

National Strategy for the Prevention of Money Laundering and Terrorism Financing 2024-2030

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COORDINATING COMMITTEE ON THE FIGHT AGAINST MONEY LAUNDERING

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CONTENTS

ABBREVIATIONS	4
EXECUTIVE SUMMARY	7
I. THE PROCESS OF DRAFTING THE NATIONAL STRATEGY FOR THE PREVENTION OF AML/CFT	8
II. GENERAL OVERVIEW OF THE AML/CFT REGIME IN ALBANIA	9
2.1 The legal framework for money laundering	9
2.2 Legal framework for terrorism financing	11
International Conventions in the Field	12
2.3 Administrative Laws for the Prevention of AML/CFT	12
2.4 The Functioning of the AML/CFT Prevention and Combat System	13
III. KEY CONTRIBUTING FACTORS IN THE FORMULATION OF THE NATIONAL STRATEGY FOR AML/CFT:	17
3.1 The shortcomings identified by monitoring/evaluation bodies need to be addressed through this comprehensive strategy.....	19
3.2 Policies and High-Level Plans.....	21
3.3 Results of the National Risk Assessment:.....	25
3.4 International Context.....	33
3.5 Financial Sector Environment and Trends	37
3.6 National Security Context.....	38
3.7 Money Laundering and Threats from Terrorism Financing	39
IV. KEY STRATEGIC AREAS	41
V. GOAL, SPECIFIC OBJECTIVES, AND STRATEGIC LEVEL INDICATORS	42
5.1 Vision and Mission of the Strategy.....	43
5.2 Objective No. 1: Improving the regulatory framework and strengthening inter-institutional coordination	44
5.3 Objective No. 2: Further increasing the effectiveness of the preventive system.....	45
5.4 Objective No. 3: Improving the Operational Efficiency of Law Enforcement Agencies and Other Entities in the Fight Against AML/CFT	46
5.5 Objective No. 4: Leveraging Technological Innovations to Reduce Risks	47
5.6 Objective No. 5: Increasing the Effectiveness of the Supervisory System	49
5.7. Objective No. 6: Strengthening International Cooperation	50
VI. MONITORING AND EVALUATION	51

ANNEX 1 ACTION PLAN TABLE53**ABBREVIATIONS**

AAASCA	Albanian Agency for the Administration of Seized and Confiscated Assets
ABA	Albanian Bar Association
AFSA	Albanian Financial Supervisory Authority
AML/CFT	Anti-Money Laundering / Countering Financing of Terrorism
BCP	Border Crossing Point
Bln	billion
BoA	Bank of Albania
CCFAML	Committee for the Coordination of the Fight Against Money Laundering
CEO	Currency Exchange Office
CVE	Countering Violent Extremism Coordination Center
DCM	Decision of the Council of Ministers
DNFBP	Designated Non-Financial Businesses and Professions
DPRK	Democratic People's Republic of Korea
EU	European Union
FATF	Financial Action Task Force
FIA	Financial Intelligence Agency
FINTECH	Financial Technology
FTF	Foreign Terrorist Fighters
FTS	Financial Terrorism Sanctions
GDC	General Directorate of Customs
GDT	General Directorate of Taxation
GDP	Gross Domestic Product
GDSP	General Directorate of State Police
GPO	General Prosecutor's Office
GSA	Gambling Supervisory Authority
HIDAACI	High Inspectorate of Declaration and Control of Assets and Conflict of Interest
ICITAP	International Criminal Investigative Training Assistance Program
ICRG	International Cooperation Review Group
INSTAT	Institute of Statistics

ITWG	Inter-institutional Technical Working Group
LP	Legal Person
Mln	million
MoF	Ministry of Finance
MoFE	Ministry of Finance and Economy
MoJ	Ministry of Justice
Moneyval	Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
NAREA	National Albanian Real Estate Association
NATO	North Atlantic Treaty Organization
NBFI	Non-Bank Financial Institution
NBC	National Business Center
NBI	National Bureau of Investigation
NChN	National Chamber of Notaries
NP	Natural Person
NPO	Non-Profit Organization
NRA	National Risk Assessment
OSCE	Organization for Security and Cooperation in Europe
PAMECA	Police Assistance Mission of the European Community to Albania
PEP	Politically Exposed Person
PML	Prevention of Money Laundering
POB	Public Oversight Board
RoA	Republic of Albania
RE	Reporting Entity
SAR	Suspicious Activity Report
SCA	State Cadastre Agency
SECA	State Export Control Authority
Sh.a	Joint Stock Company
Sh.p.k	Limited Liability Company
SIS	State Intelligence Service
SLA	Savings and Loans Association
SPAK	Special Anti-Corruption and Organized Crime Prosecution Office and Special Investigative Unit - National Bureau of Investigation

STR	Suspicious Transaction Reports
TEDA	Technological and Economic Development Areas
TE-SAT	Terrorism Situation and Trend Report
TI Index	Transparency International Index
U.S. DOS	U.S. Department of State
UN	United Nations
UNSC	United Nations Security Council
USA	United States of America
VAT	Value Added Tax
VASP	Virtual Asset Service Provider
WMD	Weapons of Mass Destruction

EXECUTIVE SUMMARY

Money laundering and terrorist financing undermine the integrity of the economic and financial system and pose a serious threat to both national and global security. The Government of Albania is committed to preventing and combating these criminal activities, continuously working to improve its AML/CFT regime in response to emerging risks both domestically and internationally. In this context, the "National Strategy for the Prevention of Money Laundering and Terrorist Financing 2024-2030" has been developed by the ITWG in close collaboration with experts provided by GIZ and reviewed by an expert appointed by the Council of Europe Project. This strategy is based on concrete contributions from law enforcement agencies, regulatory institutions, private sector stakeholders, and experts in the field of AML/CFT prevention.

The legal framework for AML/CFT in Albania consists of comprehensive laws and regulations that clearly define the responsibilities of law enforcement agencies, state and private institutions involved in preventing and combating AML/CFT, while abiding by the separation of powers as outlined in the Constitution.

The AML/CFT regime is a collaborative effort, requiring coordination at all levels of government, public and private sectors, and international partners. This regime involves agencies and institutions with their respective mandates and areas of responsibility, coordinated and led by the CCFAML.

Within the private sector, REs play a critical role in efforts to prevent and detect AML/CFT, by adhering to the obligations set forth in the current legislation. These entities take concrete steps to combat money laundering and related crimes by closely cooperating with the Financial Intelligence Agency and other state institutions, including through public-private partnerships.

At the international level, the Albanian government collaborates with a network of organizations to effectively address the complex and evolving security threats involving AML/CFT. This includes the FATF, the Council of Europe's Moneyval Committee, the Egmont Group of Financial Intelligence Units, and various other international bodies. Through this collaboration, the goal is to identify emerging trends, exchange information, and implement international best practices to prevent and combat AML/CFT.

To ensure its effectiveness, the AML/CFT regime must continuously adapt to changes in its operational environment, driven, among other things, by the significant trend towards the digitalization of the financial sector, which has transformed how clients interact with this sector—offering opportunities for citizens but also challenging existing approaches to regulatory and law enforcement issues.

To address the evolving threats of AML/CFT, Albanian agencies and institutions conduct assessments and publish strategic intelligence reports to provide policy-makers with the necessary information to address emerging gaps and ensure awareness of new risks. This includes the National Risk Assessment on AML/CFT, approved by the CCFAML in December 2023, which identified the AML/CFT risks faced by specific sectors of the country's economic and financial system.

The recent reviews of Albania's AML/CFT regime have demonstrated that it is generally effective, based on national-level policies and operational coordination. Issues requiring improvement have been identified in various assessments, including the 2018 mutual evaluation report of Albania by the Moneyval Committee and the country's monitoring process.

These include weaknesses in information sharing, low levels of investigations and prosecutions for AML/CFT, as well as legislative gaps that have been continuously addressed through the adoption of legal and sub-legal acts.

To address this evolving context and tackle the identified gaps, the "National Strategy for the Prevention of Money Laundering and Terrorist Financing" outlines the priorities of the Albanian government to prevent and combat AML/CFT during the 2024-2030 period. These priorities are grouped into six objectives: (1) Improvement of the regulatory framework and strengthening of inter-institutional coordination; (2) Further increasing the effectiveness of the preventive system; (3) Enhancing the operational efficiency of law enforcement agencies and other entities in the fight against AML/CFT; (4) Utilizing and leveraging technological innovations while mitigating risks; (5) Increasing the effectiveness of the supervisory system; (6) Strengthening international cooperation. The implementation of this strategy aims to further consolidate Albania's AML/CFT regime in line with national and international developments and relevant AML/CFT threats.

This is the second strategy approved by the Albanian Government, and it highlights the importance of public accountability and transparency to ensure the success of the AML/CFT regime. The operational context of the regime is constantly changing, and consequently, the strategy will be subject to further review and updates by the institutions involved in its implementation. The strategy also includes a detailed Action Plan for the concrete measures that will be undertaken at the institutional level.

I. THE PROCESS OF DRAFTING THE NATIONAL STRATEGY FOR THE PREVENTION OF AML/CFT

The National AML/CFT Strategy (hereinafter referred to as the Strategy) is the product of a process of inter-institutional coordination and cooperation, based on best practices in the field,

the needs identified by the institutions and stakeholders involved, as well as the recommendations of international organizations.

The drafting process went through several stages:

In December 2023, the CCFAML decided to draft the Strategy within the first half of 2024. This task was assigned to the Inter-institutional Technical Working Group (ITWG) with representatives from all member institutions in the CCFAML. With assistance from GIZ, the necessary expertise was contracted for the first draft of the document, which emerged from a process involving several meetings with key system stakeholders (both public and private).

In the framework of drafting this strategy, a round of meetings was held with institutions and associations.

In addition to meetings, the drafting process included consultation phases with the relevant institutions. Additionally, the strategy, before its conclusion, was discussed in three ITWG meetings.

The preliminary draft of the strategy was also reviewed by an international expert contracted by the Council of Europe.

In drafting the Strategy, two other important elements were considered: harmonization with other strategic documents¹ and a special focus on the role of the private sector, as a crucial factor in the drafting and implementation of this strategy.

The Strategy, as a comprehensive document, is aligned with the findings and conclusions of the National Risk Assessment of AML/CFT, but these findings and conclusions are placed in a broader temporal and macro-context, aiming to identify medium- and long-term strategic priorities and objectives for the period 2024 – 2030.

II. GENERAL OVERVIEW OF THE AML/CFT REGIME IN ALBANIA

2.1 The legal framework for money laundering

¹ National Strategy for Development and European Integration 2020-2030 - Decision No. 88, dated 22.03.2023 NSDEI 2022-2030

National Security Strategy 2023-2028 - NSS LAW No. 14/2024;

Intersectoral Strategy for Integrated Border Management 2021-2027

Intersectoral Strategy for the Fight Against Terrorism 2023-2025

Strategy Against Organized Crime and Serious Crimes 2021-2025 and the Action Plan

Intersectoral Strategy for the Prevention of Violent Extremism and the Fight Against Terrorism 2023–2025 and the Action Plan

Economic Reform Program (ERP) 2024-2026

Priority Policy Document 2024-2026

The criminal offence of money laundering has been included in the Criminal Code since 1995. Due to the inherent risks and specificities of this crime, it has been placed in Chapter VIII of the Criminal Code, titled "Crimes Against State Authority," under Section III, "Crimes Against Public Order and Security," alongside with offences such as: "Production and trafficking of narcotics or weapons," "Organizing and leading criminal organizations," etc. This categorization in this section aims to protect a general and highly important good, which is the authority of the state, the violation of which brings particularly harmful consequences to the country's citizens.

In the following years, the legal provisions of the criminal offence of money laundering has been amended several times (2001, 2003, 2004, 2007, 2012, and 2013), mainly as a result of aligning with ratified conventions but also due to internal needs.

Article 287, currently in force, provides as follows:

Money laundering of the proceeds of a criminal offence or criminal activity, through:

- a) the exchange or transfer of property, with the purpose of concealing or disguising the illegal origin of it, knowing that this property is the proceeds of a criminal offence or criminal activity;
- b) the concealment or disguise of the true nature, source, location, disposition, movement, ownership, or rights related to the property, knowing that such property is the proceeds of a criminal offence or criminal activity;
- c) obtaining ownership, possession or use of property, knowing at the time of its acquisition, that such property is a proceed of a criminal offence or criminal activity;
- d) conducting financial actions or fragmented transactions to avoid reporting, according to the legislation for the prevention of money laundering;
- e) investing in economic or financial activities with money or items, knowing that they are the proceeds of a criminal offence or criminal activity;
- f) advising, assisting, inciting, or publicly calling for the commission of any of the above-mentioned acts;

is punishable by imprisonment from five to ten years.

When this offence is committed during the exercise of a professional activity, in cooperation, or more than once, it is punishable by imprisonment from seven to fifteen years.

The same act, when it has caused serious consequences, is punishable by no less than fifteen years of imprisonment.

The provisions of this Article shall also apply where:

- a) the criminal offence, whose proceeds are laundered, was committed by a person who cannot be prosecuted or convicted;
- b) the prosecution for the offence, whose proceeds are laundered, has been time-barred or amnestied;
- c) the person laundering the proceeds is the same person who committed the offence from which the proceeds were derived;

- d) no criminal case has ever been initiated or no final criminal conviction has been rendered for the offence from which the proceeds originated;
- e) the criminal offence, the proceeds of which are laundered, was committed by a person, regardless of their nationality, outside the territory of the Republic of Albania, and is punishable both in the foreign state and in the Republic of Albania.

Knowledge and intent, as per the first paragraph of this article, are derived from objective factual circumstances.

Article 287 details all cases that may be considered money laundering and explicitly criminalising self-laundering. According to assessments by international bodies, the legal provisions for the criminal offense of money laundering are in compliance with the relevant standards and conventions.

2.2 Legal framework for terrorism financing

Regarding terrorism financing, its criminalisation was first introduced in 2003, adding Article 230/a to the Criminal Code, along with several other related Articles - 230/b, 230/c, 230/ç, 230/d - which address various forms of assistance that may be provided to terrorism.

Subsequently, Article 230/a was amended again, incorporating Article 230/d (Collection of funds for the financing of terrorism) and making further improvements to align with relevant conventions in the field. Currently, Article 230/a, including annulment as well as pecuniary fines as a primary sentence, alongside imprisonment, provides as follows:

Article 230/a

Giving or collecting funds, directly or indirectly, by any means, with the intention to be used or knowing that they will be used, in whole or in part:

- a) to commit acts with terrorist purpose;
- b) from a terrorist organization;
- c) by a single terrorist; shall be punished by not less than fifteen years of imprisonment or life imprisonment.

The provisions of this Article apply:

- a) for all funds, including assets of any kind, tangible or intangible, movable or immovable, regardless of how they are earned, and legal documents or instruments of any kind, even in electronic or digital form, that show rights or interests in such assets, including bank loans, traveller's cheques, banker's cheques, money orders, shares, securities, bonds, guaranteed banker's cheques, letters of credit, and any other similar financial instruments;
- b) regardless of whether the person committing one of the acts provided for in the first paragraph of this Article is located in the same state or a different state from where the terrorist organization or lone terrorist is located, or the state in which the act with terrorist intent is or will be committed;

- c) in the case provided for in the first paragraph of this Article, regardless of whether the funds were actually used to commit the offence or acts for which they were given or collected, or whether a connection can be established between the funds and one or more specific terrorist acts.

Knowledge and intent, as per the first paragraph of this article, are derived from objective factual circumstances.

Additionally, the Albanian Criminal Code provides for a series of other offences related to terrorism or the financing of terrorism, such as: "Concealment of funds and other assets that finance terrorism" Article 230/b, "Recruitment of persons for the commission of acts with terrorist purposes or for the financing of terrorism" Article 231, "Incitement, public call, and propaganda for the commission of acts with terrorist purposes" Article 232/a, "Participation in combat actions in a foreign state" Article 265/a, "Organization for participation in combat actions in a foreign state" Article 265/b. These provisions have had a deterrent effect.

International Conventions in the Field

The Republic of Albania has consistently adhered to international conventions related to the prevention and fight against money laundering, terrorism, and its financing. The main relevant conventions are:

- The European Convention "On laundering, search, seizure, and confiscation of the proceeds from crime" ratified by Law No. 8646, dated 20.7.2000 (known as the Strasbourg Convention);
- The "United Nations Convention against Transnational Organized Crime" (and its two additional protocols) ratified by Law No. 8920, dated 11.7.2002 (known as the Palermo Convention);

The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, ratified by Law No. 8722, dated 26.12.2000;

- The Council of Europe Convention "On laundering, search, seizure, and confiscation of the proceeds from crime and on the financing of terrorism" ratified by Law No. 9646, dated 27.11.2006 (known as the Warsaw Convention);
- The Council of Europe Convention "On the Prevention of Terrorism" ratified by Law No. 9641, dated 20.11.2006;

The ratification of the aforementioned conventions places our country under additional obligations, as these instruments are now part of our domestic legislation.

2.3 Administrative Laws for the Prevention of AML/CFT

The prevention of money laundering and terrorism financing, is implemented through the following administrative laws:

- Law no. 9917/2008 "*On the prevention of money laundering and financing of terrorism*," as amended, which aims to prevent money laundering and the proceeds from criminal offences as well as the financing of terrorism;
- Law no. 157/2013 "*On measures against the financing of terrorism*," as amended, which provides all legal mechanisms for the prevention and combat of activities of terrorists, those who support and finance terrorism, or those for whom there are reasonable suspicions that they have committed, are committing, or intend to commit such activities, by taking actions to freeze and seize funds and assets, in accordance with the relevant resolutions of the United Nations Security Council, acts of other international organizations, or international agreements to which the Republic of Albania is a party to.

In this context, our country fully implements the UN Security Council resolutions, such as: Resolution 1267 (1999), 1373 (2001), their subsequent resolutions, and those adopted in the following years, including: 1452 (2002), 1989 (2011), 2178 (2014), 2242 (2015), etc. These aim to update the lists of individuals declared by Council of Ministers' decisions, seize funds, prohibit entry into the country for declared persons, etc.

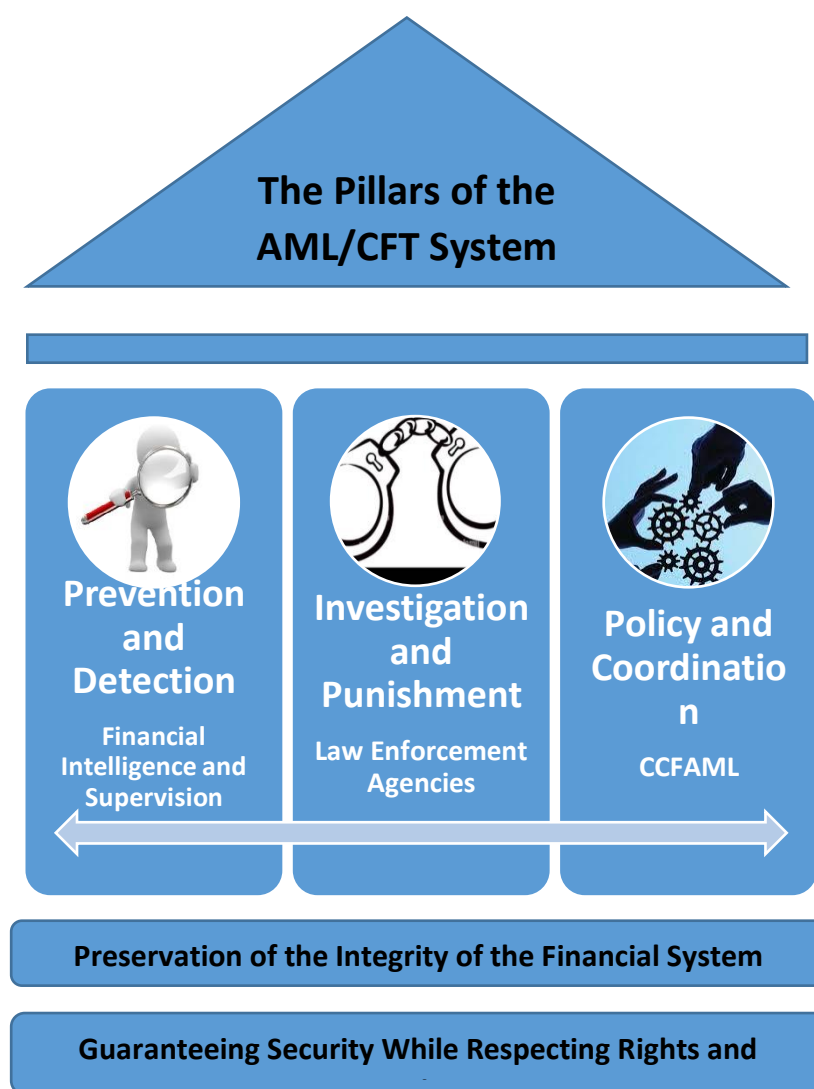
The temporary measures foreseen by the above-mentioned Law No. 157/2013 do not depend on those that may be considered within the framework of criminal or asset proceedings. On the other hand, these temporary measures do not obstruct the implementation of criminal procedural provisions or asset-related provisions for the seizure and confiscation of funds and other assets, according to the respective procedures.

A unique aspect of this law is the prediction of two essential procedures for designating terrorism financiers: the first relates to the application of obligations stemming from UN Security Council resolutions, and the second is an internal designation procedure based on information provided by the relevant bodies responsible for the prevention and fight against terrorism financing and becomes effective after the relevant decision of the Council of Ministers.

The aforementioned laws have been amended several times, based on the evaluation of MONEYVAL, EU Directives, and the country's needs. Currently, they are considered to be in compliance with international standards.

2.4 The Functioning of the AML/CFT Prevention and Combat System

The system for the prevention and fight against money laundering (AML) and terrorist financing (CFT) in Albania operates based on three independent pillars, each of fundamental importance, but in active mutual interaction with each other. These three pillars work together both in the preventive aspect and to support the fight against organized crime, terrorism, and other crimes such as tax evasion, corruption, cybercrime, drug trafficking, and fraud. The regime balances its objectives by aiming to maintain the integrity of Albania's financial system and ensuring the safety of Albanian citizens, while respecting individual rights and freedoms, including privacy rights.



- 1) **Prevention and detection** aim to monitor and enforce compliance with AML/CFT obligations, as well as to collect, analyse, and disseminate financial intelligence and other relevant information.

FIA performs its functions as the responsible authority and as a specialized financial unit for the prevention and fight against money laundering and terrorist financing.² Additionally, this agency operates as the national centre responsible for collecting, analysing, and disseminating data to law enforcement agencies regarding potential cases of money laundering and terrorism financing activities.

FIA exchanges information with the general jurisdiction prosecutor's offices, the Special Prosecutor's Office, the State Police, the National Bureau of Investigation, the State Intelligence Service, other competent law enforcement or intelligence authorities, and any foreign counterpart agencies, subject to similar confidentiality obligations.

When there are well-founded reasons based on facts and concrete circumstances regarding AML/CFT, FIA orders the monitoring of bank accounts or transactions for a specified period, or the blocking or temporary freezing of a transaction or financial action for a period not exceeding 72 hours.

In addition, FIA, primarily based on a decision of the Council of Ministers or upon request from the Financial Action Task Force (FATF) or other international organizations that impose obligations on the Republic of Albania, issues a list of countries for the restriction and/or control of transactions or business relationships of entities, proportional to the identified risks. These decisions are mandatory for implementation by REs and state authorities that have obligations under this law for the prevention of money laundering and terrorist financing.

Moreover, FIA exercises supervisory functions, though not as its primary activity, regarding the compliance of entities subject to AML/CFT legislation with legal obligations.

- The primary supervisory role is entrusted to a number of institutions, such as: the Bank of Albania, the Financial Supervisory Authority, the Ministry of Justice, the National Chamber of Advocates, the Gambling Supervisory Agency, the Public Oversight Board, *inter alia*....³. The main functions of supervisory authorities, for activities under their jurisdiction, include overseeing the implementation of AML/CFT programs by REs and ensuring that these programs are appropriate.
- They inform and cooperate with the responsible authority on non-compliance issues, the results of their inspections, remedial measures to be taken, and administrative sanctions.

² Article 21 "Organization of the Responsible Authority"..... 2. In implementing this law, the Financial Intelligence Agency serves as a specialized financial unit for the prevention and fight against money laundering and terrorist financing.

³ Article 24 "Functions of Supervisory Authorities" 2. The supervisory authorities oversee, through inspections, the compliance of entities' activities with the obligations set forth in this Law. For the purposes of this Law, regardless of the provisions of other laws, supervisory authorities may request from the entities access to and the provision of any type of information and document related to the compliance of the entities' obligations under the implementation of this Law.

- take the necessary measures to prevent an ineligible person from owning, controlling and directly or indirectly participating in the management, administration or operation of an entity;
- They also collaborate and provide specialized assistance, in accordance with their activities, in the field of AML/CFT, in line with the requirements of the responsible authority.
- They cooperate in the preparation and delivering of AML/CFT training programs.
- Additionally, they maintain statistics on the actions taken and the sanctions imposed.

Furthermore, the system also consists of a significant number of entities (mainly private, but not exclusively), such as banks, currency exchange offices, non-bank financial institutions, pension funds, notaries, lawyers, construction firms, gambling companies, casinos, legal auditors, certified accountants, real estate agents, and others, all of which have a set of legal obligations. These include reporting suspicious cases to the responsible authority and exercising proper, simplified, or enhanced due diligence towards their clients.

Alongside these measures, entities are also obligated to implement preventive measures, such as drafting and effectively applying internal regulations/guidelines that, in proportion to the nature and size of the entity, foresee the appropriate steps to understand and mitigate the risks of money laundering and terrorist financing.

They must also:

- Appoint a person responsible for AML/CFT at the management/administrative levels in the central office and in every representative office, branch, or agency, where all employees report any fact that may raise suspicion of AML/CFT activities.
- They establish a centralized system responsible for collecting and analysing data.
- Train employees on AML/CFT through the periodic organization of qualification programs.
- Conduct internal risk assessments, including the risks associated with their respective business and their clients⁴.

Customs and tax authorities, as well as the State Cadastre Agency (SCA) and any authority responsible for registering, licensing, and supervising the activities of NGOs, also have special reporting obligations.

2) **The investigation** focuses on identifying, investigating, prosecuting, and punishing money laundering and terrorist financing crimes, as well as confiscating criminal assets.

In addition to the preventive system described above, another equally important pillar is what can be called the "fight against AML/CFT" system, which consists of law enforcement agencies such as the State Police, the General Jurisdiction Prosecutors, and SPAK. These

⁴ Article 11 "Preventive measures undertaken by entities".

agencies are tasked with investigating and holding accountable individuals or entities suspected of AML/CFT and confiscating their assets. Both components (the preventive and the enforcement systems) operate independently but actively exchange and share information, maintaining close cooperation with one another.

- 3) **The policy and coordination** aim to assess the risks of AML/CFT, develop domestic and international policies, and ensure inter-institutional coordination.

Alongside the authorities and entities mentioned above, which play a fundamental and operational role in preventing and combating AML/CFT, the system's architecture is completed by the CCFAML. This committee is the highest-level body responsible for determining the directions of the state's general policy in the field of preventing and combating AML/CFT.

The Committee is led by the Prime Minister and is composed of the ministers responsible for:

- Finance;
- Foreign Affairs;
- Defence;
- Law and Public Order;
- Justice.

Members of the Committee also include the General Prosecutor, the Head of the Special Prosecutor's Office (SPAK), the Governor of the Bank of Albania, the Chief Executive Director of the Financial Supervisory Authority, the Director of the State Intelligence Service, the General Inspector of the High Inspectorate of Declaration and Control of Assets and Conflict of Interests, the Director of the National Bureau of Investigation, and the General Director of the State Police.

The Committee may establish technical and/or operational working groups to assist in performing its functions, as well as to study typologies and techniques related to AML/CFT. At the CCFAML meeting held on December 27, 2023, in addition to the approval of the National Risk Assessment and the corresponding action plan, the Inter-Institutional Technical Working Group was restructured, including representatives from private entities in working subgroups based on their respective fields.

ITWG, which meets periodically, is also engaged in the preparation of strategies as well as in the evaluation process by international bodies in the field, such as the Moneyval Committee.

III. KEY CONTRIBUTING FACTORS IN THE FORMULATION OF THE NATIONAL STRATEGY FOR AML/CFT:

Albania is committed at the political, governmental, and institutional levels to preventing, detecting, and prosecuting money laundering and activities related to the financing of terrorism. Money laundering is considered a threat to the security of society, the integrity of the financial system, the stability of the economy, and its sustainable growth.

Albania has established an appropriate legal framework in this field, in line with FATF Recommendations, and has the necessary institutional structures, which include a wide range of competent authorities to prevent, supervise, detect, and investigate AML/CFT, as well as to confiscate assets.

The results achieved have been the product of continuous effort and a long-term journey, gradually improving both the technical compliance aspects of the legal framework with international recommendations and standards in the field, as well as the effectiveness of their implementation.

Following the most recent evaluation by the Moneyval Committee (2018), Albania was placed on the so-called "grey list" in 2020, from which it exited in 2023 due to the implementation and improvement of a series of measures and recommendations set by international monitoring bodies. Despite these positive steps in both the legal framework and its effective implementation, there remain certain factors that still require attention in the coming years. It is also worth noting that international reference standards (from FATF or the EU) are continuously evolving, making their monitoring, alignment, and implementation a constant goal for our country.

The formulation of this strategy is also a result of the need to address these recommendations/standards, the findings of the national risk assessment, and the action plan for addressing AML/CFT risks, as well as the country's vision for achieving the objectives of "Albania 2030," addressing national security challenges, and Albania's role in the region and on the international stage.

This strategy aims to assist, among other things, the upcoming evaluation process by the Moneyval Committee (2025), by better raising awareness and further coordinating the actors involved in preventing and combating AML/CFT, with the goal of fully reflecting the work and measures undertaken by our country.

In addition to the above, the key essential factors that underline the need for drafting the strategy can be summarized as follows:

- The growing role of Albania in the international community and its relations with relevant countries dictate the need for the effective implementation of FATF recommendations, as well as those of the EU in the AML/CFT field.
- The country's integration into international capital markets, the globalization of trade and financial systems, and technological advancements contribute to this need.

- Additionally, the free movement of people, goods, and services creates opportunities for criminal activities.
- Geopolitical developments and their effects on our country also play a role.

While these factors contribute to the country's development and progress, they are accompanied by risks and opportunities for financial crimes, money laundering, and financing of terrorism-related activities. As a result, it is essential to not only raise awareness but also establish an action plan with clear objectives, tasks, and measurable actions for each actor involved in preventing and combating AML/CFT.

3.1 The shortcomings identified by monitoring/evaluation bodies need to be addressed through this comprehensive strategy.

In October 2017, the evaluation process by Moneyval began, which was finalized with the approval of the Mutual Evaluation Report (MER) in July 2018. Moneyval's assessment focused on the states' reports regarding the technical compliance of their legal framework with the 40 FATF Recommendations and the effectiveness of the measures taken within the framework of the AML/CFT preventive system. The evaluation was based on data from the period 2011-2017.

As a result of the evaluation, it was concluded that out of the 40 FATF Recommendations, Albania had:

- 1 Recommendation not compliant (NC);
- 10 Recommendations partially compliant (PC);
- 27 Recommendations largely compliant (LC);
- 2 Recommendations compliant (C).

Regarding the effectiveness assessment, out of 11 Immediate Outcomes (IO):

- 2 IOs had low effectiveness (LE);
- 7 IOs had moderate effectiveness (ME);
- 2 IOs had substantial effectiveness (SE).

Following this evaluation, the country was placed under enhanced monitoring by Moneyval and, in 2020, was placed by FATF on the "grey list" of countries under monitoring.

In this context, Albania immediately undertook a high-level political commitment to cooperate with FATF and MONEYVAL to strengthen the effectiveness of the AML/CFT preventive system by agreeing to a 19-point action plan, with a three-year implementation period.

To oversee and implement the action plan, an inter-institutional working group was established by the Decision of the Coordinating Committee for the Fight Against Money Laundering, No. 1, dated 19.02.2020, *"On the establishment of the inter-institutional working group to follow up and fulfill the recommendations of the Financial Action Task Force (FATF)."* This working

group was led by the Deputy Prime Minister and included all the institutions responsible for implementing the action plan. FIA played the role of technical secretary in assisting the working group.

The action plan, agreed upon in February 2020, remained unchanged in its content, except for a six-month extension of the implementation deadline due to the challenges brought by the global COVID-19 pandemic.

Reporting on the implementation of the action plan was carried out on a four-month basis. Throughout the process, Albania submitted 10 progress reports to the ICRG/FATF, with the latest report sent on July 21, 2023. This final report was a summary of the three-year effort made by all responsible institutions regarding the implementation of the action plan.

In the FATF plenary session of October 2023, FATF approved Albania's completion of the action plan, highlighting the implementation of several legal initiatives and reforms that significantly improved the effectiveness of the AML/CFT preventive system. These measures led to Albania's removal from FATF's "grey list."

In FATF's public statement regarding Albania's removal from the list, in addition to clearly recognizing the progress achieved and congratulating Albania, FATF also noted, "FATF welcomes Albania's commitment to uphold FATF principles should Albania introduce a tax amnesty program in the future," and called for Albania to "continue working with MONEYVAL to support ongoing improvements in its AML/CFT system."

In the evaluation report of the Joint Group (JG) of the ICRG/FATF, several recommendations were proposed. Although these recommendations are not technically binding, Albania should consider them in the ongoing improvement of its AML/CFT and weapons of mass destruction prevention system, as outlined below:

- If Albania plans to develop a tax amnesty program in the future, the JG encourages Albania to work with international partners to ensure that any such program aligns with FATF principles and best practices for tax amnesty programs (VTC program).
- Albania is encouraged to make further progress in conducting more criminal investigations and raising charges for the offence of laundering the proceeds of crime (money laundering), particularly in relation to the high-risk areas identified, such as corruption, organized crime, and drug trafficking, with special emphasis on cases where the predicate offence was committed in a foreign jurisdiction.
- Albania is encouraged to make further progress through broader inter-institutional coordination to assess money laundering and terrorist financing threats and to develop policies and strategies to address these threats. SPAK should be fully involved in these efforts.
- Albania is also required to establish and implement a case management system to replace the current system used by prosecutors to manage and track the progress of cases.

- Additionally, Albania should invest in both human and technological resources to combat emerging threats in the area of money laundering, such as cybercrime and virtual assets.

The above recommendations have been accepted by Albanian authorities and are now part of the action plans and work streams, according to their respective areas of responsibility.

As is evident from these recommendations, the area of greatest concern, aside from the tax amnesty, is related to criminal prosecution. Similarly, the EU's progress reports and other mechanisms, such as the "Road Map" and the "Growth Agenda," align with these recommendations.

Currently, the technical compliance—specifically the legal framework regarding the 40 FATF recommendations, as assessed by Moneyval—presents as follows:

- 6 Recommendations "Compliant" (C);
- 31 Recommendations "Largely Compliant" (LC);
- 2 Recommendations "Partially Compliant" (PC);
- 1 Recommendation "Not Applicable" (N/A);
- No Recommendations "Non-Compliant" (NC).

Regarding the two recommendations that are still "Partially Compliant" (PC):

- Recommendation 7: "Targeted financial sanctions related to proliferation": The Ministry for Europe and Foreign Affairs and the Ministry of Finance and Economy drafted and jointly proposed the draft law "On some additions and amendments to Law 72/2019 'On International Sanctions in the Republic of Albania,'" which was approved in the parliamentary plenary session on December 14, 2023. With the approval of the amendments to Law 72/2019, it is believed that the country has fulfilled the criteria for upgrading this recommendation. However, applying for an upgrade in the assessment of this recommendation is not possible because a new round of evaluation for Albania by Moneyval is expected to begin in 2025.
- Recommendation 15: "New Technologies - Virtual Asset Service Providers": In relation to Recommendation 15, the aim is to achieve full compliance as quickly as possible. Work has already begun in full coordination with the responsible institutions, with support from expert knowledge provided through the "Project Against Economic Crime in Albania" (AEC-AL), a joint program of the Council of Europe and the European Union. It is assessed that further developments are still necessary to fully meet the requirements of this recommendation.

3.2 Policies and High-Level Plans

Albania remains committed to addressing the challenges and recommendations stemming from international obligations related to the prevention and fight against money laundering and terrorist financing (AML/CFT). Additionally, in coordination with other national security

strategies, the fight against organized crime, corruption, terrorism, violent extremism, and informality, several shortcomings have been addressed and will continue to be addressed, leading to tangible and concrete results.

In line with the National Strategy for Development and European Integration 2022-2030 and other related strategies and action plans, the National Plan for European Integration (NPEI) 2024–2026 has been approved, as well as the Document of Priority Policies 2025-2027.

Some of the key acts outlined in NPEI 2024-2026 include:

- Draft law "On the Establishment of the Asset Recovery Office"
- Draft law "On Concessions and Public-Private Partnerships"
- Draft law "On Cybersecurity"
- Draft law "On Electronic Identification and Trusted Services"
- Draft law "On Some Additions and Amendments to Law No. 60/2016 "On Whistleblowing and the Protection of Whistleblowers"
- Draft law "On Some Additions and Amendments to Law No. 10193, dated 3.12.2009 "On Jurisdictional Relations with Foreign Authorities in Criminal Matters"
- Draft law "On Some Additions and Amendments to Law No. 46/2018 "On International Transfer of Military Goods and Dual-Use Goods and Technologies".

In the Priority Policy Document for the years 2025-2027, it is reiterated that the Government is committed to making sustained efforts in key priorities related to judicial reform, anti-corruption policy, the fight against organized crime, the protection of human rights, and public administration reform. These priorities are essential in the framework of negotiations under the core chapters and the overall EU accession process. Among the Government's short- and medium-term priorities are:

- The Fight Against Corruption
- Digitalization

As mentioned earlier, addressing the identified deficiencies led to Albania's removal from the "grey list." Despite this, the process of addressing issues and deficiencies will continue to receive special attention from the Government and independent bodies (such as investigative and supervisory agencies), with the aim of achieving maximum legal compliance and further improving effectiveness in line with Albania's international obligations and recommendations.

Some of the initiatives/measures taken in recent years related to the prevention, investigation, and activities connected to AML/CFT, as well as in related areas, are as follows:

Initiatives related to the effectiveness of investigations:

- Positive overall progress in the implementation of judicial reform: This process is believed to have a direct impact on progress in the field of investigations, seizures, and confiscations in the country.
- Creation of a register for the administration and inventory of seized and confiscated assets that supports investigations carried out in the framework of criminal or property-related processes.
- Establishment and operation of a new electronic system for mutual legal assistance requests: Hosted by the Ministry of Justice, this system manages and prioritizes incoming and outgoing cases, including pending requests.
- Creation and operation of the "Presto" system at the General Prosecutor's Office, which enables the collection of detailed statistical data, including the tracking of typologies and trends related to the criminal offence of money laundering, as foreseen in Article 287 of the Criminal Code, and property investigations under the anti-mafia law. It is important to note that data entry into this register needs improvement.
- The approval of specific sub-legal acts to enhance the quality of proactive investigations includes: Instruction No. 10, dated 10.07.2020, issued by the General Prosecutor, which established sections within general jurisdiction prosecutors' offices dedicated to combating money laundering. Approval of Normative Act No. 1, dated 31.01.2020, titled "On Preventive Measures in Strengthening the Fight Against Terrorism, Organized Crime, Serious Crimes, and Consolidating Law and Public Security." Investigations under this act have primarily been conducted by SPAK.
- Increase in indicators related to seizures and/or confiscations, as well as financial and asset investigations.
- Increase in human capacities through training provided both by ongoing education through the School of Magistrates and by international assistance (EU and USA).

Initiatives related to the formalization of the economy:

- Digitalization of various public and financial services. This goes in parallel with the efforts of the Bank of Albania and second-tier banks to increase the digitalization of payment services, which have already significantly increased the use of payment cards.
- Implementation of the fiscalization project as a new measure to address informality.
- Continuous increase in the use of electronic payments.
- Further consolidation of real estate transactions to be conducted through the financial system.

- Tax administration inspections focused on businesses to ensure compliance with legal obligations regarding transactions in line with tax legislation.

Legal amendments:

- Approval of amendments to the anti-money laundering law too align with relevant EU directives.
- Approval of the Law "On the Profession of Real Estate Brokers".
- Approval of the Law "On the Register of Beneficiary Owners".
- Approval of the Law "On the Centralized Register of Bank Accounts".
- Amendments to the Law "On Notaries" where specific requirements have been introduced to prevent individuals involved in criminal activities or those with possible criminal connections from entering the profession.
- Legal amendments in the field of business registration at the National Business Center (NBC): These changes aim to increase the reliability of the data presented for legal entities/traders, including: establishing time limits for notifying changes in ownership, requiring the submission of the full list of registered shareholders along with their identification data for nominative shares, as well as the annual financial balance sheet and introducing provisions for administrative measures in case of non-compliance with these obligations.
- Approval of a new law for the registration of NGOs: This law aims to confirm and clarify the organizations that are actively operating and to deregister those that are no longer active or have not engaged in activities.
- Approval of a legal framework and initiatives for an electronic complaint system in the public procurement sector to increase transparency.

Digitalization of databases and new registers:

- Establishment and operation of a centralized bank account register.
- Establishment and operation of the beneficial owner register.
- Significant progress in the number of registered properties: With 100% of properties in urban areas and 92% in rural areas now digitalized.

These initiatives not only contribute to the overall formalization of the economy and improve access to data from tax authorities but also enhance the timely and accurate verification capabilities of FIA and Law Enforcement Agencies (LEAs) by providing faster and more reliable/accurate data on bank accounts, beneficial ownership, and the owners of real estate.

Preventive System:

- Increase in the number and diversity of Suspicious Activity Reports (SARs) by entities subject to the law,
- The Suspicious Activity Reports (SARs) submitted by the entities subject to the law align with the risks identified at the national level;
- Increased compliance with legal requirements by entities, primarily financial ones, but also a noticeable rise among non-financial entities;
- Increased awareness through trainings, typologies, etc.;
- Further consolidation of risk-based supervision.

Increased compliance with international standards:

- In the latest assessment of 2023, Albania, from the 40 FATF Recommendations, managed to secure improved ratings for two recommendations, affirming compliance with 37 recommendations in total, which are largely compliant and compliant (LC/C), 1 recommendation was deemed non-applicable (NA) at the time of the assessment, and 2 recommendations were partially met (PC), but are expected to be fulfilled in the next evaluation cycle;
- Steady progress in implementing the Financial Action Task Force (FATF) Action Plan;
- Alignment of the AML/CFT Law with the relevant EU directives.

In the future, the government's priorities will continue to include the fight against corruption, organized crime, terrorism, violent extremism, reducing the informal economy, as well as the full implementation of the judicial reform.

3.3 Results of the National Risk Assessment:

In compliance with domestic legal obligations, FATF recommendations, obligations stemming from the ratification of relevant conventions, or even EU directives on preventing the use of the financial system for AML/CFT purposes, the National Risk Assessment for money laundering and terrorism financing was conducted in our country in 2023.

This was the fourth of its kind since 2012. The latest assessment, conducted in 2019, used a methodology developed internally by the involved agencies, whereas this time, the Council of Europe's methodology was chosen, being deemed suitable and comprehensive for carrying out this process.

+FIA has coordinated the implementation of the National Risk Assessment, with this document being based on the contributions of several public institutions (the State Police, the General Prosecutor's Office, the Special Prosecutor's Office, the General Directorate of Customs, the Tax Administration, the Bank of Albania, the Financial Supervisory Authority, etc.) and private entities (banks, money transfer companies, accountants, etc.). This assessment has also taken into consideration the context of relevant data from both international and national reports.

Through this document, the aim is to provide a better understanding of the risks related to AML/CTF) and to take appropriate measures to mitigate the identified risks. This document is accompanied by the corresponding Action Plan, which includes concrete measures agreed upon by the institutions involved in the process.

The update of the National Risk Assessment is based on a comprehensive analysis of the ML/TF risks, based on the following components:

- Analysis of threats stemming from criminal activities, which serve as the primary source for generating criminal proceeds;
- Analysis of individuals involved in money laundering;
- Analysis of economic sectors linked to money laundering;
- Analysis of financial sectors/free professions misused for AML and CTF;
- Cross-border characteristics of money laundering;
- Analysis of the risks of terrorist financing.

Below is a brief summary of the main categories of AML risks identified through this assessment:

1. The laundering of funds from a range of criminal activities committed abroad (criminal offenses related to drug trafficking or even offenses committed by organized crime⁵, theft of property) through the use of the formal financial system, cross-border cash transport, and investments in real estate;
2. Laundering of funds from fraud (including computer fraud and investment fraud in unlicensed "investment platforms"), committed either abroad or in Albania by individuals or organized criminal groups, through the use of the financial system, resulting in the transfer of funds to other jurisdictions, followed by cash withdrawals;
3. Laundering of funds from crimes related to taxation (income concealment and VAT fraud), using resident legal entities, by not declaring actual balances and invoices, through the

5 The primary offenses related to organized crime are drug trafficking, theft, and fraud.

registration of legal entities that do not conduct real activities in Albania (shell companies), using the formal financial system and investments in real estate;

4. Laundering of proceeds from corruption through the occasional use of third parties (individuals and legal entities) who help to obscure the laundering mechanism, later integrating the funds into financial instruments, real estate within the country, or businesses;
5. Money laundering using resident legal entities (mainly “shpk”⁶ and less frequently other legal forms) or third-party individuals, either within or outside the close circle of the person generating the criminal proceeds;
6. The potential involvement of professionals through the provision of advice aimed at facilitating the money laundering process.

The categories of risks for terrorist financing/terrorism identified through this assessment are as follows:

1. The risk of extremism and radicalism with ideological and religious inspiration, which could potentially support or fuel terrorist activities/terrorist financing;
2. The possible threat from individuals returning from conflict zones through the spread of extremist ideologies, using their war experience to indoctrinate others, and the spread of social tensions⁷.



Internal threat factors:

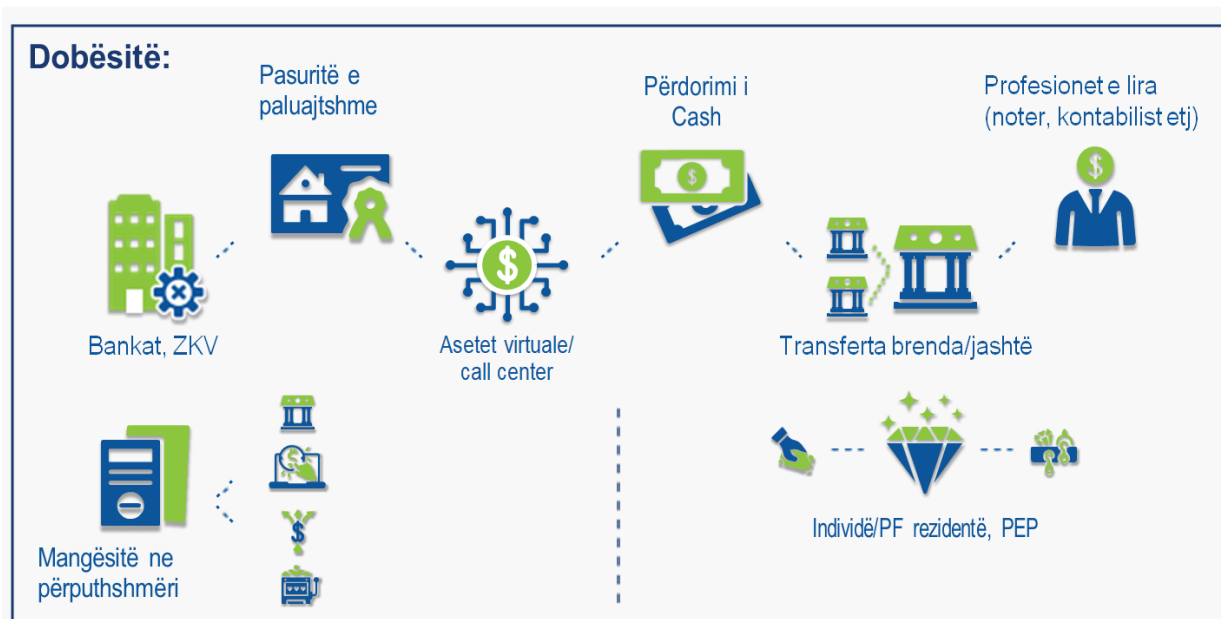
6 This is based on the fact that this form of registration is the most common legal entity registration method in our country.

7 The Cross-Sectoral Strategy for the Prevention of Violent Extremism and the Fight Against Terrorism and Action Plans.

The strategic security environment, at the regional level. Based on National Security Council (NSC) 14/2024 and the Military Strategy. Albania is a country with a favorable geographical position for the transport of goods as well as people, as it is located in Southeastern Europe, in the western part of the Balkan Peninsula, bordered to the north by Montenegro, to the northeast by Kosovo, to the east by North Macedonia, and to the south and southeast by Greece, while to the west bordered by the Adriatic Sea and the Ionian Sea. This geographical position could be exploited for criminal purposes, such as goods smuggling, drug trafficking, human trafficking, etc.

Contextual Factors: Most of the money laundering (ML) and terrorist financing (TF) risks described in this report are influenced by contextual factors, including the level of the informal economy, despite the positive trend of its reduction, and the high number of Albanian citizens who have emigrated abroad, thereby contributing to the spread or creation of links with international crime.

The current update also highlighted that, in general, activities related to drug trafficking, criminal offenses committed in the form of organized crime, tax crimes, corruption, and fraud (including computer fraud) are the primary offenses generating funds for ML schemes in our country.



Entities:

Resident Individuals: In Albania, resident individuals continue to be the largest group of entities involved in activities with potential money laundering risks.

The highest-risk scenarios related to individuals are:

- Purchasing real estates with unknown or unjustified sources of income;

- Receiving frequent and small-value transfers from individuals without a clear relationship between them;
- Depositing cash sums with an unknown source into bank accounts;
- Purchasing real estate below market value and revaluing it within a short period;
- Financial transactions (depositing/transfers/investing in movable or immovable assets) by individuals suspected of being involved in criminal activities;
- High-value investments in real estate using third-party intermediaries.

Resident Legal Persons: They continue to represent the second largest group of entities potentially involved in ML activities, primarily with income derived from tax-related crimes, fraud, organized crime, and corruption. The key scenarios include:

- Placing funds with unknown origins into the real commercial circulation;
- Investments in real estate under the name of existing companies owned by individuals suspected of being involved in criminal activities, with values unjustified by legitimate sources;
- Receiving large transfers into business accounts of individuals suspected of criminal activity from companies without a clear link between the service/goods provided and the payment;
- Involvement of a single individual in multiple entities with the same business activity or address, conducting transactions without a clear connection between the parties involved;
- Suspicious transfers received in a company's account without any legitimate economic activity;
- Using legal entities to receive transfers from abroad through fraud, where the majority of the funds are funneled out of the country, with some amounts being withdrawn in cash.

Non-Resident Individuals: The key scenarios related to this category include:

- The creation and registration of resident legal entities and the use of their bank accounts to receive or send transfers to/from various jurisdictions without a clear link to the company's business activity, with suspicions primarily related to tax evasion;
- Making primarily residential investments without a clear source of income.

Resident Politically Exposed Persons (PEP)⁸: Due to their position, suspected cases related to Politically Exposed Persons (PEP) arise when the underlying offense is assessed to be "Abuse of Power/Corruption." The main scenarios include:

- High-value investments in a business after leaving office (former PEP) without a clear source of income or immediate declarations of large profits from a business owned by a former PEP;
- Large fund transfers into personal accounts from a business declared by the PEP, but unjustified by the business's income;
- Real estate investments made after leaving office without a clear source of income;
- Investments in real estate by a PEP at a value declared below market price;
- Initial appointment of administrators/legal representatives or partners of legal entities who have no known criminal background, but evidently lack adequate economic or educational preparation to own or manage such commercial activities, which are *de facto* controlled by the PEP and later transferred into their name. Some of these companies, are occasionally involved in public procurement.

Economic Sectors: This assessment identified several economic sectors that are frequently used for money laundering activities at various stages. The most vulnerable sectors to money laundering activities are: Real Estate, Trade, Telematic Services (Call Centers)⁹, Economic and legal consultancy. Occasionally, these schemes involve international elements, intentionally created or involving existing businesses, which aim to hinder the identification, tracing of the source, and final purpose of the criminal proceeds' use.

Use of the financial and non-financial system:

Regarding the use of channels for suspected money laundering cases, this assessment identified that the most commonly used channels are the banking system, businesses, and certain non-financial professions (mainly notaries).

⁸ According to Article 2, point 10 of the AML/CFT law, the following will be considered PEPs (Politically Exposed Persons): a) Individuals who are required to declare their assets in accordance with the applicable legislation for the declaration and control of assets, financial obligations of elected officials, and certain public servants, except for mid-level or lower-level managers, regardless of whether they are obligated to declare according to the current legislation for the declaration and control of assets, financial obligations of elected officials, and certain public servants; b) Individuals who hold or have held important functions either domestically or abroad in a government and/or in a foreign state, such as: heads of state and/or government, ministers, deputy ministers, or similar positions, members of parliament or similar legislative bodies, high-ranking politicians, members of the leadership bodies of political parties, judges of supreme or constitutional courts, and any judge of a court whose decisions are not subject to ordinary appeals, members of the governing bodies of central banks, ambassadors and chargé d'affaires, as well as senior officers in the Armed Forces, high-level executives and/or members of the leadership bodies of state-owned companies, and directors, deputy directors, or board members, or any similar position in an international organization. Individuals defined in points "a" and "b" of this section will be considered "politically exposed persons" (PEPs) for up to 3 (three) years after leaving office.

⁹ Within this document, risk is associated with entities primarily engaged in investment activities on unlicensed platforms (fictional stock exchanges, cryptocurrencies, etc.).

This conclusion is based on several factors, such as the nature of our country's economy, which involves traditional subject categories primarily concentrated in the banking sector, while other financial entities are still minimally developed compared to banks.

The use of the banking system is unavoidable in one or more stages of money laundering (placement, layering, integration) due to the inherent nature of banking operations, its dominant development in our country compared to other financial entities, its size and importance, as well as the large number of clients and transactions conducted on their behalf. While the banking sector is generally highly exposed to money laundering risks, it is assessed to have a good level of awareness and appropriate tools to detect these risks. This has been confirmed by a high level of SARs over the years, not only in terms of quantity but also in terms of their quality. As an indicator, the information sent by FIA to law enforcement agencies in 90-95% of cases has been triggered by Suspicious Activity Reports (SARs) from the banking sector.

The notary profession is perceived and has been confirmed by data as being more at risk compared to other subjects/professions because notaries in Albania perform a wide range of legal actions (lending, loan contracts, inheritance proceedings, etc.), for most of which they are the only means to complete the transactions, including real estate transactions.

Most Commonly Used Products:

The analysis of available data within this assessment indicated that the most commonly used products for laundering proceeds of criminal offenses are: incoming/outgoing transfers to and from abroad, withdrawal/deposit of funds, and domestic fund transfers.

Regarding the use of bank transfers, some characteristics that make them attractive for money laundering include: The difficulty in monitoring or controlling electronic transfers, at the same level as other banking products, due to the volume of transactions; funds can be transferred through different jurisdictions, making it difficult to trace the origin of the funds, or transfers can be made from a large number of bank accounts to deposits created to obscure the main account, which is often located abroad.

Regarding the use of cash, some characteristics that make it attractive for money laundering include: hiding the origin of income and the difficulty in tracing these funds.

Table of Money Laundering Risk Levels by Various Components:

Description	Risk Level
Criminal offenses evaluated	
<i>Production, sale, trafficking of narcotics and psychotropic substances</i>	High
<i>Corruption and abuse of power</i>	High
<i>Organized crime</i>	High
<i>Fraud</i>	High

<i>Criminal offenses in the field of taxes and duties</i>	High
<i>Theft of property</i>	Moderate
<i>Forgery</i>	Moderate
<i>Crimes in the customs field</i>	Moderate
<i>Human trafficking/exploitation of prostitution</i>	Moderate
Banking Products	
<i>Domestic and international transfers</i>	High
<i>Cash transactions</i>	High
<i>Loans</i>	Moderate
<i>E-banking</i>	Low
<i>Bank guarantees</i>	Low
<i>Card purchases</i>	Low
Entities (Individuals, LP, PEP, etc.)	
<i>Resident Individuals</i>	High
<i>Resident Legal Persons</i>	High
<i>Non-resident Individuals</i>	Moderate
<i>Non-resident Legal Persons</i>	Low
<i>Politically Exposed Persons (PEPs)</i>	High
Financial Entities	
<i>Banks</i>	High
<i>Insurance market and capital/funds market</i>	Low
<i>Money transfer companies</i>	Moderate
<i>CEO</i>	Moderate
<i>Virtual assets</i>	Moderate
<i>Leasing</i>	Low
<i>Factoring</i>	Low
<i>SLA</i>	Low
<i>Electronic payments</i>	Low
<i>Microcredit</i>	Low
Non-Financial Entities	
<i>Notaries</i>	High
<i>Legal Auditors/Certified Accountants</i>	Moderate
<i>Gambling/Casinos</i>	Moderate
<i>Real estate intermediaries</i>	Moderate
<i>Motor vehicle dealers</i>	Moderate
<i>Dealers of precious metals and stones</i>	Low
<i>Lawyers</i>	Low
Economic Sectors	
<i>Real estate and construction sector</i>	High

<i>Telematic services sector (call centers)</i>	High
<i>Trade sector</i>	Moderate
<i>Economic and legal consulting services</i>	Moderate
<i>Hydrocarbons and energy sector</i>	Moderate
<i>Medical sector</i>	Moderate
<i>Services sector</i>	Moderate
<i>Tourism sector</i>	Moderate
<i>Information technology sector</i>	Low

Table for the Risk Level for Terrorism Financing by Various Components

Description	Risk Level
Risk Component	
<i>Extremism and radicalization, which can potentially lead to or fuel terrorist activities/terrorist financing.</i>	Moderate
<i>The possible threat from individuals returning from conflict zones through the spread of extremist ideologies.</i>	Moderate
Channels/Products	
<i>Cross-border transportation of cash.</i>	Moderate
<i>Non-bank financial institutions offering money transfer services.</i>	Moderate

3.4 International Context

The global nature of money laundering (ML) and terrorist financing (TF) threats requires a coordinated international response. Albania works closely with international organizations and key allies to effectively address complex and evolving security threats, including ML/TF. Through international cooperation, Albania and its allies and partners can more effectively identify global ML/TF trends, share information to contribute to investigations with transnational elements, and develop best practices internationally to prevent, detect, and stop ML/TF. Below are some examples of international organizations and key partners for Albania in the field of preventing and combating ML/TF:

➤ **Financial Action Task Force (FATF)** The FATF is the global watchdog for money laundering and terrorist financing. This intergovernmental body sets international standards aimed at preventing ML/TF and the proliferation of weapons of mass destruction, as well as

mitigating the damage these illegal activities cause to society. Albania has worked closely with this body, particularly during its period on the grey list and in addressing the identified deficiencies.

➤ **Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL):** MONEYVAL is a regional body associated with FATF and a permanent monitoring body of the Council of Europe, entrusted with the task of assessing compliance with key international standards for combating money laundering (ML) and terrorist financing (TF), the effectiveness of their implementation, and making recommendations to national authorities on necessary improvements in their systems. Albania is a member of MONEYVAL and works actively with it. Participation in this organization allows Albania to monitor the latest trends and developments in the field of ML/TF, be evaluated in terms of preventing and combating ML/TF, and influence and support the ML/TF activities and efforts of member countries, which are of special importance to Albania.

➤ **The Egmont Group of Financial Intelligence Units (FIAs):** FIA has been a member of the Egmont Group since 2003, which aims to enhance cooperation and information exchange related to AML/CFT among member countries. Currently composed of FIAs from over 160 jurisdictions, the aims of the Egmont Group are to promote communication and improve the exchange of information, intelligence, and expertise among the international FIA network. Albania plays an active role in Egmont Group meetings and regularly exchanges information with partner FIAs.

➤ **The regional network of the project for the non-proliferation of Weapons of Mass Destruction (C-WMD) under the organization of DTRA and RACVIAC.** Proliferation of Weapons of Mass Destruction (WMD) Project Network: Until October 2014, a team composed of representatives from the U.S. European Command (USEUCOM), the Ministry of Foreign and European Affairs (MFEA), and the Ministry of Defence (MoD) of the Republic of Croatia, acting as facilitators, developed medium-term objectives, a roadmap, and a comprehensive plan for the regional project network on WMD non-proliferation. The project was officially launched in 2015 with the aim of supporting the development or improvement of national response strategies/plans and enhancing regional cooperation in the field of WMD non-proliferation among Southeast European countries. This was a joint project between USEUCOM, the Republic of Croatia, the Defense Threat Reduction Agency (DTRA), the International Counter proliferation Program (ICP), the Proliferation Security Initiative (PSI), and RACVIAC – Centre for Security Cooperation.

The Republic of Albania, along with other Western Balkan countries, joined the WMD Network, with the Republic of Croatia serving as a mentoring nation during the first phase of the project.

The first meeting of Phase II of the C-WMD Network project, held in February 2020, focused on a comprehensive discussion about the way forward for the overall C-WMD Network, with an emphasis on four new projects and deeper regional cooperation.

It is important to note that the overall goal of the WMD Network was not only to create national WMD non-proliferation strategies but also to promote regional cooperation on WMD issues.

At the beginning of 2020, the process of developing the strategy was complete, and significant achievements were made, including the development of policies based on risk assessment, raising awareness of the issue, and reallocating resources to specific tasks. The countries participating in the WMD Project Network have improved national inter-institutional cooperation in this field, particularly in terms of information exchange and institutional command, control, and communication.

Over the past six (6) years, the WMD Network has achieved remarkable results, establishing a reliable foundation for continued regional cooperation in preventing the proliferation of Weapons of Mass Destruction in the future.

In parallel with its participation and respective role in international and regional organizations and networks, another important dimension for Albania's reputation and positioning in the international arena comes from evaluations by prestigious authorities/organizations. In addition to being evaluated by MONEYVAL, Albania, like other countries, is also assessed by several other international institutions or organizations. Among the most notable is:

- **"The "Basel AML Index - Ranking money laundering and terrorist financing risks around the world,"** published by the International Centre for Asset Recovery at the Basel Institute on Governance. The latest report was published in 2023¹⁰.

The results from the Basel Institute on Governance are derived from the aggregated processing of 18 indicators related to the legal and regulatory framework for AML/CFT, corruption, and financial standards, using public sources such as FATF (which holds a primary position), the U.S. Department of State's Money Laundering Report, Transparency International, the World Bank, etc. Since 2012, this institute has published rankings of countries based on their risk for AML/CFT. The aim of this ranking is not to compare countries but to provide an overall picture of each country's risk level and its progress over time.

The institute's objective is to offer a ranking based on the risk of AML/CFT, rather than measuring the actual "money laundering" levels, as there is insufficient reliable data to make such an assessment.

The current ranking scale ranges from 0 (low risk) to 10 (high risk) and is divided into three risk levels: 0 – 3.3 (low risk); 3.3 – 6.6 (medium risk); 6.6 – 10 (high risk).

¹⁰ https://index.baselgovernance.org/api/uploads/Basel_AML_Index_2023_12th_Edition_879b07b7b2.pdf

In the 2023 report, 152 countries were included, and globally, Albania scored 4.75, ranking 93rd. When compared to previous years, Albania has made significant progress in its positioning. In 2022, Albania scored 4.92 (ranked 74th), while in 2021, it scored 5.72 (ranked 39th).

- Another important assessment is the "**International Narcotics Control Strategy Report Volume II: Money Laundering**," published by the U.S. Department of State. The latest report was published in March 2022¹¹;

In the U.S. Department of State's Money Laundering Report, which refers to data from 2021, Albania is listed as one of the Major "Money Laundering Jurisdictions." This list includes 84 countries worldwide, with the same status as nations such as Belgium, Canada, China, Italy, the Netherlands, Spain, Switzerland, the United Kingdom, and the United States.

According to the U.S. Department of State, the status of a *major money laundering country* is determined if financial institutions detect transactions involving significant sums derived from international drug trafficking activities, and it is linked to the Department's Narcotics Report. Being on this list is not an indicator that a country is not making strong efforts to combat money laundering or that it is failing to meet international standards in this area. This is not a "blacklist," and there are no sanctions associated with it.

In its summary evaluation of Albania, the report states: *"While the Government of Albania made progress in preventing money laundering in 2021, much more remains to be done. On July 1, 2021, a new law requiring companies to register beneficial owners and bank accounts came into effect. The law provides real-time access for law enforcement authorities and data analysis, which will better facilitate investigations of money laundering and financial crimes and the tracking of illegal assets. Albania also adopted new requirements mandating that all transactions be electronically registered and reported to tax authorities in real time. Albania remains vulnerable to money laundering due to corruption, the presence of organized crime networks, and gaps in legislation and supervision. Albania has a large cash-based and informal economy, with significant inflows of remittances and foreign investments. Drug trafficking and organized crime activity are the primary sources of laundered funds. Albanian criminal organizations have links to networks operating extensively throughout Europe and South America. Albania continues to use its Anti-Mafia Law to confiscate and seize companies connected to drug trafficking and corruption. The ongoing judicial reform has improved Albania's chances of addressing money laundering. These efforts, however, are still hampered by capacity challenges, insufficient supervision in certain sectors, and the need to improve cooperation between law enforcement and supervisory institutions."*

¹¹ <https://www.state.gov/wp-content/uploads/2022/03/22-00768-INCSR-2022-Vol-2.pdf>

- The **2023 Progress Report for Albania**, published by the European Commission. The latest Report was published in November 2023.

The Report highlights that Albania has a certain level of preparedness in **combating organized crime**, with a good and consistent level of cooperation with EU Member States and EU agencies. However, the report stresses that more efforts are needed in the fight against illegal drugs, including enhancing the capacities of law enforcement authorities. Progress made in the seizure and confiscation of assets linked to organized crime needs to continue. Further efforts are also required to increase the number of prosecutions and final convictions, particularly in cases involving high-level officials, and to establish an asset recovery office. Areas such as the fight against cybercrime, money laundering, and the prevention and combat of human trafficking remain in need of more tangible results.

3.5 Financial Sector Environment and Trends

The money laundering (ML) and terrorist financing (TF) environment is constantly evolving. To ensure relevance and effectiveness, the AML/CFT regime must keep pace with emerging trends in key sectors, as well as with international and domestic developments. At the same time, the AML/CFT regime needs to be constantly monitored and adapted to address ML/TF risks that threaten the integrity of the financial system and pose a national security threat.

Technology has advanced rapidly in recent years, with significant trends toward digitalization, particularly in the financial sector. This includes:

- Developments related to virtual currencies, offering new ways to move value with a certain degree of anonymity;
- The rise of financial technologies (Fintech), which are changing how people interact with the financial system; and
- The recognition of digital identity, which can facilitate identity verification and customer due diligence processes.

Many of these new technologies cross international borders and often do not require a physical presence to provide services. Global coordination is crucial to address the ML/TF risks posed by these new technologies, as well as to leverage the opportunities they offer for compliance with AML/CFT regulations and economic growth. The COVID-19 pandemic has accelerated the trend toward digitalization, with more financial consumers using digital channels, as well as new financial services and products becoming available through emerging technologies. The pandemic has also shown that criminals are adapting to the current context, using online schemes and COVID-19-related frauds to generate funds. This shift to digital platforms and products may present new opportunities for criminals and terrorist organizations to move funds. The experiences from the COVID-19 pandemic reinforce the importance of continuously monitoring and understanding new risks by national authorities and the private sector.

3.6 National Security Context

Preventing and combating money laundering (ML) and terrorist financing (TF) are priorities for the Albanian government, as these phenomena pose risks to the national economy, the financial system, and the safety of citizens.

Albania's national security framework prioritizes the protection of security and the fulfillment of the needs of its citizens. State agencies and bodies tasked with protecting the citizens and interests of Albania coordinate and collaborate to offer initiatives and programs in key areas. These include addressing hostile activities by state actors, cybersecurity, space and emerging technologies, countering violent extremism and terrorism, border security, environmental and health security, and the link between organized crime and national security, among others. Although the threats in these areas are diverse, criminal activities in each field are often enabled by money laundering and/or terrorist financing. Measures and tools against ML/TF are also essential for the prevention, detection, and combat of sanctions evasion. Measures and tools against money laundering (ML) and terrorist financing (TF) are also critical for preventing, detecting, and combating sanctions evasion.

The transnational nature of modern criminal networks and the techniques they use add complexity to addressing these threats, highlighting the need for national and international cooperation. This operational collaboration can more effectively uncover, dismantle, and prevent money laundering and terrorist financing, as well as fight the crimes and threats they enable. Therefore, efforts against ML/TF are integrated into Albania's broader national security and public safety framework.

In the current international security environment, Albania remains a key and committed player in maintaining peace and regional stability. The country's internal security environment is stable, without immediate risks threatening its territorial integrity or constitutional order.

As a NATO member and an EU candidate country, contributing positively to international decision-making on matters of global security, peace, and stability, the Republic of Albania remains of interest to hostile global actors. Their influence is expected to intensify as confrontations increase and adversarial states adopt aggressive approaches aimed at undermining the current international and European security architecture, as well as Albania's active role in coordination with these organizations.

In the national strategic environment, it is crucial to identify the risks posed by money laundering and terrorism financing, which are broadly assessed in the National Risk Assessment. Specifically, these activities threaten economic security, which can also be undermined by global actors attempting to penetrate the economy for geo-economic objectives, using the economy as a tool of political pressure.

Economic crimes, despite concrete reforms to reduce informality and the increased enforcement efforts of law enforcement agencies in combating these phenomena, continue to be present and

impact the country's economy, its sustainable growth, the strengthening of state institutions, and the rule of law. Economic crimes remain a significant risk factor for sustainable economic growth, the credibility, and the stability of the financial and economic system in the country. These crimes have become more sophisticated with the advent of new financial technologies, raising concerns due to their impact on the economy. Money laundering and the laundering of criminal proceeds are ongoing issues with high potential to impact the country's economy and the rule of law.

Corruption and the perception of its prevalence undermine public trust in good governance and the rule of law, hinder the country's development, the strengthening of institutions, and sustainable economic growth. Corruption remains a factor that slows down and harms the reform process and discourages both domestic and foreign investments, which are crucial for creating employment opportunities.

Organized crime remains a complex and dynamic phenomenon, despite a significant increase in enforcement efforts and the strengthening of counter-crime capacities. Groups and individuals involved in organized crime, particularly in drug trafficking and production, have shown adaptability in their methods despite significant disruptions to their criminal activities, assets, and revenues. Criminal income accumulated over the years, supported by informality, impunity, or low levels of punishment—often facilitated by corruption in the justice system—has led to the injection of criminally generated funds into both the formal and informal economy. This has also enabled the relocation of prominent criminal group members to Europe, as well as involvement in the production and origin of narcotics. Additionally, the use of information technologies by criminal networks and the shift of their activities into cyberspace make it more challenging to trace and bring them to justice, thereby increasing their impunity. These elements, now integrated into international networks of organized crime, continue to encourage and coordinate the criminal activities of groups and their members within the country.

Terrorism and radicalization towards violent extremism, the financing of these activities, influenced by external actors as well as internal and regional factors, will continue to pose a risk to the cohesion and values of Albanian society, as well as to the harmony and traditional coexistence among religious faiths in the country. Although no terrorist acts have occurred in Albania, such incidents cannot be ruled out due to the incitement and coordination by terrorist organizations, the presence of foreign terrorist fighters (FTFs) from the country and region still aligned with these organizations, and their supporters who, indoctrinated by online propaganda, could act as lone wolves. External influences from extremist religious groups continue to affect radicalization processes in Albania, aiming to promote extremism within the peaceful religious communities in the country and undermine the harmony and coexistence among different faiths.

3.7 Money Laundering and Threats from Terrorism Financing

The environment of money laundering and terrorism financing threats in Albania is evolving, with new methods of laundering money and financing terrorism emerging and evolving daily. To keep pace with these developments, the FIA and other stakeholders within the preventive/punitive system conduct assessments and publish strategic intelligence reports to raise awareness among REs and the public about emerging risks.

Alongside monitoring trends and publishing educational materials, these analyses also serve to identify gaps that need to be addressed. These deficiencies, identified both in international assessments and in the National Risk Assessment, affect various dimensions of the AML/CTF system. More specifically, when categorized by key areas, they include:

Preventive System:

- Failure to Submit Suspicious Activity Reports (SARs) and lack of focus on AML/CFT by categories of subjects such as auditors, accountants, and real estate agents.
- Limited SAR submissions from specific categories, such as motor vehicle traders, currency exchange offices (CEOs), and construction companies.
- The growth of businesses related to electronic money activities is accompanied by the need for increased focus on training, both for the entities themselves and for supervisors.

Supervision:

- Limited staff dedicated to AML/CFT supervision in key supervisory bodies that oversee the majority of REs.
- Increasing collaboration for joint supervision of higher-risk entities.

Investigation:

- Despite improved access to various databases, there is a need for further expansion of access for those conducting money laundering investigations at all levels.
- There is a need for increased specialization and training for investigators, judicial police officers (JPOs), and prosecutors, particularly regarding money laundering typologies. This includes money laundering as an autonomous offense, value-equivalent money laundering, and involving third parties, legal entities, and professionals.
- Limited number of cases investigated, prosecuted, or resulting in convictions for money laundering as an autonomous offense, particularly those committed by professionals or third parties not involved in the predicate crime.
- Frequent turnover of specialized staff in investigative bodies.

Informality in the Economy:

- Despite measures to reduce cash usage, it remains a widely used instrument, which complicates the traceability of funds and their use during investigations.

Border Control:

- Declarations of amounts exceeding the reporting threshold at the border, as required by AML/CFT law, are still assessed to be at a low level.

Addressing these shortcomings, along with the problems and issues identified in this document, will be an integral part of defining the objectives and corresponding measures to achieve them, which will be addressed in the following sections.

IV. KEY STRATEGIC AREAS

The National Strategy for Development and Integration (NSDI) 2023-2030 remains the guiding and reference document for formulating any government strategy in Albania ¹². This strategy serves as the primary strategic document that directs and sets the priorities for the country's sustainable economic and social development on its path toward European Union integration. It also aligns with the Sustainable Development Goals (SDGs) in support of achieving the objectives of the 2030 Agenda, outlining the vision for the development of democracy, as well as the social and economic growth of the country for the period 2024-2030.

The National Strategy for Development and Integration (NSDI) 2023-2030 outlines how this vision will be achieved through the following policies and priorities:

- Promoting the country's development pace by generating sustainable economic growth through macroeconomic and financial stability;
- Achieving standards that serve citizens, increasing well-being, and ensuring the protection of their rights;
- Transforming Albania into a country with standards that enable membership in the European Union;
- Building policies that enhance the country's competitiveness and economic growth, in comparison with the region and beyond.

According to the NSDI, the vision for the country's national development is: ***Albania 2030***: "A dynamic economy, part of the European Union and the region, providing equal conditions for the well-being of all its citizens, based on a functional democracy that guarantees fundamental human rights and freedoms."

The National Strategy for the Prevention of Money Laundering and Terrorist Financing (AML/CFT) aligns with the NSDI, particularly under the first pillar: Democracy, Empowerment of Institutions, and Good Governance, which emphasizes the need to further strengthen the

¹² <https://qbz.gov.al/eli/vendim/2023/02/22/88/59519cb2-2180-4e7e-9d91-68545a68e008>

country's efficient institutions as the foundation for ensuring democracy, competition, and economic development, preparing the country for EU membership. Functioning of the justice system, modernization of public services, and digitalization, achieving EU standards in public administration, fighting corruption, ensuring accountability and transparency in the public sector, expanding decentralization and local democracy, and involving citizens and civil society in these processes remain key priorities for Albania's good governance.

The main objectives of the first pillar of the NSDI that impact and align with the NSDI are:

- 1) Reforming the justice system
- 2) Strengthening legislative and electoral processes
- 3) Foreign policy
- 4) Integrated border management
- 5) Transparency and the fight against corruption
- 6) Combating organized crime, terrorism, and trafficking

While the first five measures have an indirect or broader impact on the AML/CFT Strategy, the fifth measure, "Combating organized crime, terrorism, and trafficking," is directly connected and shares common objectives.

The strategy also references the EU Acquis, specifically Chapter 24: Justice, Freedom, and Security, Chapter 31: Foreign, Security, and Defense Policy, and the Stabilization and Association Agreement (SAA), under Title VII: Freedom, Justice, and Security, with the Subtitle: Cooperation in combating money laundering and illicit drug trafficking, and the Subtitle: Cooperation against terrorism.

Some of the key objectives mentioned above also align with the findings of the National Risk Assessment for AML/CFT, such as improving the effectiveness of investigations into the predicate offenses for money laundering, particularly those linked to organized crime and corruption.

V. GOAL, SPECIFIC OBJECTIVES, AND STRATEGIC LEVEL INDICATORS

Considering the NSDI 2024-2030 as the main strategic document, the following aims to address the strategic objectives in the fight against and prevention of money laundering and terrorist financing (AML/CFT) for the period 2024–2030. This will be accompanied by an action plan, covering the period 2024-2027.

The action plan consists of a main goal and specific objectives, which define the individual measures included within them. The measures in the action plan are the result of a joint agreement between public authorities, supervisory authorities involved in the fight and prevention of money laundering and terrorist financing, as well as the private sector.

Some of the measures to reduce the risks identified in this assessment are already being implemented at the national level, based on various national strategies, such as:

- Strategy Against Organized Crime and Serious Crimes 2021-2025
- Inter-sectoral Strategy for the Fight Against Terrorism 2021-2025 and the Action Plans 2021-2023 and 2022-2025;
- Inter-sectoral Justice Strategy 2021–2025 and its Action Plan;
- National Strategy for the Non-Proliferation of Weapons of Mass Destruction and its Action Plan for implementation;
- Inter-sectoral Strategy for Integrated Border Management 2021-2027 and the Action Plan 2021-2023;
- Inter-sectoral Strategy for the Prevention of Violent Extremism and the Fight Against Terrorism 2023–2025 and its Action Plans 2023–2025

In this strategy, only specific measures aimed at achieving the goals and priorities of this document are addressed, while keeping the measures included in other intersectoral strategies in force.

5.1 Vision and Mission of the Strategy

The mission of the strategy is to contribute to the development of a secure and high-integrity financial system for a dynamic economy that grows by improving and modernizing mechanisms in the fight against money laundering and terrorist financing, ensuring the safety of Albanian citizens, while respecting individual rights and freedoms.

Through the objectives of this strategy, the aim is to strengthen the efforts of Albanian authorities to prevent criminal elements and national security threats from infiltrating the country's financial system and hold them accountable for the damage they cause.

To achieve this goal (vision) in terms of improving and modernizing the regime in the fight against money laundering and terrorist financing, the strategy has identified four priorities (mission):

- 1) Improving the regulatory framework and strengthening inter-institutional coordination.
- 2) Further enhancing the effectiveness of the preventive system.
- 3) Improving the Operational Efficiency of Law Enforcement Agencies and Other Entities in the Fight Against AML/CFT
- 4) Leverage of technological innovations to reduce risks.

All priorities interact and share common points with each other and should not be considered in isolation from the overall context. Next Steps: The following will provide detailed coverage of these priorities through six (6) specific objectives and measures.

The action plan, presented in Annex 1, outlines how the identified objectives will be implemented. It provides the necessary information regarding the proposed actions, timelines,

roles, and responsibilities of all parties involved, performance measurement actions, as well as reporting and monitoring requirements.

5.2 Objective No. 1: Improving the regulatory framework and strengthening inter-institutional coordination

The improvement of policymaking and inter-institutional coordination aims to identify legal deficiencies in the regulatory and legal framework in the fight against money laundering (AML) and terrorist financing (CFT), as well as to enhance and strengthen inter-institutional coordination. The goal is to reduce opportunities for criminal elements to exploit and interfere with the country's financial system.

The realization of this objective will focus on the following activities:

- Legislation Analysis and Full Compliance with international standards and EU Directives.
- Enhancing the efficiency of the Inter-Institutional Technical Working Group.
- Promotion of Public-Private Partnership (PPP) Practices
- Creation of inter-institutional groups focusing on high-risk sectors.

Objective No. 1: Improving the regulatory framework and strengthening inter-institutional coordination.			
1. Legislation analysis and full compliance with international standards and EU Directives.	2. Enhancing the Efficiency of the Inter-institutional Technical Working Group	3. Promotion of Public-Private Partnership (PPP) Practices	4. Creation of inter-institutional groups focusing on high-risk sectors.

Measures to achieve this objective include:

- Conducting annual compliance assessments of the legal framework for AML/CFT by ITWG;
- Establishing sub-technical groups to analyse the regulatory framework based on sector-specific risks.
- Increasing the frequency of ITWG meetings;
- Expanding the number of institutions and REs participating in ITWG meetings.
- Scheduling periodic reviews of strategic objectives and action plans.
- Promoting best international practices in public-private partnerships. Sharing experiences and achieved results.
- Organizing regular meetings between representatives of law enforcement, intelligence institutions, and key REs.

- Establishment of Inter-institutional Groups with focus on high-risk sectors by combining expertise from regulators, law enforcement agencies, the private sector, and other relevant agencies related to AML/CFT.

5.3 Objective No. 2: Further increasing the effectiveness of the preventive system

Increasing Institutional Capacities and Public Awareness aims to further improve the overall preventive system to enhance the detection capabilities concerning money laundering and terrorist financing.

Given that the latest evaluation from the Moneyval Committee found deficiencies in several areas, this objective emphasizes:

- Conducting a comprehensive assessment to identify capacity gaps within key AML/CFT institutions.
- Improving institutional capacities by allocating appropriate human resources, both in quantity and quality, aligned with the risk level.
- Increasing the awareness of public institutions, REs, as well as the general public regarding the risks of money laundering, terrorist financing, and the financing of weapons of mass destruction (AML/CFT/WMD);
- Developing public outreach activities to inform, share experiences with the private sector, and educate the public.
- Actively communicating the measures and achievements in the field of AML/CFT to the public.

Objective No. 2: Further increasing the effectiveness of the preventive system				
1. Conducting a comprehensive needs assessment to identify capacity gaps in key institutions.	2. Improvement of Institutional Capacities	3. Raising awareness of the AML/CFT/WM DF risk;	4. Development of public activities aimed at informing, sharing experiences with the private sector, and educating the public.	5. Active public communication on the measures taken and achievements in the field of AML/CFT.

Measures to achieve this objective include:

- Identification of training needs and designing a comprehensive training plan involving public institutions, supervisory authorities, and private sector representatives.

- Reassessing the organizational structures of supervisory institutions to ensure that human resources are appropriately allocated in both quantity and quality, in accordance with the risk levels of the entities they oversee and the functions they perform.
- Increasing engagement with private sector entities such as banks, the real estate sector, and DNFBPs on AML/CFT issues.
- Publication and dissemination of typologies (AML/CFT/WMD) among law enforcement agencies, intelligence bodies, supervisors, and the private sector;
- Enhancing awareness and institutional capacities regarding the AML/CFT/WMD risk, with a particular focus on high-risk sectors.
- Development and dissemination of compliance guidelines for NGOs, focusing on due diligence, reporting requirements, and risk management.
- Promoting financial literacy to inform, share experiences with the private sector, and educate the public.
- Increasing capacities to enable active public communication on the measures taken and achievements in the field of AML/CFT.

5.4 Objective No. 3: Improving the Operational Efficiency of Law Enforcement Agencies and Other Entities in the Fight Against AML/CFT

This objective requires regular updates and communication of threats and risks from illegal financing with law enforcement authorities and the continuation of inter-institutional coordination against priority challenges related to illegal financing. The aim is to improve and expand efforts for information sharing and to strengthen the implementation of international standards on AML/CFT.

The implementation of this objective includes:

- Increasing the access of law enforcement/intelligence agencies and other legally designated entities to available national registers.
- Improving national coordination and cooperation in the investigation of money laundering and terrorism financing offences.
- Increasing the number of asset seizures, particularly the confiscation of criminal assets.
- Implementing an effective system for collecting statistical data on AML/CFT.
- Enhancing the effectiveness of border control for the declaration of physical cash or valuable items.

Objective No. 3: Improving the Operational Efficiency of Law Enforcement Agencies and Other Entities in the Fight Against AML/CFT

1. Increasing access to available registers.	2. Enhancing national coordination and cooperation in the investigation of AML/CFT offences.	3. Improving the quality of financial investigations, accompanied by asset seizures and especially the confiscation of criminal assets.	4. Implementing an effective system for collecting statistical data on AML/CFT	5. Enhancing the effectiveness of border control for the declaration of physical cash or valuable items.
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Measures to achieve this objective include:

- Identifying the necessary systems/registers to be used in the prevention and fight against AML/CFT
- Conducting an analysis by each institution of their access needs in line with their functions
- Ensuring access according to the needs of the institutions
- Decision-making and granting access to relevant information as needed.
- Assessing the human resources available for AML/CFT investigations.
- Holding periodic meetings and sharing typologies related to AML/CFT between Prosecutors, Intelligence Units, and the State Police
- Approving the draft law and initiating the work of the Asset Recovery Office
- Analysing existing statistical systems to evaluate improvement needs
- Appointing contact points from each competent authority for the collection, maintenance, and dissemination of relevant statistical data
- Improving the method for collecting, maintaining, and disseminating statistical data by the State Police for AML/CFT cases
- Improving the method for collecting, maintaining, and disseminating statistical data by the Prosecutor's Office for AML cases to better serve analyses, including risk analysis
- Re-evaluating methodologies/procedures/manuals related to how border controls are determined and implemented regarding the declaration or non-declaration of physical cash or precious metals and stones
- Preparing and disseminating indicators to identify suspicious cases related to non-declarations at the border and disseminating them to each Border Crossing Point (BCP)

5.5 Objective No. 4: Leveraging Technological Innovations to Reduce Risks

Albania is at a significant economic and social turning point due to a series of transformative challenges led by the digital transition. Digital technologies are becoming increasingly essential

in everyday life. Albania will leverage digital technology to address the major challenges we will face in the coming years. The strategic goal is to become a digital leader in the Western Balkans region and align with global digital trends by effectively and coherently promoting the digital agenda across all areas of government policy and service delivery, working closely with all stakeholders involved in the country's development.

The Government of Albania will provide regulatory and policy support for digital identity security and innovative technologies, in compliance with AML/CFT standards, and will continue to enhance the use of artificial intelligence (AI) and data analytics in efforts to detect and combat illegal financing. The above goals are intended to be achieved through:

- Establishing and consolidating digital systems for case management and tracking
- Leverage of technology to improve entities' compliance with AML/CFT regulations
- Using AI as a supporting tool for detecting and analysing data in the fight against AML/CFT
- Dynamically assessing AML/CFT risk through the use of virtual tools and new technologies
- Enhancing the analytical capabilities of law enforcement agencies through virtual tools and technological capacities.

Objective No. 4: Leveraging Technological Innovations to Reduce Risks				
1. Establishing and consolidating digital systems for case management and tracking	2. Using technology to enhance entities' compliance with AML/CFT regulations	3. Use of AI as an supporting tool in detecting and analysing data in the fight against AML/CFT	4. Dynamic risk assessment related to AML/CFT through the use of virtual tools and new technologies	5. Enhancing the analytical capabilities of law enforcement agencies through virtual tools and technological capacities.

Measures to achieve this objective include:

- Assessing the technological investment needs of each institution to fulfil legal obligations and enhance efficiency and results
- Developing an investment plan based on the needs assessment and including it in the Medium-Term Budget Program (PBA)

- Creating automated systems for case management and tracking in the General Prosecutor's Office (covering all General Jurisdiction Prosecutor's Offices) and SPAK, enabling not only statistical reporting but also case tracking and enhancing coordination mechanisms
- Coordinating between supervisory, intelligence, and investigative bodies to improve cooperation, verifications, and controls in the VASP sector
- Conducting sectoral analyses by each supervisory institution, analysing trends, risks, and benefits based on technological developments in the supervision field
- Using advanced algorithms and data to create dynamic risk assessment models that adapt to new and emerging threats
- Raising awareness and professional capacities through training and sharing typologies with public institutions, supervisory authorities, and the private sector related to AML/CFT typologies via virtual tools and technological capacities
- Investing in analytical tools and technologies to improve the capacity of agencies to analyse financial data and detect suspicious activities
- Promoting the use of regulatory technology (RegTech) that automates compliance processes.

5.6 Objective No. 5: Increasing the Effectiveness of the Supervisory System

A special focus is intended to be placed on the supervisory sector, ensuring a distribution that is oriented toward the specific characteristics of each sector. The goal is to maximize the capacities of the authorities in this area and to mitigate risks related to AML/CFT/WMD.

In this regard, efforts will focus on the following activities:

- Categorized supervision based on the specificities of each sector
- Enhancing capacities and providing training
- Risk-based supervision
- Increasing vigilance for high-risk entities.

Objective No. 5: Increasing the Effectiveness of the Supervisory System

1. Strengthening the supervision of sectors identified as high-risk	2. Enhancing the capacities of regulatory and supervisory authorities to address the high risks presented by certain sectors	3. Consolidating risk-based supervision	4. Increasing the number of Suspicious Activity Reports (SARs) and the diversity of typologies submitted by subject categories such as accountants, statutory auditors, real estate brokers, construction companies, etc.
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Measures to achieve this objective include:

- Establishing risk-based supervisory frameworks targeting high-risk sectors, focusing supervisory efforts on sectors most vulnerable to AML/CFT risks
- Developing a supervisory plan focused on high-risk sectors (such as banks and real estate) and increasing the frequency of inspections
- Implementing specialized training programs for regulators and supervisors in high-risk sectors to improve their ability to identify and address sector-specific vulnerabilities
- Conducting regular training and consultations with high-risk entities to improve the quality and quantity of Suspicious Activity Reports (SARs)
- Developing and applying advanced risk assessment models to evaluate and prioritize potential AML/CFT threats
- Updating of manuals to reflect risk-based supervisory practices.
- Assessing and incorporating international best practices in the field of supervision into the process of on-site and remote inspections.

5.7. Objective No. 6: Strengthening International Cooperation

In recent years, Albania has made significant progress in aligning with international AML/CFT standards, both in terms of legal technicalities and effectiveness. This has been particularly noted in the 2021-2023 reports of the Moneyval Committee, as well as in the progress reports of the European Commission.

These achievements must be further advanced, and Albanian public institutions should leverage them to draw valuable lessons and continue improving the legal framework and effective work processes.

In this context, the aim is to encourage authorities to fulfil this objective by:

- Expanding cross-border cooperation;

- Sustained participation in international forums;
- Engagement in international evaluations;
- Maximizing international support and expertise.

Objective No. 6: Strengthening International Cooperation			
1. Strengthening cross-border cooperation on AML/CFT issues, particularly with neighbouring countries and key international partners	2. Active participation in international AML/CFT forums and initiatives to learn from best practices and align efforts with global standards	3. Involving all responsible institutions in the reporting stages during international evaluation processes	4. Supporting Albanian institutions with international expertise to enhance monitoring and evaluation

Measures to achieve this objective include:

- Signing or reviewing bilateral and multilateral agreements for information exchange, joint investigations, and mutual legal assistance on financial crimes.
- Engaging in activities or meetings organized by the FATF (Financial Action Task Force), the MONEYVAL Committee, the Egmont Group, and other relevant forums to stay updated on international trends and improve cooperation.
- Participation in international forums, evaluation processes, and benchmarking to assess Albania's measures for AML/CFT/WMD against global standards and best practices;
- Active and extensive participation in Moneyval/FATF sessions, the Egmont Group, working groups, and regional meetings, developing and maintaining a sustainable network with these bodies, and aiming to promote officials from Albanian institutions to leadership positions or working groups within these organizations;
- Enhancing Albania's active role in international and regional organizations related to AML/CFT/WMD.
- Maximum engagement in international organizations and partnerships to receive technical assistance, training, and support for monitoring and evaluation.

VI. MONITORING AND EVALUATION

The designated authorities are expected to report to FIA every four months on the measures taken in line with the action plan of this strategy. FIA serves as the secretariat of the Inter-institutional Technical Working Group, which includes representatives of all member institutions of the Coordinating Committee Against Money Laundering. Each respective institution will

officially report to FIA, as well as through the members of the Inter-institutional Technical Working Group.

The Inter-Institutional Technical Working Group is expected to meet at least three times a year. FIA compiles a summary of progress achieved and issues faced and reports twice a year to the CCFAML.

At the initiative of any member of the CCFAML, the action plan may be periodically amended, depending on new dynamics, needs, or emerging risks during the implementation period.

The final version of this document will be disseminated to all key actors involved in this process, and a summarized version will be prepared for publication on the FIA platform, to be accessed by REs.

ANNEX 1 ACTION PLAN TABLE

		Objective no. 1: Improving the regulatory framework and strengthening inter-institutional coordination.										
		1.1 Legislation Analysis and Full Compliance with international standards and EU Directives. 1.2 Enhancing the Efficiency of the Inter-institutional Technical Working Group 1.3 Promotion of Public-Private Partnership (PPP) Practices 1.4 Creation of inter-institutional groups focusing on high-risk sectors.										
No.	Activity	Responsible Structures		Start Date	End Date	Indicators	Baseline	Goals/Targets				Budget
		Responsible Institution	Contributing Institution				Year 2024	Year 2025	Year 2026	Year 2027		
1.1.1	Annual Assessment of the Legal Framework's Compliance with AML/CFT Standards	ITWG	ITWG	2024	2027	Annual ITWG document with analysis and proposals for legal changes					Funds of responsible institutions	
1.1.2	Establishment of sub-technical groups to analyse the regulatory framework based on sector-specific risks.	ITWG	ITWG	2024	2027	Groups formed according to the specifics and risks of the sectors Meetings held accompanied by information on the topics discussed and meeting protocols. Initiatives proposed/undertaken to address the risks (focusing on sectors that present high risk).	Groups formed according to the specifics and risks of the sectors	Groups formed according to the specifics and risks of the sectors	Groups formed according to the specifics and risks of the sectors	Groups formed according to the specifics and risks of the sectors	Funds of responsible institutions	

1.1.3	Increase the frequency of ITWG meetings.	ITWG	ITWG	2024	2027	Number of annual ITWG meetings accompanied by the report of minutes and decision-making	4	4	4	4	Funds of responsible institutions
1.1.4	Expansion of the number of institutions and REs participating in the meetings	CCFAML	ITWG	2024	2027	Decision by CCFAML to expand participation in ITWG meetings	1				
1.1.5	Programming of periodic reviews of strategic objectives and action plans.	CCFAML	ITWG	2024	2027	Biannual assessments of institutional needs for revising strategic objectives, action plans, and improving coordination in line with emerging risks.	1	2	2	2	Funds of responsible institutions
1.1.6	Promotion of International Public-Private Partnership (PPP) Best Practices	ITWG	ITWG	2024	2027	Number of meetings/activities /conferences conducted. Sharing experiences and achieved results.	1	2	2	2	Funds of responsible institutions
1.1.7	Regular meetings between representatives of law enforcement, intelligence, and key REs.	FIA, AFSA, BoA, MoJ, GDSP, GPO, SIS, POB, GSA	Supervisory Authorities by Field of Supervision	2024	2027	Number of meetings held, accompanied by information on the topics discussed.	2	3	2	2	Funds of responsible institutions

1.1.8	Creation of Inter-institutional Groups with focus on high-risk sectors by combining expertise from regulators, law enforcement agencies, the private sector, and other relevant agencies related to AML/CFT.	CCFAML	ITWG	2024	2027	Periodic assessment of the need by ITWG	Sub-groups created as needed, focused on high-risk sectors.	Sub-groups created as needed, focused on high-risk sectors.	Sub-groups created as needed, focused on high-risk sectors.	Sub-groups created as needed, focused on high-risk sectors.	Funds of responsible institutions
	Objective no. 2. Further increasing the effectiveness of the preventive system										
	1.1 Conducting a comprehensive needs assessment to identify capacity gaps in key institutions. 1.2 Improving institutional capacities by allocating appropriate human resources in terms of number and quality based on the risk level. 1. 3 Increasing Awareness Among Public Institutions, REs, and the General Public on the Risks of Money Laundering, Terrorist Financing, and Weapons of Mass Destruction (AML/CFT/WMD) 1.4 Development of public activities aimed at informing, sharing experiences with the private sector, and educating the public. 1.5 Active public communication on the measures taken and achievements in the field of AML/CFT.										
No.	Activity	Responsible Structures		Start Date	End Date	Indicators	Baseline	Goals/Targets			Budget
		Responsible Institution	Contributing Institution				Year 2024	Year 2025	Year 2026	Year 2027	
2.1.1	Identification of training needs and designing a comprehensive training plan involving public institutions, supervisory authorities, and private sector representatives.	ITWG	All ITWG members	2024	2027	Written communication and emails with ITWG members for identifying needs Consolidated training plan document with contributions from all ITWG members. Number of annual trainings conducted	Training Schedule (1)	No. Trainings 3-6 per year.	No. Trainings 3-6 per year.	No. Trainings 3-6 per year.	Donors and Funds of responsible institutions
2.1.2	Reassessing the organizational structures of supervisory institutions to ensure that human resources are appropriately allocated in both quantity and quality, in accordance with the risk levels of the entities they oversee and the functions they perform.	MoJ, AFSA, BoA, POB, GSA, FIA, GDSP, GDC, GDT	ITWG	2024	2027	Report on Structural Changes Approved structures Budget spent/allocated for this purpose	During the year	Revised structures based on the needs of institutions	Revised structures based on the needs of institutions	Revised structures based on the needs of institutions	Funds of responsible institutions
2.1.3	Increasing engagement with the private sector such as banks, real estate firms, and Designated Non-	ITWG	ITWG	2024	2027	Number of trainings, forums,	During the	During the	During the	During the	Donors and

	Financial Businesses and Professions (DNFBPs) on AML/CFT issues.					seminars/conferences	year	year	year	year	Funds of responsible institutions
						Assessment of needs and achieved results					
2.1.4	Publication and Dissemination of Typologies (AML/CFT/WMD) among law enforcement agencies, intelligence, supervisors, and the private sector.	ITWG	Ministry of Defence, FIA, GPO, SPAK, GDSP, NBI, AFSA, BoA, POB, GSA, MoJ, GDC, GDT	2024	2027	Number of publications and relevant topics	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
2.1.5	Increase in awareness and institutional capacities regarding AML/CFT/WMD, with a special focus on high-risk sectors	ITWG	ITWG	2024	2027	Number of trainings/activities/workshop s/seminars	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
2.1.6	Development and Dissemination of Compliance Guidelines for NGOs, focusing on due diligence, reporting requirements, and risk management.	GDT GDSP FIA	GDT	2024	2027	Number of guidelines/measures taken Impact of these measures NGO evaluations of the impact	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
2.1.7	Promoting financial literacy to inform, share experiences with the private sector, and educate the public.	ITWG	All institutions involved in ITWG	2024	2027	Number of activities/annual thematic meetings	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
2.1.8	Increasing capacities to enable active public communication on the measures taken and achievements in the field of AML/CFT.	ITWG	FIA, GPO, GDSP, GPO, SPAK, GDT, GDC, POB, BoA, HIDAACI	2024	2027	Trainings conducted No. Public statements/Press conferences in print and visual media	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
	Objective no. 3. Improving the Operational Efficiency of Law Enforcement Agencies and Other Agencies in the Fight Against AML/CFT										
3.1		3.1 Increasing the access of law enforcement/intelligence agencies and other legally designated entities to available national registers. 3.2 Improving national coordination and cooperation in the investigation of money laundering and terrorist financing offences Improving the quality of financial investigations, with a focus on asset seizures and the confiscation of criminal assets. 3.4 Implementing an effective system for collecting statistical data on AML/CFT 3.5 Enhancing the effectiveness of border control regarding the declaration of physical cash or valuable items									

No.	Activities and Sub-activities	Responsible Structures		Start Date	End Date	Indicators	Baseline	Targets			Budget
		Responsible Institution	Contributing Institution				Year 2024	Year 2025	Year 2026	Year 2027	
3.1.1	Identification of necessary systems/registers to be used in the prevention and fight against AML/CFT	ITWG	FIA, GDSP, GPO, SPAK, NBI, FIA, AFSA, BoA, POB, GSA, MoJ	2024	2027	Identification of systems/registers by responsible institutions	During the year	During the year	During the year	During the year	Funds of responsible institutions
3.1.2	Analysis by each institution of access needs in line with their functions	All institutions involved	ITWG	2024	2027	Analysis of access needs by responsible institutions	During the year	During the year	During the year	During the year	Funds of responsible institutions
3.1.3	Decision-making and granting of access as required	CCFAML Database Administration Body NAIS	ITWG	2024	2027	Number of access requests Number of systems/registers for which access has been granted	During the year	During the year	During the year	During the year	Funds of responsible institutions
3.1.4	Assessment of Human Resources available for AML/CFT investigations	All institutions involved	ITWG	2024	2027	Evaluation of needs by institution	During the year	During the year	During the year	During the year	Funds of responsible institutions
3.1.5	Periodic meetings and typology sharing on AML/CFT between Prosecutor's Offices, Intelligence Units, and the State Police	FIA	GPO, SPAK, GDSP, SIS, FIA, GDC, GDT	2024	2027	Number of periodic meetings Number of meeting minutes	During the year	During the year	During the year	During the year	Funds of responsible institutions
3.1.6	Approval of the Draft Law and Launch of the Work of Asset Recovery Office (ARO)	MoI	GDSP	2024	2027	Law approved Establishment of the ARO	Law approved	Establishment of the ARO	Functioning of ARO	Functioning of ARO	Funds of responsible institutions
3.1.7	Analysis of existing statistical systems to evaluate improvement needs	ITWG	FIA, GPO, SPAK, GDSP, NBI	2024	2027	Document analysing systems and assessing improvement needs	During the year	During the year	During the year	During the year	Funds of responsible institutions
3.1.8	Appointment of contact points by each competent authority for the collection, storage, and dissemination of relevant statistical data	ITWG	FIA, GPO, SPAK, GDSP, NBI	2024	2027	Number of contact points Statistical data collected on a quarterly basis Number of annual reporting	Defining contact points	Collecting statistical data throughout the year	Collecting statistical data throughout the year	Collecting statistical data throughout the year	Funds of responsible institutions
3.1.9	Improvement of the method for collecting, storing, and disseminating statistical data by the State Police for AML/CFT cases	GDSP		2024	2027	Improvements in statistical data collection	During the year	During the year	During the year	During the year	Donors and Funds of responsible

												institutions
3.1.10	Enhancing the method for gathering, storing, and disseminating statistical data by the Prosecutor's Office for money laundering cases, to better serve analyses, including risk analysis	GPO		2024	2027	Improvements in statistical data collection	During the year	During the year	During the year	During the year		Donors and Funds of responsible institutions
3.1.11	Re-evaluation of methodologies/procedures/manuals related to how border controls are determined and implemented regarding the declaration or non-declaration of physical cash or precious metals and stones	GDC		2024	2027	Re-evaluated methodology/procedures/manuals	During the year	During the year	During the year	During the year		Donors and Funds of responsible institutions
3.1.12	Preparation and delivering of indicators to identify suspicious cases related to non-declarations at the border and disseminating them to each Border Crossing Point (BCP)	GDC	GDSP (Border & Migration)	2024	2027	Preparation of indicators Number of meetings held to inform on BCPs	During the year	During the year	During the year	During the year		Donors and Funds of responsible institutions
		Objective no. 4 Leveraging Technological Innovations to Reduce Risks										
		4.1 Establishing and consolidating digital systems for case management and tracking 4.2 Leverage of technology to improve entities' compliance with AML/CFT regulations 4.3 Using AI as a support tool for detecting and analysing data in the fight against AML/CFT 4.4 Dynamic risk assessment related to AML/CFT through the use of virtual tools and new technologies 4.5 Improving the analytical capabilities of law enforcement agencies through virtual tools and technological capacities										
No.	Activities and Sub-activities	Responsible Structures		Start Date	End Date	Indicators	Baseline	Targets				Budget
		Responsible Institution	Contributing Institution				Year 2024	Year 2025	Year 2026	Year 2027		
4.1.1	Assessing the need for technology investments by each institution to fulfil legal obligations and enhance efficiency and results	ITWG	ALL INSTITUTION S PART OF ITWG	2024	2027	ITWG report for CCFAML and decision-making for approval based on priorities	During the year	During the year	During the year	During the year		Donors and Funds of responsible institutions
4.1.2	Investment Plan based on the assessment of needs and inclusion in the Medium-Term Budget Program (PBA)	ITWG	ALL INSTITUTION S PART OF ITWG	2024	2027	ITWG report for CCFAML for the year 2014 and the value of investments allocated for the following years	During the year	During the year	During the year	During the year		Donors and Funds of responsible institutions

4.1.3	Creation of automated systems for case management and tracking in the General Jurisdiction Prosecutor's Offices and the SPAK	GPO SPAK	ITWG	2024	2025	System ready for use	Start of operations	Functional system	-	-	Donors and Funds of responsible institutions
4.1.4	Coordination Between Authorities (supervisory, intelligence, investigative) to enhance cooperation, verifications, and controls in the VASP sector.	AFSA NAIS	AFSA, FIA, GDSP	2024	2026	Analysis and action plan for conducting verifications	Completed analysis document	Report on verifications and identified cases	Report on verifications and identified cases	-	Funds of responsible institutions
4.1.5	Sectoral Analysis by each supervisory institution, analysing trends, risks, and benefits based on technological developments in the field of supervision.	ITWG	FIA,BoA, AFSA, MoJ, POB, GDT	2024	2025	Summary report from ITWG on the evaluations of each institution	Approved sectoral analyses	Report presented to the CCFA ML			Funds of responsible institutions
4.1.6	Use of advanced algorithms and data to create dynamic risk assessment models that adapt to new and emerging threats.	ITWG	FIA,BoA, AFSA, MoJ, POB, GDT	2024	2027	Algorithms Institutions that have used them	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
4.1.7	Raising Awareness and professional capacities through training, sharing typologies with public authorities regarding AML/CFT typologies using virtual tools and technological capacities.	AFSA	FIA, GDSP, GPO, SPAK, GDT, GDC, POB, BoA, HIDAACI	2024	2027	Trainings conducted People trained Typologies disseminated	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
4.1.8	Investment in analytical tools and technology to enhance the capacity of agencies to analyse financial data and detect suspicious activities.	GPO, GDSP, FIA	GPO, GDSP, FIA, SPAK, GDT, GDC	2024	2027	Number of investments Impact Results Increase in competence	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
4.1.9	Promoting the use of regulatory technology (RegTech) to automate compliance processes.	BoA, AFSA, POB, MoJ, GSA	BoA, AFSA, POB, MoJ	2024	2027	Technologies used Institutions that have implemented them	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions

						Results achieved						
		Objective no. 5: Increasing the Effectiveness of the Supervisory System										
		5.1 Strengthening supervision in sectors identified as high-risk 5.2 Enhancing the capacities of regulatory and supervisory authorities to address the high risks presented by certain sectors Consolidating risk-based supervision. 5.4 Increasing the number of SARs and diversifying the typologies submitted by subject categories such as accountants, legal auditors, real estate intermediaries, construction companies, etc.										
No.	Activities and Sub-activities	Responsible Structures		Start Date	End Date	Indicators	Baseline	Targets				Budget
		Responsible Institution	Contributing Institution							Year 2024	Year 2025	
5.1.1	Establishing risk-based supervisory frameworks targeting high-risk sectors, focusing supervisory efforts on sectors most vulnerable to AML/CFT risks	AFSA BoA POB ABA MoJ FIA GSA	AFSA BoA POB ABA MoJ FIA GSA	2024	2025	Number of inspections Number of violations identified Number of administrative measures	Development of the Risk-Based Supervisory Framework Document	Approved supervisory framework document	-	-	Donors and Funds of responsible institutions	
5.1.2	Development of a Risk-Based Supervision Plan, focusing on high-risk sectors such as banks and real estate, and increasing the frequency of inspections.	BoA POB ABA AFSA FIA MoJ GSA	BoA POB ABA AFSA FIA MoJ GSA	2024	2027	Number of plans Number of inspections	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions	
5.1.3	Implementation of specialized training programs for regulators and supervisors in high-risk sectors to improve their ability to identify and address sector-specific vulnerabilities.	ITWG	ITWG	2024	2027	Number of programs Impact and effectiveness Improvement in competence	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions	
5.1.4	Conducting regular training and consultations with high-risk entities to increase the quality and quantity of SARs.	Supervisory authorities and private sector representatives of REs	ITWG	2024	2027	Number of SARs Comparison of SARs with previous periods Number of training/consultations	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions	

5.1.5	Development and application of advanced risk assessment models to evaluate and prioritize potential AML/CFT threats.	Supervisory authorities and private sector representatives of REs	ITWG	2024	2027	Completed models	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
5.1.6	Updating risk-based supervision manuals	Supervisory authorities and private sector representatives of REs	ITWG	2024	2027	Updated manuals	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
5.1.7	Assessment of international best practices in the field of supervision and their integration into on-site and remote inspection processes.	Supervisory authorities and private sector representatives of REs	ITWG	2024	2027	Number of best practices integrated into the inspection process	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
		Objective no. 6: Strengthening International Cooperation									
		6.1 Strengthening cross-border cooperation on AML/CFT issues, particularly with neighbouring countries and key international partners 6.2 Active participation in international AML/CFT forums and initiatives to learn from best practices and align efforts with global standards 6.3 Involving all responsible institutions in the reporting stages during international evaluation processes 6.4 Supporting Albanian institutions with international expertise to enhance monitoring and evaluation									
No.	Activities and Sub-activities	Responsible Structures		Start Date	End Date	Indicators	Baseline	Targets			Budget
		Responsible Institution	Contributing Institution					Year 2024	Year 2025	Year 2026	
6.1.1	Signing or reviewing bilateral and multilateral agreements for information exchange, joint investigations, and mutual legal assistance on financial crimes.	ITWG	ITWG	2024	2027	Number of agreements signed or reviewed.	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
6.1.2	Engagement in activities or meetings organized by FATF (Financial Action Task Force), MONEYVAL, Egmont Group, and other relevant forums to stay updated on international trends and improve cooperation.	ITWG	ITWG	2024	2027	Number of activities/meetings/forums.	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions

6.1.3	Participation in international forums, evaluation processes, and peer review processes to assess Albania's measures on AML/CFT/WMD against global standards and best practices.	ITWG	ITWG	2024	2027	Number of forums attended. Number of presentations and contributions from Albanian authorities in these forums.	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
6.1.4	Active and extensive participation in Moneyval/FATF sessions, the Egmont Group, working groups, and regional meetings, developing and maintaining a sustainable network with these bodies, and aiming to promote officials from Albanian institutions to leadership positions or working groups within these organizations	ITWG	ITWG	2024	2027	Number of activities/meetings/forums. Number of employees who participated	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
6.1.5	Albania's active role in international and regional organizations in the field of AML/CFT/WMD.	ITWG	ITWG	2024	2027	Number of activities	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions
6.1.6	Maximum engagement in international organizations and partners to receive technical assistance, training, and support for monitoring and evaluation.	ITWG	ITWG	2024	2027	Number of activities	During the year	During the year	During the year	During the year	Donors and Funds of responsible institutions