

MONEYVAL: Fifth Round Evaluation Report on Moldova



András Csúri

News

On 11 September 2019, MONEYVAL published its [Fifth Round Mutual Evaluation Report](#) on the Republic of Moldova. The fifth evaluation round builds on previous MONEYVAL assessments and provides a comprehensive assessment of the effectiveness of measures in place for anti-money laundering (AML) and countering the financing of terrorism (CFT). It also addresses the Member States' compliance with the Recommendations of the Financial Action Task Force (FATF). For background information, see [euCRIM 1/2018](#), pp. 40–41; for general reference, see [euCRIM 2/2018](#), p. 111, [3/2018](#), pp. 208–210, and [1/2019](#), p. 45.

AUTHOR

András Csúri

Vienna University of Economics and Business

ISSN: 1862-6947

<https://euCRIM.eu>

Moldova faces various money laundering (ML) threats mainly deriving from corruption, tax evasion, and smuggling as well as drug trafficking and human trafficking. A national risk assessment (NRA) was carried out in 2017. An Action Plan was consequently adopted to address the major risks identified. Though the NRA did not separately explore the risks associated with organised criminal groups, non-profit organisations, and all aspects of financing of terrorism (FT), MONEYVAL still considers the NRA to be quite comprehensive. It recommends, however, further enhancing communication of the results.



The number of investigated ML cases varied in the period under review due to the impact of two high-level cases, with an overall growing trend towards convictions. A wide spectrum of ML investigations and prosecutions, including autonomous ML and foreign predicate cases, were conducted, which, however, only led to a limited number of prosecutions.

Sanctions for ML offences have been applied proportionately. The Moldovan authorities adopted and implemented several strategic documents, which demonstrate that confiscation of the proceeds of crime is a policy objective. The authorities were able to validate various forms of confiscation, but the number and value of confiscated assets remain low and do not correspond to the scale of proceeds-generating crime in the country. The report stresses that the results are even considerably weaker when taking into consideration the value of property that was effectively recovered; the tally improves when the amounts used to compensate victims are taken into account.

The NRA classifies the FT risks as low. Correspondingly, there have been only two FT investigations leading to prosecutions. The competent law enforcement authorities have a proper understanding of FT risks and have broad powers to obtain financial intelligence and other information in FT cases. Moldova has not formally identified the types of non-profit organisations (NPOs) vulnerable to FT abuse, although a study was carried out following the assessment.

The report sees Moldova's licensing framework as robust when it comes to preventing criminals and their associates from holding, or being the beneficial owner of, a significant or controlling interest or holding

management function in financial institutions. That said, microfinance and foreign exchange offices have only recently been subject to authorisation requirements. The supervisors of financial institutions have an adequate level of understanding of ML risks for the majority of the sectors, but the supervision of designated non-financial businesses and professions remains an area for improvement. The range of sanctions available in the AML/CFT law and sectorial laws is regarded as being dissuasive enough, but the report voices concern over their application, both in terms of numbers and amounts.

Moldova has a sound legal and procedural framework for exchanging information with foreign partners and actively seeks international cooperation from other states, resulting in convictions and the seizure and confiscation of proceeds of crime.

About eucrim

eucrim is the leading journal which regularly informs about current developments in European criminal and “criministrative” law.

All news items are freely accessible at: <https://eucrim.eu/news/>

Stay informed by emailing to eucrim-subscribe@csl.mpg.de to receive alerts for new releases of issues.

The project is co-financed by the Union Anti-Fraud Programme (UAFP), managed by the European Anti-Fraud Office (OLAF).



**Co-funded by
the European Union**