 of the law on the reporting of the transactions in accordance to this article.

Table no. 2 contains the categorized data on the number and amount of fines imposed during the last three years:

Table no. 2.

| SUBJECT | YEAR 2012 | | YEAR 2013 | | YEAR 2014 | |
|---------------------------------|---------------|------------------------|---------------|------------------------|---------------|------------------------|
| | No. sanctions | Amount of fines in LEK | No. sanctions | Amount of fines in LEK | No. sanctions | Amount of fines in LEK |
| Banks | 1 | 4,000,000 | 2 | 8,500,000 | 5 | 4,430,000 |
| Exchange Offices | 9 | 10,300,000 | 6 | 5,700,000 | 7 | 4,300,000 |
| Notary public | 2 | 600,000 | 5 | 1,700,000 | 29 | 9,700,000 |
| Non-bank financial institutions | 2 | 2,500,000 | 0 | 0 | 2 | 800,000 |
| Gambling | 1 | 500,000 | 0 | 0 | 3 | 2,500,000 |
| Construction companies | 7 | 6,900,000 | 0 | 0 | 11 | 6,800,000 |
| TOTAL | 22 | 24,800,000 | 13 | 15,900,000 | 57 | 28,530,000 |

Table no. 3 represents a comparison of the administrative measures and the amounts cashed-in for the period 2012 – 2014, demonstrating a clear upward trend of indicators.

Table no. 3.

| CATEGORIES | YEAR 2012 | YEAR 2013 | YEAR 2014 |
|---|------------|------------|------------|
| Sanctioning decisions | 22 | 13 | 57 |
| Voluntary cashing by the subjects | 5 | 7 | 35 |
| Total value of sanctions | 24,800,000 | 15,900,000 | 28,530,000 |
| Value of sanctions cashed-in for the 2014 | 7,200,000 | 10,600,000 | 18,170,000 |
| Value of outstanding sanctions cashed-in | 11,169,890 | 6,061,000 | 16,065,705 |
| Total value cashed-in | 18,369,890 | 16,661,000 | 34,235,705 |

During 2014, the total amount cashed-in was 34 235 705 ALL, from which 18 170 000 ALL is the amount cashed-in for the administrative measures of 2014 and 16 065 705 ALL is the amount cashed-in for the administrative measures outstanding from the previous years. The statistical data for 2014, also shows a sizeable increase of the payments cashed-in voluntarily.

GDPLM has paid special attention to follow-up of judicial processes on the administrative sanctions imposed on the reporting entities as well as cases related to the functioning of the institution.

Upon having evidenced entirely the on-going judicial processes and in order to stimulate the process of execution of the pecuniary sanctions applied during 2014, GDPML has addressed to the Court of the Judicial District of Tirana requests for the issue of execution orders for 43 entities.

REPORTING IN THE FRAMEWORK OF AML/CFT

On October 1, 2014 it was held the meeting of the CCFAML, chaired by the Prime Minister and with the participation of its members, the Minister of Foreign Affairs, the Minister of Interior, the General Prosecutor, the Director of the State Informative Service, the General Inspector of the HIDAACI, the Minister of Finance, the deputy Minister of Defense, the deputy Minister of Justice and the General Director of GDPML.

In this meeting, the General Director of the GDPML Mr. Genti Gazheli, reported about the performance of the institution accompanied by statistical data, the progress made in terms of increasing the number and volume of the amounts blocked and seized, the information on issues of money laundering/financing of terrorism submitted to the competent authorities, the consolidation of the training process for the reporting entities, the relations with partners FIUs and international organizations that monitor the level of compliance of our country. The Regulation “*On the functioning of the Coordination Committee for the Fight Against Money Laundering*” was also approved during this meeting.

INVOLVEMENT IN PROJECTS AND CONFERENCES

In the framework of the collaboration with the ASP, the experts of the GDPML have participated, in the quality of the lecturer, in the following trainings, organized by the Center of Police Trainings:

- On March 18, 2014 in the activity on “*Investigation proceedings and techniques for the discovery and investigation of money laundering*”;
- On September 22, 2014 in the activity on “*Fight against the offence of money laundering, application of the existing instruments and further development of the fight against money laundering and the seizure of the assets*”;
- On October 30, 2014 in the activity on “*Consolidation of the capacities for an efficient fight against the money laundering, discovery and seizure of assets*”;
- On September 23, 2014 international conference organized by the CoE/UE in Pristina Kosovo. The representative of the GDPML has presented, in this conference, a chronological

overview of the constitution and development of the body, the Albanian legislation in the area of prevention of money laundering and financing of terrorism, current cases of collaboration with FIUs as well as the experience of the GDPML in the exchange of information.

SUPERVISION AND COMPLIANCE

Inspection

On/Off-site inspection of the reporting entities is one of the functions of the GDPML through which it is aimed to supervise the level of compliance of the reporting entities with the obligations defined by the Albanian legislation in the area of prevention of money laundering and financing of terrorism.

This process is based on the analysis of risk of the categories of subjects, so that the focus of supervision is aimed at sectors with higher exposure to money laundering or financing of terrorism. Such an approach has led to further consolidation of the whole system and has increased the preventive capabilities of the reporting entities.

The supervision of the reporting entities is realized through on/off-site inspections, the review of the reports sent and the information administered by the reporting entities and the supervisory authorities. In order to ensure a more effective supervision, GDPML has paid attention to the cooperation with these authorities, by performing joint inspections as well as sharing the relevant conclusions.

Table no. 4 represents the categorized data of inspections for 2014 as compared to 2012 and 2013:

Table no. 4

| No. | Subjects inspected | Year 2012 | | Year 2013 | | Year 2014 | |
|-----|---------------------------------|------------|----------|------------|----------|------------|----------|
| | | On-site | Off-site | On-site | Off-site | On-site | Off-site |
| 1 | Banks | 5 | | 7 | | 7 | |
| 2 | Non bank financial institutions | 6 | 24 | | | 3 | 1 |
| 3 | Exchange Offices | 20 | 87 | 2 | 110 | 19 | 8 |
| 4 | Construction companies | 15 | 4 | | 10 | 18 | |
| 5 | Notary public | 6 | 54 | 1 | 19 | 4 | 82 |
| 6 | Gambling games | 7 | 45 | | | 3 | |
| 7 | Precious metals | 2 | | | | 3 | |
| 8 | Certified Accountants | | 45 | | 27 | 3 | 16 |
| 9 | Real Estate Agents | | 2 | | 8 | 2 | |
| 10 | Car dealers | | 19 | | | 8 | 1 |
| 11 | Life insurance | | 3 | | | 1 | |
| 12 | Private pensions institutions | | 3 | | | | |
| 13 | Travel agencies | | | | | 1 | |
| | Amount | 61 | 286 | 10 | 174 | 72 | 108 |
| | TOTAL | 347 | | 184 | | 161 | |

The inspection process is preceded by a planning stage through which it is intended to identify the deficiencies and then to define concrete recommendations for the corrective measures to be taken by the reporting entities, in order to ensure enhancement of the level of compliance.

A summary of the main deficiencies encountered during compliance assessment are listed hereunder:

- Application of the CTR reporting over the legally defined threshold;
- Process of customer's identification and record keeping in accordance with the law;
- Quality and quantity of the analysis of large/complex transactions lacking an economic background;
- Level of exercise of "*Enhanced diligence*" measures for the categories of customers considered as high risk;
- Modality of organization or level of functioning of a centralized system for the maintenance and analysis of the data;
- Lack of exercise by entities of the legal obligations concerning internal audit;

COLLECTION AND ANALYSIS OF INFORMATION

As it is known, the basic function of a financial intelligence unit such as GDPML, is to collect and analyze the information from the reporting entities (not limited to the information sent but also researching on the internal data and case by case by providing data under request) and then in cases in which such doubts are substantiated, to disseminate the cases to the competent authorities.

REPORTING OF THE LAW SUBJECTS

REPORTING OF SUSPICIOUS TRANSACTIONS

SARs are one of the main sources of information that the FIUs receive from the reporting entities. Table no. 5 represents the SARs reported to the GDPML from the reporting entities during the period 2009-2014.

Table no. 5

| SUBJECT | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------------------------------|------------|------------|------------|------------|------------|--------------|
| Banks | 142 | 163 | 329 | 352 | 420 | 822 |
| Wire transfer companies | | 3 | 7 | 73 | 45 | 74 |
| GDC | 5 | 15 | 20 | 30 | 36 | 48 |
| GDT | 2 | 1 | | 33 | 10 | 50 |
| CORIP | | | 8 | 29 | 20 | 64 |
| Notary public | | 6 | 17 | 19 | 15 | 122 |
| Exchange Offices | | | 1 | 14 | 8 | 16 |
| HIDAACI | | | | 2 | 0 | 6 |
| Audit companies | | | | 0 | 1 | 0 |
| Accounting experts | | | 1 | 0 | 1 | 4 |
| Micro-credit financial institutions | | | | | | 2 |
| Lawyers | | | | 1 | 1 | 2 |
| Other | 3 | 18 | | 2 | 1 | 3 |
| Leasing companies | | | | 1 | 0 | 4 |
| Construction companies | | | | | | 4 |
| Car dealers | | | | | | 9 |
| Total | 152 | 211 | 383 | 556 | 558 | 1,230 |

From the table it is noticed a continuous increase of the number of SARs, reported in the GDPML from the subjects of law. For the 2014 this number has doubled in comparison to the previous year.

The quantitative growth of the number of SARs, is associated with a significant improvement in the quality of these reports and an expansion of the categories of reporting subjects. The increase, in 2014, of the cases for which the reporting subjects have required prior approval, is also a qualitative development as an indication of strengthening of the preventive aspect.

From the assessment of the SARs sent from the bank subjects during the period 2013-2014 it results that:

- From 420 reported SARs in the 2013, it was required the permission of the GDPML for the realization of the transactions for 41 of them (10%);
- From 822 RAD reported SARs in the 2014, it was required the permission of the GDPML for the realization of the transactions for 143 of them (17.3%);

These reports have had significant impact on the preventive process, after following their analysis the GDPML has issued temporary blocking orders which were associated with seizures under decision of the Prosecution and Court.

Except for the banks, during the 2014 there is a significant improvement compared to the 2013, in the number of SARs sent by the transfer companies, car dealers, exchange office, GDT, GDC, HIDAACI and CORIP.

A special place for the 2014 held the SARs of the notary subjects, who have submitted 122 SARs, which represent more than double the SARs sent in 2010-2013 (57 SARs). Compared to the 2013 it is also noticed an improvement in SARs reported from the accounting experts,

the construction companies and the leasing companies.

The above statistics is one of the most tangible indicators of a preventive system which has improved from year to year, despite the constant evolution of the challenges and the new typologies associated with money laundering and/or financing of terrorism.

The main elements that have contributed in the increase of the SARs number and of the preliminary requests are:

- Awareness of the reporting subjects by means of the trainings and meetings;
- Supervision of the subjects and administrative measures;
- Feedback provided to the reporting entities;
- Typologies presented;
- Cooperation with the supervisory authorities and the associations of the subjects aimed at addressing the identified deficiencies;

Based on the analysis of the SARs' data reported in the GDPML during the period 2010 – 2014, they may be categorized, in summarized manner according to the table no. 6.

Table no. 6.

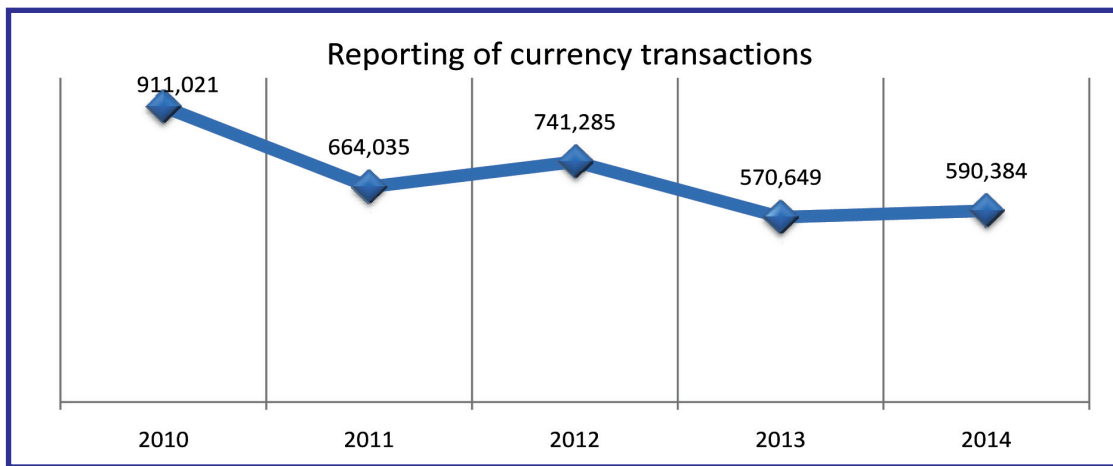
| SAR's Typologies | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|------------|------------|------------|------------|--------------|
| Suspicious transfers to / from abroad | 63 | 141 | 218 | 189 | 282 |
| Cash deposits in considerable amounts | 30 | 53 | 60 | 96 | 112 |
| Use of individual accounts for business/tax evasion | 53 | 62 | 52 | 44 | 407 |
| Operations outside the profile of the customer | 11 | 18 | 29 | 60 | 55 |
| Suspicious related to goods' import/export activities | 6 | 16 | 19 | 13 | 0 |
| Declaration/ non-declarations of currency in the border crossing points | 4 | 5 | 11 | 23 | 48 |
| Fraud and computer fraud | 11 | 9 | 1 | 4 | 13 |
| PEP involvement in the transactions | 6 | 5 | 9 | 0 | 10 |
| Financing of terrorism suspicions | 4 | 1 | 3 | 4 | 8 |
| Sponsoring/donations/loans from / to third persons | 4 | 0 | 15 | 18 | 42 |
| Acquisition of real estates with funds whose source is unknown | | 11 | 37 | 29 | 142 |
| Acquisition of movable property with funds whose source is unknown | | 8 | 7 | 0 | 16 |
| Non identification of beneficial owner | | 11 | 24 | 1 | 3 |
| Attempted actions / transactions | | 6 | 17 | 26 | 23 |
| Transactions carried out by NPOs | | 2 | 5 | 4 | 5 |
| Performance of fictitious business activity | | | 23 | 5 | 2 |
| Transactions from / to gambling companies | | | 7 | 2 | 3 |
| Actions from persons suspected for involvement in criminal activity | | | 0 | 9 | 15 |
| Forged / abnormal bank instruments (letter of credit/cheques, etc) | | | 5 | 4 | 3 |
| Suspicious use of bank credits | | | 3 | 8 | 9 |
| Currency exchange in high amounts | | | | | 10 |
| Other | 19 | 35 | 11 | 23 | 22 |
| Total | 211 | 383 | 556 | 558 | 1,230 |

The process of categorization of typologies has an important role in function of the definition of the priorities of the GDPML for analyzing the information and further dissemination to the competent authorities, the national risk assessment of money laundering and financing of terrorism as well as the supervision of the reporting entities.

CURRENCY TRANSACTIONS REPORTING

The reporting of CTRs the cash transaction continues to be an important source of information that is sent to the GDPML from the reporting entities in accordance with the law on prevention of money laundering. Chart no. 1 represents the data about CTRs submitted during the period 2010-2014.

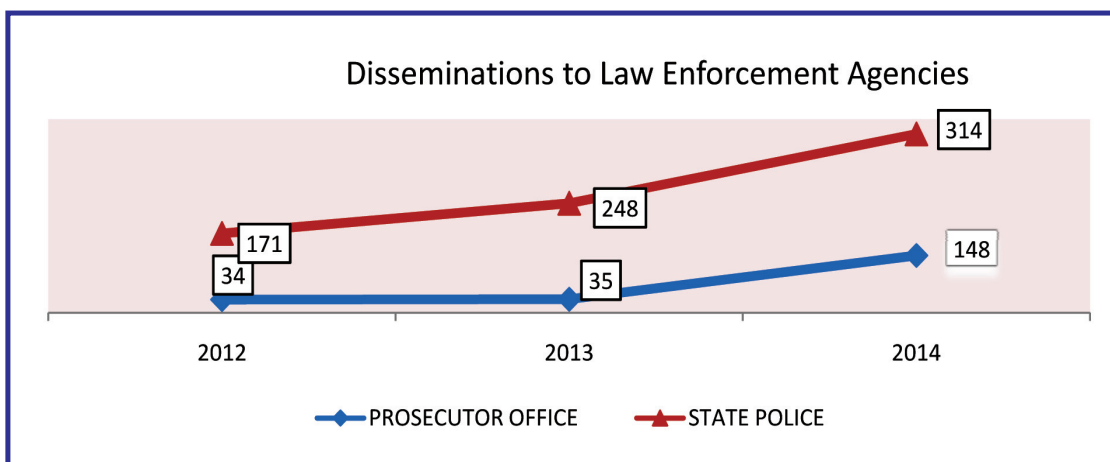
Chart no.1 Reporting of currency transactions.



The analysis of information

Based on the analysis of the information received in accordance with legislation for the prevention of money laundering and financing of terrorism, for the years 2012 - 2014 GDPML has disseminated the information to the competent authorities according to the data presented in the graph no. 2.

Graph no.2. Disseminations to Law Enforcement Agencies



During 2014 the number of dissemination to the State Police and / or Prosecution has increased by 63 % (462/2014 compared to 283/2013). A part of those disseminations were accompanied by temporary freezing orders. The total amount of the transactions frozen is about 18 million Euro, from which about 15 million Euro were seized pursuant to the decision of the Court/Prosecution.

Table no. 7 represents the source of information for GDPML's disseminations to the competent authorities during 2014:

Table no. 7.

| Indices | SAR | CTR | Sectorial analysis | Partner FIU | Notifications | Total |
|-----------------------------|------------|-----------|--------------------|-------------|---------------|------------|
| Disseminated to Prosecution | 109 | 6 | 5 | 8 | 20 | 148 |
| Disseminated to Police | 212 | 16 | 60 | 6 | 20 | 314 |
| TOTAL | 321 | 22 | 65 | 14 | 40 | 462 |

As it can be noticed from the table, about 70% of the cases disseminated to law enforcement bodies derive from the SARs submitted by the reporting entities. Sectorial analysis of the information has been also an important source of information during 2014, generating 14% of the total of disseminations.

Table no. 8, represents in a categorized manner (according to the reporting entity) the total number of the disseminated SARs (321) during 2014:

Table no. 8.

| Disseminated | SAR BANKS | SAR Wire transfer companies | SAR Notary public | SAR Government bodies | Other | Total |
|--------------|------------|-----------------------------|-------------------|-----------------------|----------|------------|
| Prosecution | 82 | 11 | 8 | 8 | 0 | 109 |
| Police | 115 | 46 | 13 | 32 | 6 | 212 |
| Total | 197 | 57 | 21 | 40 | 6 | 321 |

Based on this statistical data it is noteworthy that 61% of the disseminated SARs were reported by the banks while 18% of the SARs were disseminated by the transfer companies.

Although GDPML is an administrative FIU (without investigation powers), based on the confidential data or from open sources, it has managed to establish a potential link with the predicate offense for a part of the disseminated cases, which, for the period 2012-2014, are categorized in the table No. 9.

Table no. 9 Statistics on predicate offences.

| Predicate offence | 2012 | 2013 | 2014 |
|---|-------------|-------------|-------------|
| Un-defined | 116 | 196 | 300 |
| Trafficking of narcotics | 30 | 18 | 50 |
| Fraud/Forgery | 16 | 17 | 20 |
| Concealment of the incomes/ tax evasion | 15 | 28 | 40 |
| Corruption | 9 | 7 | 7 |
| Robbery/theft | 5 | 2 | 10 |
| Trafficking of motor vehicles | 5 | 2 | 2 |
| Trafficking of human beings /prostitution | 4 | 4 | 9 |
| Other criminal precedents | 3 | 3 | 15 |
| Murder | | | 2 |
| Non-declaration in border crossing points | | | 4 |
| Smuggling, production and sale of hazardous materials | 2 | 1 | |
| Criminal investigation for money laundering | | 2 | |
| Suspicious for financing of terrorism | | 1 | 3 |
| Establishment of criminal organizations | | 1 | |
| Unlicensed currency exchange operations | | 1 | |
| Total | 205 | 283 | 462 |

The categorized data indicates that for a predominant number of cases the predicate offence is not identified. Pursuant to the analysis of those cases it was concluded that:

- The fund flows had no legal sources;
- Financial transactions have had obvious anomalies;
- The economic and legal purpose was obviously suspicious;
- They have had considerable similarities with known international typologies.

As for the cases for which it has been possible to individualize the predicate offense, it should be noted that among them predominate the trafficking of narcotics, concealment of income/ tax evasion, fraud, forgery, human trafficking, corruption etc. For 50 cases related to tax evasion GDPML has informed the GDT in order to take further action.

TYPOLOGIES

In the context of further increase of preventive capacity of the reporting entities, we present hereunder several typologies of money laundering/financing of terrorism which have been subject of GDPML's work.

INTERNATIONAL TRANSFERS IN CONSIDERABLE AMOUNTS

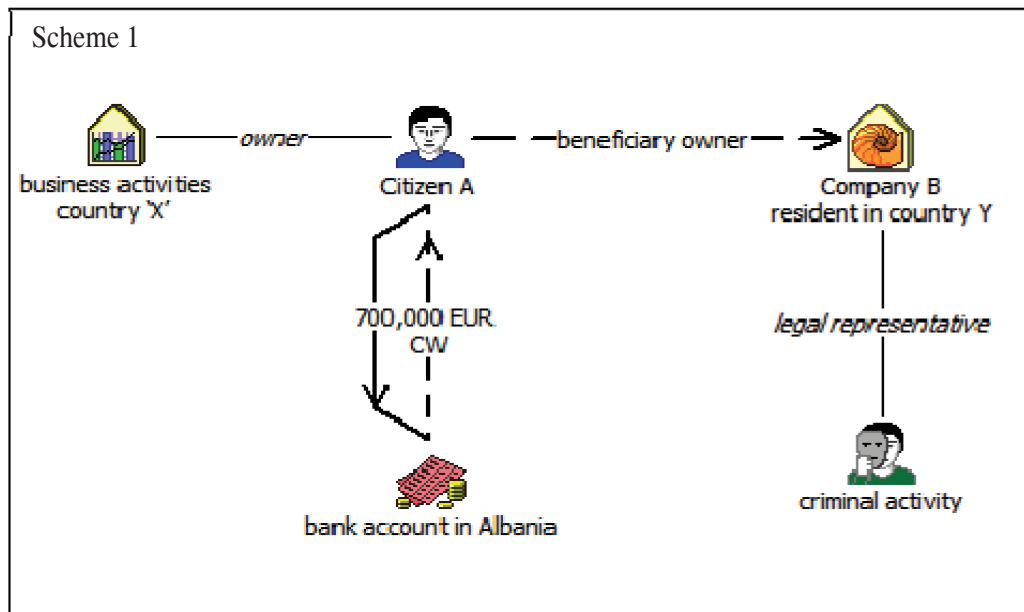
Based in the legislation on the prevention of money laundering and financing of terrorism, GDPML was informed by the reporting entities that the Albanian citizen (citizen A), resident in a European country (X), was beneficiary of transfers in the total amount of 700,000 Euro from a company (the company B) operating in country (Y), the account of which were opened in the financial institutions of the country (Z). Shortly after the arrival of funds, A had requested, to carry out currency exchange transactions and cash withdrawals.

Due to the fact that the transferred funds were considerable and originated from a country considered as risky for money laundering, GDPML has undertaken a detailed analysis of the information, from which it has resulted that:

- Citizen 'A' had lived for a long time in country 'X' where he was involved in different business activities;
- The open sources included data for the involvement in a structured criminal group with international activity;
- The representatives of the company 'B', result to be persons connected to a corruption scandal in a European country;

In fulfillment of the preventive role GDPML, has issued an temporarily freezing order and disseminated the information to the competent authorities based on the observed abnormalities in analyzing the transactions and the connections with corrupted acts abroad.

Based on feedback from the competent authorities, GDPML was informed that pursuant to its freezing order, funds involved were seized.



INVOLVEMENT OF THE RELATED PERSONS IN THE CONCEALMENT OF THE FUNDS ORIGIN

Based on the requirements of the legislation on the prevention of money laundering and terrorist financing, GDPML was informed by the reporting entities that an Albanian citizen (citizen A) was carrying out a substantial number of transfers from a European country. The beneficiaries of these transfers in Albania were, among others, the relatives of that person.

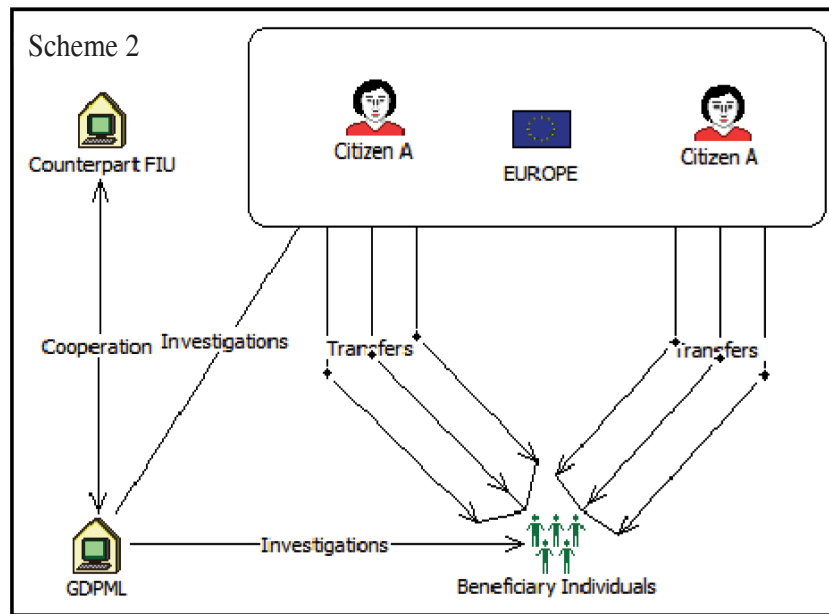
GDPML based in the total amount and the frequency of the transfers realized by 'A', has undertaken a more detailed analysis of the data available for 'A' and the persons related.

Verifications made in this context showed that one of the persons related (citizen B), individualized for his involvement in illegal activity, had also transferred considerable amounts to the same beneficiary in Albania.

Within the scope of financial analysis of the information, GDPML requested some additional data from the reporting entities, public registers of a series of governmental bodies as well as from the partner Financial Intelligence Units.

The information regarding the considerable amounts, the frequency of the transfers towards Albania, the inclusion of 'B' in illegal activity as well as the additional data provided by the exchange of information at the national and international level were disseminated for further investigation to the competent bodies.

From the feedback that GDPML has obtained regarding the dissemination, it was informed that the competent body has initiated a criminal investigation for the subject 'B', and a seizure order was issued thereon.



POLITICALLY EXPOSED PERSON (PEP)

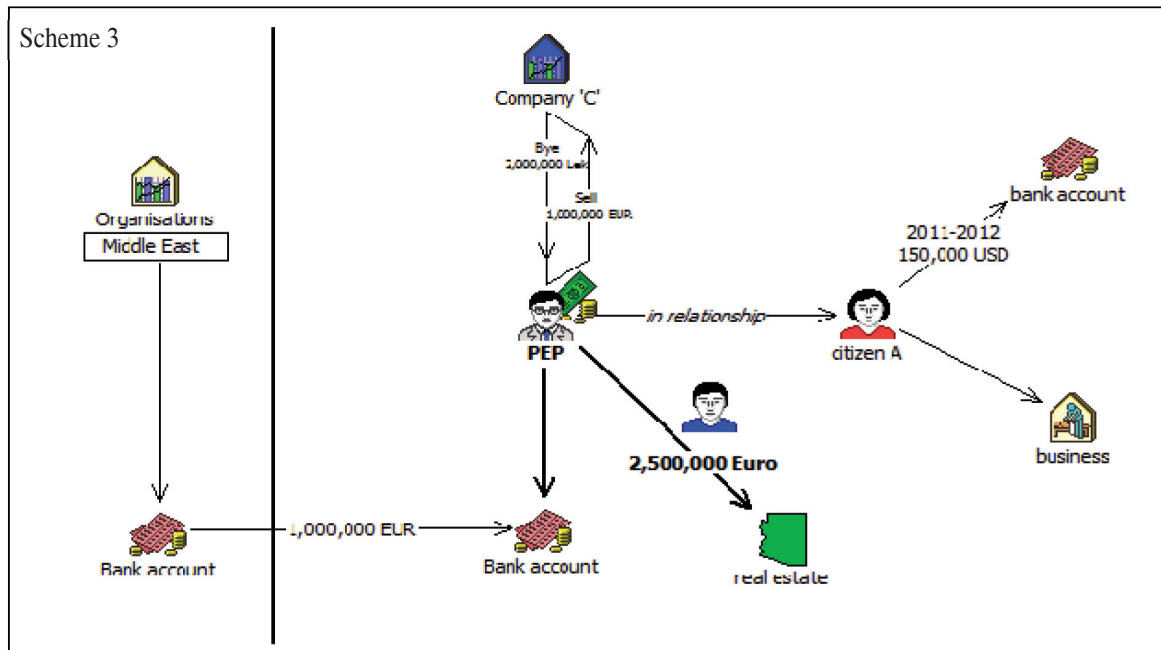
GDPML was informed that a politically exposed person (PEP) has benefited in his bank account, donations for the amount of 1 million EUR from the Middle East.

Due to the involvement of a PEP, the case underwent a detailed analysis by GDPML in order to establish the purpose of the funds transfer, their use as well as the outline of the financial transactions carried out by the person.

The analysis of the information showed that:

- The funds sent as donations, were thereafter predominantly transferred in PEPs personal accounts and not in their final destination;
- In 2010 the PEP had purchased the shares of company 'C' in the amount of 2 million ALL, that a year after were sold for a considerable amount;
- He had purchased a real estate for the price of 2.5 million EUR together with other persons who lived in Middle East;
- He had deposited more than 500,000 EUR in cash in his personal accounts, as well as in those of another citizen (citizen A), by means of which he had purchased an apartment;
- Citizen A, had already deposited in the account more than 150,000 EUR, and had invested large amounts for the opening of a business activity (services);

GDPML has submitted the case for further investigation to the law enforcement bodies, indicating the suspicions for corruption and emphasizing that the considerable real estate and business investments were not justified by legal sources.



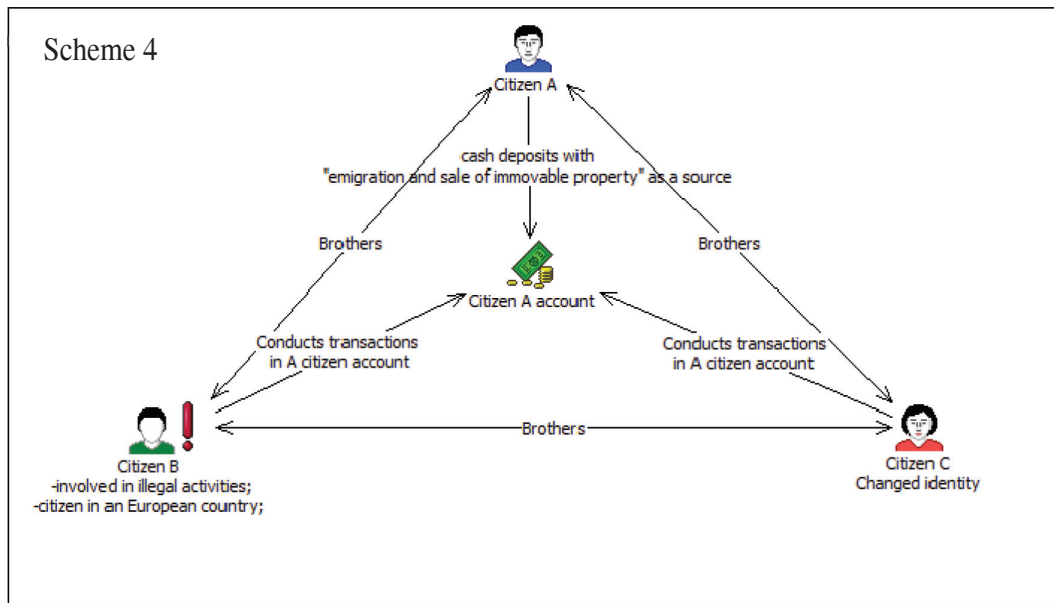
PROCEEDS DERIVED FROM ILLEGAL ACTIVITY

The reporting entities informed GDPML, about the suspicious activity of citizen 'A', who had carried out a series of transactions which did not fit its customer profile. The transactions consisted in significant amounts of cash deposits, with the declared source "sale of real estate and income from immigration".

Based on these preliminary data GDPML, carried out an extended analysis of the information, including data submitted by the reporting entities as well as information obtained through inter-institutional cooperation, whereupon it was concluded that:

- Citizen B (brother of the citizen A, resident in a European country) and the citizen 'C' had carried out significant transactions in A's accounts;
- Data from Civil Registry office showed that citizen 'C' was the brother of the citizen 'A', but as a result of the change of name, establishment of a connection between them had not been possible in the initial stages of the information analysis;

From the communication with law enforcement authorities, GDPML was informed about the fact that 'B', had been involved in illegal activities. Relevant information was provided spontaneously to partner FIUs, while the detailed information of GDPML analysis was disseminated to ASP for further investigation.



INVOLVEMENT IN RECRUITMENT OF PERSONS FOR TERRORISM PURPOSES

In accordance with the legislation for the prevention of money laundering and financing of terrorism, GDPML has been informed about persons suspected to be involved in the illegal activity of “recruiting persons for committing terrorist acts”.

In accordance with the high-priority of the case, GDPML established close cooperation relations with the competent authorities in the country and in the context of the analysis of the information, data on the persons involved was requested from the reporting entities and collaboration initiated with government bodies to provide information from the public records.

The aforementioned measures aimed to create a clearer overview of the extent of the activity of the persons involved, their business activity and the real property registered on their behalf or in the name of the related persons.

The expedited analysis of information showed that the main source of income for the people involved was obtained through:

- Business activity;
- Real estate;
- while data from financial entities revealed transactions in modest amounts.
- Intelligence report prepared by GDPML contained conclusions about:
 - Links of persons involved with entities abroad;
 - travel itineraries;
 - Cash declaration in border crossing points and the purpose for their use.

- The case in question is subject of an investigation by the competent authorities.
- Lesson learned.
- The growing importance of the cooperation between the contact persons in the institutions involved in preventing and fight of the criminal activity;
- The role of cooperation with the reporting entities, according to which in addition to the financial information, data was also obtained on the potential connections of the persons involved both nationally or internationally;
- Better grasp of modus operandi of such groups and the development of the strategic analysis;

Temporary freezing

Pursuant to article 22, of law no. 9917, May 19, 2008 “For the prevention of money laundering and financing of terrorism” amended and in the framework of accomplishing its preventive function, GDPML orders, when there are reasons based on facts and specific circumstances of money laundering and financing of terrorism, the temporary freezing of the transaction or financial action. Table no.10 presents data on the freezing orders, the frozen and seized amount for the period 2009 - 2014.

Table no. 10

| Years | No.of Freezing Orders | Total frozen in ALL | Total seized in ALL | % of seized frozen |
|--------------|------------------------------|----------------------------|----------------------------|---------------------------|
| 2009 | 23 | 702,664,198 | 590,337,613 | 83.9 |
| 2010 | 23 | 181,589,247 | 132,983,006 | 66.5 |
| 2011 | 13 | 226,731,196 | 122,097,477 | 53.5 |
| 2012 | 8 | 181,589,247 | 160,434,099 | 88.3 |
| 2013 | 15 | 123,336,890 | 29,893,265 | 24.2 |
| 2014 | 65 | 2,545,726,400 | 1,955,487,800 | 76.8 |
| TOTAL | 147 | 3,961,637,178 | 2,991,233,260 | 75.5 |

During 2014 there have been issued 65 temporary freezing orders, with a total amount of about 18 million EUR, from which about 15 million EUR have been seized by decision of court/prosecution. These amounts convincingly exceed the total amounts frozen and seized for the years 2009-2013².

Performance of the information disseminated to competent bodies ASP

Based on the statistical data sent from the ASP with regard to the progress of the cases disseminated by GDPML, it results that:

- In the year 2012, from 114 ASP money laundering referrals to Prosecution, 70 of them have been based on the information submitted by the GDPML;
- In the year 2013, from 85 ASP money laundering referrals to Prosecution, 46 of them have been based on the information submitted by the GDPML;
- Meanwhile in the year 2014, from 205 ASP money laundering referrals to Prosecution, 130 of them have been based on the information submitted by the GDPML;

STRATEGIC ANALYSIS SECTOR

In the year 2014 the work of the Strategic Analysis and Foreign Relations Sector, has consisted in:

- The preparation of reports for the MONEYVAL Committee of the CoE, FATF), the EU and other international institutions;
- The review of the process for the national AML/CFT risk assessment;
- The strategic analysis of the data from wire transfer companies;
- The identification of the data on risky subjects who are subject of the inspection process;
- The participation in training or international activities conducted within and outside the country;
- The exchange of information with partner FIUs (by means of the Egmont Secure Web network);
- The periodic monitoring of complex transactions, CTRs and their analysis;
- The monitoring of the implementation process from the reporting entities of the obligations defined in the law “On the measures against the financing of terrorism”;
- Follow-up of matters related to the Inter-Institutional Committee for Coordination of the Fight Against Money Laundering.

²In the period 2009-2013, the total amount of the freezing orders is 1,415,910,778 Lek, while the amount of the seizures is 1,035,745,460 Lek. Only for the 2014 the total amount of the freezing orders is 2,545,726,400 Lek, while the amount of the seizures is 1,955,487,800 Lek

Measures against financing of terrorism

One of the tasks of GDPML is the analysis and dissemination of the suspected cases of financing of terrorism, which have a complex nature due to the fact that the financial transactions used in a series of terrorist attacks in international level are in relatively modest amounts.

Based on the measures taken in the context of the legislative reform and approximation with the international recommendations, our country has already a comprehensive legislation regarding the prevention and fight of the financing of terrorism, which defines the powers and relations of the bodies responsible for the proposal, approval, control and enforcement of the obligations arising from the resolutions of the Security Council of the United Nations and the obligation for the reporting of SARs for financing of terrorism from entities, institutions and any person who possesses such information.

In the this context, the law “On the measures against the financing of terrorism” enables the Council of Ministers to decide the involvement, under initiative of special entities, in the list of persons declared, a process that has administrative and non-judicial character. Beside the increase of the compliance with the international norms, this law provides complete guarantee of the right to appeal to the persons involved.

During this year a special attention has been paid to the training of entities for the identification, analysis and reporting of the cases suspected for financing the terrorism, the meetings with competent authorities in the country aiming at enhancing the efficiency for the expedited and qualitative exchange of information and cooperation with partner FIUs.

INTER-INSTITUTIONAL COOPERATION

Important steps have been taken in 2014, to further increase the cooperation with the State Police and the General Prosecutor’s Office, which is reflected in the prompt and effective handling of cases for which, after the indicators and the temporary freezing orders of the GDPML, the State Police and afterwards the Prosecution have processed immediately to take measures to prevent the dissipation of funds.

In addition to the cases disseminated proactively to Police/Prosecution GDPML continuously receives from them requests regarding persons under investigation and responds accordingly. Table No. 11 represents data on the requests (and the number of persons involved) that GDPML has received during the 2014.

Table no. 11

| | Requests | No. of Persons |
|--------------|------------|----------------|
| Prosecutor | 250 | 1917 |
| ASP | 122 | 647 |
| TOTAL | 372 | 2564 |

INTERNATIONAL COOPERATION

Regional Conference of FIUs

On October 20 – 21 2014, was held in Podgorica, Montenegro, the VIII regional conference of the directors of the FIUs of Bosnia-Herzegovina, Croatia, Montenegro, Macedonia, Serbia, Slovenia and Albania.

Some of the main topics discussed in this conference were:

- The increase of cooperation in the fight against money laundering and financing of terrorism in South-East Europe;
- The exchange of information between the regional FIUs;
- New typologies related to use of electronic money, relevant risks and the measures that can be undertaken in this regard;
- The implementation of the FATF recommendations and methodology, with special emphasis on the Recommendation 1, which deals with national risk assessment;
- The designation criteria for PEPs, their family members, related persons as well as international experience in this regard;

In this conference, GDPML's representatives, made a presentation on the mission, the model and the role of the directorate, its supervisory functions, information technology, strategic analysis, progress made in the process of the national risk assessment, the legal definition of PEP in Albania as well as the cooperation with HIDAACI. In its conclusion, additional measures were defined in order to strengthen regional cooperation.

Regional Meetings

During this year the work groups headed by the General Director have organized a number of meetings with the FIU of Greece, Kosovo and Italy, aimed at exchanging relevant experience concerning bilateral cooperation, implementation of FATF recommendations and Egmont Group principles, operational and strategic analysis of the information, risks that countries of the region face as a result of international terrorism etc.

EGMONT Group

In the framework of the cooperation with the Egmont group, GDPML has participated in its working group meetings as well as the plenary session held during the year and their outcomes are outlined as follows.

On 17-19 February 2014 GDPML was duly represented in the Egmont working group meetings held in Budapest. In February 19, 2014 the Outreach Group discussed the issue of the membership of a Kosovo FIU in the EGMONT Group and this process has had the full engagement of GDPML. Among other things a number of important documents relevant to the work of

this group were discussed in this meeting that will support future GDPML work.

On June 01 – 06, 2014 EGMONT Group held in Lima, Peru its 22nd plenary meeting. High-level representatives of GDPML have actively participated in the meetings of the Outreach Group whereby the discussion on membership of the Kosovo FIU continued.

An important place in this session had the discussion of the EGMONT Group standards and their implementation by the FIUs, the compliance with the FATF recommendations, the meetings with heads of delegations from member countries, the exchange of experiences of FATF countries that have undergone the process of assessment under the 2013 methodology and the membership of new FIUs in the EGMONT Group.

During 2014, in the framework of the cooperation and coordination with the international organizations, GDPML has continued to play an important role towards fulfilling action plan objectives as well as reporting periodically to FATF working groups. The exchanges of information and interaction with the Ministry of Justice, the Bank of Albania and the FSA have been instrumental for the progress achieved in this process.

MONEYVAL Committee

GDPML representatives have participated regularly in the plenary sessions that the MONEYVAL Committee of the Council of Europe has held in April, September and December 2014. It is worth mentioning that in December GDPML has had the direction of the Albanian delegation in this committee.

GDPML apart from the timely preparation and submission of relevant contributions for periodic reporting, has also often cooperated and coordinated the work with the Bank of Albania, FSA, the General Prosecutor’s Office, the Ministry of Justice, the Ministry of Foreign Affairs and ASP.

Exchange of information with FIUs

The exchange of information with the partner FIUs has continued to be an important factor in the work of GDPML. Given the international nature of organized crime and financing of terrorism, this process increasingly has a more important role in terms of monitoring the flow of transactions and illegally obtained funds by providing an internationally coordinated action between competent authorities. Table no. 12 represents GDPML’s data on international exchange of information with partner FIUs during 2012-2014.

Table no. 12

| | Requests from FIUs | Requests from GDPML | Responses from FIUs | Responses from GDPML |
|------|--------------------|---------------------|---------------------|----------------------|
| 2012 | 50 | 38 | 18 | 40 |
| 2013 | 56 | 35 | 28 | 70 |
| 2014 | 62 ¹ | 66 ² | 50 | 48 |

During 2014, similarly to previous years there was a steady trend of spontaneous exchange of information with partner FIUs. This process is one of the prominent features of the international cooperation. It is based on the principles of the EGDMONT Group and the increasing emphasis that FATF recommendations and methodology attach to the proactive interaction.

Compared to the previous periods, the cooperation with a FIU of Greece, Italy, UK, Belgium, USA, Canada and Australia has dominated. During this year GDPML has signed Memoranda of Understanding with FIUs of Bangladesh and Sri Lanka that will enable the exchange of information with these units.

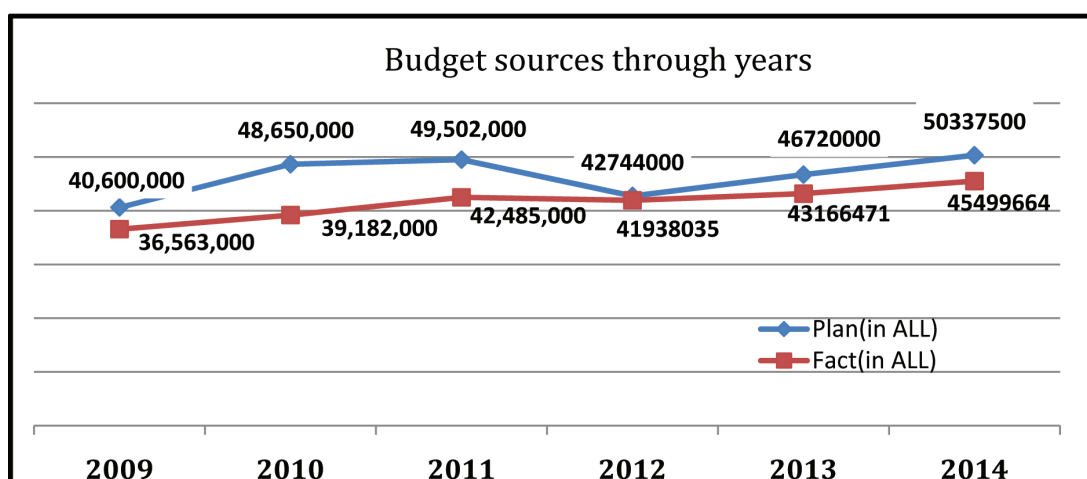
MANAGEMENT OF RESOURCES

GDPML during 2014 has paid special attention to the process of implementing the obligations of the law “On the status of civil servant” and in this context, it has closely cooperated with the Department of Public Administration in view of the restructuring the institution.

In this context, the civil servants have undergone the mandatory training organized by the Albanian School of Public Administration whereby lectures were held regarding matters related to the constitution, human rights and principles of functioning of public administration, administrative procedures and communication ethics as well as conflict of interest, organization and functioning of Public Administration, European integration and Euro-Atlantic structures, administrative capacity and implementation of civil service legislation in the Republic of Albania.

The Budgetary resources allocated to GDPML have been sufficient to meet the needs for a normal functioning of the institution. Chart no. 3 represents the data on budgetary allocations and their use by GDPML during 2009-2014.

Chart no. 3



¹ From which 10 spontaneous informations.

² From which 21 spontaneous informations.

The chart clearly indicates the continuous support GDPML has had in order to fulfill its duty as FIU in the Republic of Albania.

Training of GDPML's employees has a primary importance in the framework of the continued growth of human capabilities and to this end there has been an active participation in the following activities carried out in the country or abroad.

- The training on "*Financial investigation and identification, seizure and confiscation process of criminal assets*" organized by the Regional Centre of Anti-Corruption in Sibiu, Romania, in dates June 01 - 07, 2014. In this training organized for the countries of South-Eastern Europe two experts of GDPML have participated.

The theme of this training include the process of identification, seizure, confiscation and recovery of criminal assets, national and international instruments on the confiscation of assets, the mechanisms of mutual legal assistance etc;

- The training of the Office Against Drugs and Narcotics of UN (UNODC) in Ohrid, Macedonia on September 23-25, 2014 on "*Cross-border transportation of cash*" in which have participated two experts of the GDPML. Besides the experts from the country at the meeting have also participated representatives from Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia;

The training topics included the issue of money laundering and financing of terrorism; the declaration system at the border and the obligations arising from the FATF recommendation 32; the role that the FIU and other law authorities have in this regard; case studies and the role of open source in financial investigation of non-disclosure or false declaration;

- Training on "*Strategic Analysis for Financial Intelligence Units*" organized in Strasbourg, France on August 25-29, 2014, in which has participated a representative of the GDPML. The training topics include critical thinking and its role in the analysis of information by the FIU; the strategic analysis products; the cycle of information analysis etc;
- Training in Tirana on September 18-23, 2014, organized thanks to the cooperation of the FSA, FSVC³ and USAID⁴ in which participated an expert of the GDPML. The main issues of this training dealt with: the verification of source of capital for insurance companies and brokers at the time of licensing and during their work; the supervision of insurance companies through the inspection for the compliance of their activities with the provisions of the law on the prevention of money laundering, exchange of best practices and identification of the cases of suspected money laundering;
- Conference organized by SELEC⁵ center in cooperation with UNODC, in Bucharest, Romania on November 27-28, 2014. The theme of this conference was "*The illegal financial flows*" and in it have participated experts of the public order authorities and FIUs from

³ Financial Services Volunteer Corps.

⁴ Agency of the USA Government for the international assistance.

⁵ Southeast European Law Enforcement Center.

member countries of SELEC. In this conference GDPML was represented by an expert and topics treated dealt with drug trafficking in the Balkan route and money laundering, national and international instruments for the prevention of money laundering, mutual legal assistance between states in order to prevent and fight the trafficking of narcotics;

INFORMATION TECHNOLOGY

During 2014 in the context of digitizing the information, GDPML has continued its efforts to ensure normal operation of the reporting modules available to entities. This was accomplished as a result of continuous training sessions organized to this end as well as the revision of the reporting manuals.

There have been positive developments in terms of electronic reporting due to cooperation with CORIP, HIDAACI, ASP and the Ministry of Justice. At the same time with the addition of 84 new users there was an expansion of the number of entities having access to the electronic reporting, including among them attorneys, construction companies and CORIP's regional offices, car dealers, non-banking financial institutions and jewelers.

In the context of public information the official website of GDPML has been subject to a review process and simultaneously re-conceptualization while simultaneously enabling the secure access of the reporting entities. To this end information about GDPML's activity is updated continuously along with the publication of reports, guidance, best practices and important documents of international organizations (FATF, Egmont Group, the UN and MONEYVAL Committee).

The increase of security concerning submission and storage of information has also been one of the main directions of the GDPML's activity in 2014. This was achieved through the periodic back-up of the sensitive data, surveillance systems, normal operation of computer hardware, protection from the cyber risks as well as the unauthorized access to information etc.

During this period of time GDPML's experts have also been involved in meetings and training seminars organized by the domestic institutions (NAIS) or international projects (ICITAP6) which have further increased staff capabilities.

OBJECTIVES FOR THE YEAR 2015

In the context of determining the priorities of its activity, GDPML has defined the main objectives for 2015, which will be materialized in the annual work plan, inter – institutional cooperation, implementation of strategic documents and periodic reports of international institutions:

- Further consolidation of GDPML's supervisory role;
- Strengthening of inter-institutional cooperation and informing of CCFAML;

⁶ *International Criminal Investigative Training Assistance Program – USA State Department.*

- Increase the preventive capacity oriented by a risk-based approach;
- Further increase human capabilities and effective use of budgetary and technical resources;
- Continuous improvement of the level of GDPML's compliance with the recommendations of the international organizations;
- Provide a growing contribution in the context of cooperation with regional FIUs;