

MONEYVAL: Fifth Round Evaluation Report on Lithuania



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News

On 8 February 2019, MONEYVAL published its [fifth round evaluation report on Lithuania](#).

As regards national risk assessment, Lithuania faces a number of ML threats, mainly from corruption, the shadow economy, organised crime, and the widespread use of cash. Concrete results are apparent in reducing the shadow economy, but further efforts are needed, especially in the investigation and prosecution of ML and AML/CFT supervision.

There is no information available on increased FT risk in Lithuania. MONEYVAL reports that the Lithuanian authorities have a disparate, but largely appropriate understanding of this issue, which matches the country's risk profile.

The authorities have presented a number of ongoing cases of complex ML, where convictions are still pending. Most of the ML convictions obtained to date relate to self-laundering. A more uniform and effective approach within law enforcement is needed, for example, to identify the level of evidence required to convince the judiciary that the means originate from criminal activity, even in the absence of a criminal conviction. Sanctions have the potential to have a deterrent effect, but have not yet been used to full effect.

The confiscation of proceeds from crime is a priority objective. The identification of proceeds from crime has improved, and the volume of assets seized provisionally has increased significantly. Nevertheless, the volume of assets seized remained modest.

As regards FT, there were only two reported cases in Lithuania. While control mechanisms exist, the skills necessary to deal with such cases still need to be developed. In addition, the report recommends that Customs Service be given further powers to stop/restrain currency at borders in order to determine whether evidence of ML/FT can be found. MONEYVAL states that Lithuania exhibits characteristics of an effective system of targeted financial sanctions (TFS), where financial institutions are aware of designations by the UN and EU and have customer and transaction screening systems. However, the legal framework for TFS is not fully in line with FATF Standards. There is no formal procedure in place to identify targets of designations, no designation has been made or proposed, and no funds have been frozen under the TFS regime.

Lastly, MONEYVAL acknowledges that Lithuania has a sound legal and procedural framework for exchanging information with foreign partners. The country actively seeks international cooperation with other states, which has led to convictions and the seizure and confiscation of proceeds of crime.

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