

Cankarjeva cesta 5, p. p. 1696, 1001 Ljubljana T: 01 425 41 89

F: 01 425 20 87

E: [mf.uppd@gov.si](mailto:mf.uppd@gov.si) [www.uppd.gov.si](http://www.uppd.gov.si)

**THE REPORT ON ACTIVITIES OF THE OFFICE FOR MONEY LAUNDERING PREVENTION OF THE REPUBLIC OF SLOVENIA FOR THE YEAR 2020**

**Unofficial translation**

Ljubljana, 12th July 2021

# PREAMBLE

***The Act on the Prevention of Money Laundering and Terrorist Financing (Official Gazette of the Republic of Slovenia No. 48/22 - hereinafter: APMLFT-2) entered into force on 5th April 2022 and in its Article 130 stipulates that the Office for Money Laundering Prevention (hereinafter: OMLP) shall submit to the Government of the Republic of Slovenia a report on its activities at least once annually. The previous Act on the Prevention of Money Laundering and Terrorist Financing (Official Gazette of the Republic of Slovenia No. 68/16, 81/19, 91/20 and 2/21 - hereinafter: APMLFT-1) provided the same obligation in Article 119.***

***The report on the activities of the OMLP for the year 2020 has already been the twenty-fifth report to the Government and refers to the period from 1 January 2020 until 31 December 2020. The stated period has been shown separately regarding statistical and other numerical data; to allow for year-by-year comparison also certain data from previous years has been stated in the report. and its attachments.***

## ORGANIZATIONAL CHART OF THE OMLP

With the implementation of preventive measures in the fight against money laundering and terrorist financing [[1]](#footnote-1) and by establishment of the offices for money laundering prevention 26 years ago, the system of detection of money laundering has intended a special role also to the obliged entities (financial and non-financial institutions) and afore mentioned offices as well. The international expression for those offices is **“Financial Intelligence Unit – FIU”**, meaning that one of its duties is receiving, analyzing and sending financial and other intelligence to the competent authorities. This duty has been stipulated by the definition of the Financial Action Task Force (FATF), according to which the office for money laundering prevention is the “central national unit for receiving, analyzing and informing the competent authorities on suspicious transaction reports and other information relevant to money laundering or terrorist financing”.

The FIUs can be administrative, police, judicial/court and hybrid types, however the majority of them are administrative. Almost half of the FIUs from EU Member States are administrative FIUs. Slovenia has also decided for the administrative type of the FIU, which does not have police competences, but has a special role in the detection and prevention of money laundering and terrorist financing. [[2]](#footnote-2) The advantage of such FIUs is also the possibility to develop trust and cooperation of the FIU with financial institutions, especially banks.

Namely, the OMLP **is an administrative office within the Ministry of Finance** and acts as a clearing house between the financial institutions and law enforcement authorities. Within its competences, OMLP analyses suspicious transactions sent by the obliged entities and if it establishes grounds for suspicion of money laundering, terrorist financing or other criminal offences, it forwards its analysis of gathered data as a notification or information to the competent authorities (Police, State Prosecutor Office) for further investigation. Regarding the notifications of OMLP it is necessary to point out, that these are intelligence data containing analysis of financial and other data, and not criminal reports in the sense of the Criminal Procedure Act.

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The organizational chart of the OMLP changed only slightly since 2004 in accordance with the Public Employees Act (Official Gazette of the Republic of Slovenia No. 56/02) and the Decree on the internal organization, job classification, posts and titles in public administration and judicial bodies (Official Gazette of the Republic of Slovenia No. 58/2003). In 2014, the Analytics Service was abolished. Its duties were taken over by the Department for Suspicious Transactions. The organizational structure of the OMLP is now as follows:

**Organizational structure of the OMLP**

Beside the management, the OMLP consists of 4 organizational units, namely:

* Department for suspicious transactions
* Department for Prevention and Supervision
* International Cooperation Service
* IT Service.

# ACTIVITIES OF THE OMLP IN THE FIELD OF TRANSACTIONS EXCEEDING CERTAIN AMOUNT

Since 19 November 2016, when the APMLFT-1 came into force, the OMLP received from obliged entities according to Article 4 of the APMLTF-1 data on all transactions exceeding certain thresholds, namely:

* data on all cash transactions exceeding 15.000 EUR (hereinafter: cash transactions)
* data on all transfers exceeding 15.000 EUR, which were on the basis of the customer`s demand performed to countries or accounts of natural persons and legal persons with residence or headquarters in jurisdictions with a higher risk of money laundering and terrorist financing (hereinafter: transfers referring to risk countries)
* data on transfers of cash equal or exceeding 10.000 EUR when crossing the Slovenian part of the EU border, according to the Regulation of the European Parliament and of the Council on controls of cash entering or leaving the Community (hereinafter: cash transfers crossing the EU borders).

## CASH TRANSACTIONS EXCEEDING 15.000 EUR

Since 19 November 2016, according to Article 68 of APMLFT-1, obliged entities have to send to the OMLP reports on cash transactions exceeding 15.000 EUR. Since 1 September 2017, when the Rules on the method of reporting data to the OMLP (Official Gazette of the Republic of Slovenia No. 32/17) came into force, the obliged entities have to send data on cash transactions via protected electronic connection.

**In 2020, the OMLP received data (via protected electronic connection) from obliged entities on 36.195 cash transactions exceeding[[3]](#footnote-3) 15.000 EUR in the total amount of 1.280.791.830 EUR.**

The share of reported cash transactions by sectors has been similar as in previous years, where we (according to the APMLFT-1) jointly display the number of reported cash transactions for casinos together with gaming saloons and savings houses with savings and loan services. **It has been established, that – in comparison with the year 2019 – the total amount of funds in all reported cash transactions decreased for 16,5 %, whereas the number of transactions themselves decreased for 15,5 %.**

***Table 1: Number and share of cash transactions exceeding 15.000 EUR in the period 2018–2020 by obliged entities***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Obliged entities** | **2018** | | **2019** | | **2020** | |
| **number** | **share** | **number** | **share** | **number** | **share** |
| Banks | 36.881 | 82,81 % | 35.157 | 82,03 % | 30.769 | 85,01 % |
| Saving houses | 4.843 | 6,29 % | 4.568 | 10,66 % | 3.652 | 10,09 % |
| Casinos | 2.800 | 10,87 % | 3.113 | 7,26 % | 1.771 | 4,89 % |
| Notaries/lawyers | 5 | 0,01 % | 17 | 0,04 % | 1 | 0,00 % |
| Other | 8 | 0,02 % | 6 | 0,01 % | 2 | 0,01 % |
| **Total cash transactions** | **44.537** |  | **42.879** |  | **36.195** |  |
| **Total amount** | **1.528.639.650** | | **1.533.261.465** | | **1.280.791.830** | |
| **Amount/transaction** | **34.323** | | **35.773** | | **35.386** | |

As can be seen from this comparison, the majority of cash transactions was reported to OMLP from the banking sector, followed by the sector of savings houses and casinos, while other obliged

entities (exchange offices, lawyers etc.) sent less than 20 cash transactions per year. The main finding of this comparison showed that in 2020 the number of cash transactions and total amount of transactions decreased. The average amount per cash transaction did not change significantly.

## TRANSFER EXCEEDING 15.000 EUR, RALATED TO THE RISK COUNTRIES

Since 19 November 2016, obliged entities shall according to Article 68 of the APMLFT-1 in three days at the latest, report to the OMLP data on every transfer exceeding 15.000 EUR, which was on the basis of demand of the client performed:

* to accounts of natural and legal persons with permanent or temporary residence or headquarters in countries with higher or increased risk for money laundering or terrorist financing or
* to accounts held in countries from the previous indent.

Further on in this document these transactions are referred to as transfers related to risk countries. The list of countries with higher or increased risk for money laundering or terrorist financing (hereinafter: list of higher risk countries) changed three times in 2020 and included altogether between 73 and 77 countries. The list of risk countries is publicly available at the website of the OMLP.

In the period from 1 January 2020 until 31 December 2020, obliged entities reported to the OMLP data

on altogether **5.847** **transactions in the total value of 1.493.403.395 EUR, 608.137.910 EUR, 83.449.338 USD, 1.077.506 BAM in 173.921 CHF (altogether 676.304.817 EUR according to the**

**exchange rate of 31. 12. 2020).**

## TRANSFERS OF CASH AMOUNTING OR EXCEEDING 10.000 VIA EU BORDERS

As stipulated by Article 120 of APMLFT-1, the customs authorities are obliged to report to OMLP (within three days at latest), data on any declared import or export of cash amounting to or exceeding 10.000 EUR when entering or leaving EU. **In 2020, there were altogether 51 reported transfers of cash at the Slovenian part of the EU border, which is 55% less than last year when the customs authorities registered 113 transfers.** In 2020, there were no non-reported transfers of cash via EU borders.

Among 513 reported transfers, there were **17 transfers to EU in total amount of** 1.036.580 EUR and 500 USD**, and 34 transfers from EU in total amount of** 191.812 EUR, 552.300 USD and 26.400 CHF. **55% of all transfers to EU referred to the personal use, while 82 % of all transfers from EU referred to cash for the needs of ships.**

# ACTIVITIES OF THE OMLP IN THE FIELD OF SUSPICIOUS TRANSACTIONS

The OMLP receives from obliged entities according to Article 4 of the APMLTF-1, data on suspicious transactions regardless of its amount and data on involved persons, with grounds for suspicion of money laundering and terrorist financing activity.

With regard to the Regulation on restrictive measures against Democratic Public Republic of Korea (Official Gazette of the Republic of Slovenia No. 18/2017), the OMLP is also competent for receiving suspicious transactions referring to proliferation. In 2020, the OMLP received no such reports.

On the basis of Article 99 of the APMLTF-1, the OMLP can also start its analysis in certain cases on the basis of the initiatives of state and supervisory authorities and on the basis of the reported facts of supervisory authorities, stipulated by Article 139 of APMLFT-1. On the basis of Article 105 of APMLFT-1, the OMLP also receives certain data from its foreign counterparts and checks the following databases: on cash transactions; transfers of cash via EU borders; transfers related to higher risk countries, which is also the basis to start gathering data on suspicious transactions, assets and persons.

Paragraph 2 of Article 87 of the APMLFT-1 stipulates that the OMLP receives, collects, analyses and forwards data, information and documentation obtained on the basis of the APMLFT-1, and authorizes the OMLP in its Articles 101 and 102 to inform competent authorities if it considers that in connection with a transaction or person there are grounds to suspect money laundering, terrorist financing or other criminal offences with the prescribed imprisonment.

## CASES WITH GROUNDS FOR SUSPICION OF MONEY LAUNDERING AND TERRORIST FINANCING

According to the provisions of the APMLFT-1, the OMLP **received 1078 reports on suspicious transactions or suspicious activities in 2020, referring to the reasons for suspicions of money laundering; 53 reports, which referred to the reasons for suspicion of terrorist financing, and the OMLP also received 6 reports, where the State Prosecutor’s Office (with the previous approval of OMLP) ordered financial investigations according to the Confiscations of Proceeds of Crime Act.**

On the basis of all those reports, the OMLP opened 1137 cases and performed activities on the basis of the APMLFT-1. Those reports have been (together with the comparative data for the period 2016-2020) sorted according to the:

1. reporting entities,
2. number and dynamics of opened and concluded cases,
3. cases, forwarded to the Criminal Police Directorate of the Ministry of Interior due to grounds for suspicion of money laundering,
4. cases, forwarded to the Criminal Police Directorate of the Ministry of Interior due to grounds for suspicion of financing of terrorism,
5. cases, forwarded to the Criminal Police Directorate of the Ministry of Interior and other competent authorities due to grounds for suspicion of committing other criminal offences,
6. temporary postponement of transactions,
7. the value of temporarily seized dirty money and assets,
8. typology of suspicious transactions.

### 3.1.1 Reporting Entities

Detailed data on reporting entities of suspicious transactions and persons, on the basis of which the OMLP opened and investigated particular cases in 2020, can be seen from Table 2 (together with the comparative data from 2016 onwards). From 2018 onwards, we separately show data on reports referring to money laundering and terrorist financing. The table contains only reporting entities, explicitly determined by the APMLFT-1, on which basis the OMLP could start investigations of cases and use its authorizations.

***Table 2: Number and share of cases by reporting entities in the period 2016–2020***

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **REPORTING ENTITIES** | **2016** | **2017** | **2018**  **ML FT** | | **2019**  **ML FT** | | **2020**  **ML FT** | |
| **1. REPORTS OF BOLIGED ENTITIES** | **392** | **484** | **660** | **25** | **889** | **24** | **893** | **51** |
|  | **87,30 %** | **86,74 %** | **87,07 %** | **86,21 %** | **85,65 %** | **77,42 %** | **82,38 %** | **96,23 %** |
| **Banks** | **361** | **426** | **548** | **18** | **755** | **8** | **737** | **5** |
| **Savings banks** | **22** | **28** | **75** |  | **84** |  | **87** | **1** |
| **Post Office** | **2** | **10** | **15** |  | **7** |  | **17** |  |
| **Brokerage companies and management companies of investment funds** | **1** | **3** | **2** |  | **10** |  | **4** |  |
| **Leasing** |  | **2** | **2** |  | **2** |  | **1** |  |
| **Auditors and accountants** |  | **2** |  | **1** | **5** |  |  |  |
| **Casinos** | **2** | **10** | **5** |  | **9** |  | **1** |  |
| **Other organizers of games of chance** |  | **1** |  |  | **1** |  | **1** |  |
| **Dealers with precious stones** | **2** |  | **3** |  | **1** |  |  |  |
| **Real Estate Agencies** | **1** | **1** |  |  |  |  |  |  |
| **Insurance Companies** |  | **1** |  |  |  |  | **1** |  |
| **Virtual currencies** |  |  | **1** |  |  |  |  |  |
| **Payment Service Provider** |  |  | **4** | **6** | **5** | **16** | **38** | **45** |
| **Other obliged entities** |  |  | **3** |  | **3** |  | **4** |  |
| **Notaries** | **1** | **2** | **2** |  | **2** |  | **1** |  |
| **Lawyers** |  |  |  |  | **5** |  | **1** |  |
| **2. INITIATIVES OF STATE AUTHORITIES** | **32** | **38** | **49** | **2** | **81** | **5** | **115** | **1** |
|  | **7,12 %** | **6,81 %** | **6,46 %** | **6,90 %** | **7,80 %** | **16,13 %** | **10,61 %** | **1,89 %** |
| **Ministry of Interior, Criminal Police Directorate** | **18** | **18** | **30** |  | **48** |  | **70** |  |
| **State Prosecutor`s Office** | **7** | **13** | **13** |  | **20** |  | **17** |  |
| **Court** | **1** |  |  |  | **4** |  | **3** |  |
| **Commission for the Prevention of Corruption** |  |  |  |  |  |  | **1** |  |
| **Slovenian Intelligence and Security Agency** | **6** | **7** | **6** | **1** | **9** | **5** | **24** | **1** |
| **Ministry of Defence, Intelligence Security Service** |  |  |  | **1** |  |  |  |  |
| **3. REPORTING OF THE FACTS OF SUPERVISORY AUTHORITIES** | **3** | **3** | **5** | **0** | **14** | **0** | **16** | **0** |
|  | **0,67 %** | **0,54 %** | **0,66 %** | **0,00 %** | **1,35 %** | **0,00 %** | **1,48 %** | **0,00 %** |
| **Ministry of Finance, Financial Administration** | **2** |  |  |  | **1** |  | **1** |  |
| **Securities Market Agency** | **1** |  | **1** |  | **2** |  | **1** |  |
| **Market Inspectorate** |  |  | **1** |  |  |  |  |  |
| **Bank of Slovenia** |  | **3** | **3** |  | **11** |  | **13** |  |
| **Court of Audit** |  |  |  |  |  |  | **1** |  |
| **4. OMLP ON ITS OWN INITIATIVE** | **2** | **3** | **4** |  | **1** |  | **2** | **1** |
|  | **0,45 %** | **0,54 %** | **0,53 %** | **0,00 %** | **0,10 %** | **0,00 %** | **0,18 %** | **1,89 %** |
| **5. FOREIGN FIUs** | **20** | **28** | **40** | **2** | **53** | **2** | **58** |  |
|  | **4,45 %** | **5,02 %** | **5,28 %** | **6,90 %** | **5,11 %** | **6,45 %** | **5,35 %** | **0,00 %** |
| **SKUPAJ** | **449** | **558** | **758** | **29** | **1038** | **31** | **1084** | **53** |

As we already mentioned, the OMLP opened 1137 cases in 2020, on the basis of reported suspicious transactions, namely:

* 944 cases were opened on the basis of reported suspicious transactions by obliged entities,
* 117 cases were opened on the basis of initiatives of state authorities,
* 21 cases were opened on the basis of facts reported by supervisory authorities,
* case was opened on the basis of data from OMLP’s own databases,
* 58 cases were opened on the basis of data from requests of foreign FIUs.

The table shows that the majority of suspicious transactions reports were sent by the obliged entities (financial and non-financial institutions) – mostly banks, which annually send the highest number of reports to the OMLP, that (according to their opinion) raise reasons for suspicion of committing the criminal offence of money laundering. This trend was detected also in the year 2020, as 742 cases (out of all 1137 cases) were opened on the basis of data from reports of banks, which represented 65,26% of all opened cases.

In spite of the fact that the number of opened cases has more than doubled in the last four years, no changes in the structure of reporting entities have been recorded.

### 3.1.2 Number and dynamics of open and concluded cases

In Table 3 you can find the number of opened and concluded cases in the period from 2010 until 2020, which were analyzed by the OMLP due to reasons for suspicion of committing the criminal offences of money laundering and terrorist financing.

Table 3: Opened and concluded cases for the period 2010–2020

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **YEAR** | **OPENED** | **NOTIFICATION** | **IINFORMATION** | **AA IN OMLP** | **CONCLUDED TOTAL** | **NUMBER OF ALL SENT WRITTEN INFORMATION[[4]](#footnote-4)** |
| **NOTIFICATION/INFORAMTION** |
| **2010** | 233 | 55 | 43 | 109 | 207 |  |
| **2011** | 327 | 99 | 58 | 99 | 256 | 84/48 |
| **2012** | 559 | 175 | 73 | 130 | 378 | 132/64 |
| **2013** | 600 | 170 | 109 | 156 | 435 | 135/83 |
| **2014** | 480 | 190 | 124 | 207 | 521 | 157/111 |
| **2015** | 521 | 259 | 107 | 206 | 572 | 190/95 |
| **2016** | 449 | 245 | 151 | 136 | 531 | 185/128 |
| **2017** | 558 | 243 | 117 | 75 | 435 | 181/92 |
| **2018** | 787 | 328 | 149 | 82 | 559 | 253/129 |
| **2019** | 1.069 | 351 | 243 | 187 | 781 | 259/170 |
| **2020** | 1.137 | 450 | 486 | 298 | 1.234 | 362/354 |

From Table 3 can be seen, that **in 2020 the OMLP opened 1137 of new cases on the basis of the reports and in the same period concluded 1234 cases.**

**In 2020, 1234 cases were concluded as follows:**

* **450 cases** were concluded as 362 written **notifications** on suspicious transactions forwarded to the Criminal Police Directorate (in some cases also to the State Prosecutor`s Office), as grounds for suspicion of committing the criminal offences of **money laundering** or **terrorist financing** were established (36,48% of all cases, concluded in 2020);
* **468 cases** were concluded with 354 written **information**, due to established grounds for suspicion of committing **other criminal offences**, stipulated by Article 102 of APMLFT-1 (39,46% of all cases concluded in 2020). The cases were therefore forwarded to the competent authorities (Police, Financial Administration of the Republic of Slovenia);
* **298 cases** were **concluded and kept in the OMLP** as no reasons for the suspicion of committing the criminal offence of money laundering or other criminal offence from Article 102 of APMLFT-1 were detected (24,05% of all cases, concluded in 2020).

### 3.1.3 Cases, forwarded to the Criminal Police Directorate of the Ministry of Interior and/or State Prosecutor`s Office due to the suspicion of money laundering according to Article 245 of the Penal Code

Among concluded cases, there were also cases that OMLP forwarded to the Criminal Police Directorate of the Ministry of Interior and/or State Prosecutor`s Office (together with documentation on the basis of Article 101 of APMLFT-1) due to raised reasons for money laundering.

*In 2020, during its analysis the OMLP discovered in 438 cases grounds for suspicion of committing the criminal offence of money laundering and forwarded its findings in 351 written notifications (notifications related to criminal offence of terrorist financing are shown in point 3.1.4.) to the Criminal Police Directorate of the Ministry of Interior and/or State Prosecutor’s Office. The number of cases is higher than the number of written notifications because some of the written notifications included several connected cases. Beside the afore mentioned notifications, the OMLP forwarded to the Criminal Police Directorate of the Ministry of Interior and/or to the State Prosecutor`s Office in 2020 also 78 additions to already sent notifications on suspicious transactions, concluded in the previous years.*

In comparison with the previous year, the amount of money for which (in the afore mentioned notifications on suspicious transactions) there existed grounds for suspicion of committing the criminal offence of money laundering, remained the same in 2020 in the currency EUR, whereas it has risen by 500% in the currency USD. As the currency of EUR represented the majority of funds, this had no impact to total amount of money. Average investigated transaction per case decreased to 1155 EUR, which is 15% less than last year, but still 37,5% more than the average in the period 2014-2018.

Within its competences for detection of grounds for suspicion of money laundering, the OMLP cannot definitively establish which predicate criminal offence was committed. In 75 written notifications, the OMLP did not state the predicate criminal offence, but in the remaining written notifications the OMLP estimated (on the basis of the circumstances) which predicate criminal offence has most probably been committed. Detected predicate criminal offences, from which most probably the dirty money originated in 2020 were (as stipulated by the following Articles of Criminal Code): in 76 cases of fraud according to Article 211, in 10 cases tax evasion according to Article 249, in 8 cases unjustified production and trade with illegal drugs, illicit substances in sport and precursors for the manufacture of illicit drugs according to Article 186, in 7 cases abuse of prostitution according to Article 175, in 3 **cases abuse of position or trust at economic activities according to Article 240**, in 3 cases business fraud according to Article 228, and in some cases defrauding public funds according to Article 257a, illegal crossing of state border or territory according to Article 308, illicit manufacturing or trafficking in weapons or explosives according to Article 307, making unlawful gifts according to Article 242, larceny according to Article 204, abuse of insider information according to Article 243, disloyalty according to Article 215, trafficking in human beings according to Article 113, acceptance of bribes according to Article 261 and fraud to the detriment of European Union's financial interests according to Article 229.

In 161 cases the OMLP established that the funds most probably originated from the criminal offences committed abroad (in 46 cases in Italy).

### 3.1.4 Cases, forwarded to the Criminal Police Directorate and/or State Prosecutor`s Office due to the suspicion of committing the criminal offence of financing of terrorism according to Article 109 of the Criminal Code

In 2020 the OMLP received 53 reports, where the transactions raised suspicions of committing the criminal offence of financing of terrorism according to Article 109 of the Criminal Code. Almost all reports were received from obliged entities, one report was obtained from the Slovenian Intelligence and Security Agency and one from other sources.

In 2020, within its analyses the OMLP established grounds for suspicion of committing the criminal offence of financing of terrorism according to Article 109 in 12 cases and sent them as 11 information to the competent authorities. In this information, we have investigated 39 persons (16 were foreign ones).

At the same time, the OMLP also (in the field of the prevention of financing of terrorism) performed regular reviews of the lists of persons and organizations from the EU list against whom certain financial sanctions have been imposed on the basis of EU Directives and UN Resolutions (Consolidated List of Persons, Groups, Entities subject to EU Financial Sanctions). With the introduction of the new STR reporting system, those reviews are performed as soon as the report is received. In those reviews in 2020, it has been established that none of the persons from that list have performed or have been connected with reported financial transactions in Slovenia.

### 3.1.8 Temporary postponement of transactions

On the basis of Article 96 of APMLFT-1, the OMLP may issue a written order for temporary postponement of transactions for a maximum of three working days, if it considers there are reasonable grounds to suspect ML/FT. **In 2020, the OMLP issued such orders in 12 cases, postponing transactions in the total amount of** 817.371 EUR, 450.000 USD and 156.856 GBP **on 13 bank accounts (7 bank accounts held in Slovenia by 4 domestic legal persons, 1 foreign legal person, 1 domestic natural person and 6 foreign bank accounts held by 3 foreign natural persons and 3 foreign legal persons).** With regard to part of those cases, the State Prosecutor Office proposed (before the temporary postponement of transaction was expired) the temporary prohibition of disposing with all the funds at the accounts. On the basis of this proposal, the courts issued decrees for provisional securing of the assets at the accounts accordingly.

### 3.1.9 Value of the provisionally secured assets in ML cases

**In 2020, the courts (on the proposal of State Prosecutor`s Office) provisionally secured assets in one ML case, namely cash in the total amount of 54.130** **EUR.** In comparison with the year 2019 it has been established that the number of issued orders for temporary securing and the number of subjects significantly decreased, whereas the amount of property cannot be compared, as the value of the temporary secured real assets in 2019 has not been determined.

**The value of the provisionally secured assets on 31. 12. 2019 was of 33.546.745 EUR.**

At the end of 2020 the amount of provisionally secures assets amounted to ***33.961.118 EUR and 5.939 USD***. The majority of these assets were business shares in foreign companies, followed by funds on bank accounts or cash. Compared to the provisionally secured assets on 31 December 2019, the provisionally secured assets relate to slightly less cases, but the value remained practically unchanged.

### 3.1.10 Typology of suspicious transactions

On the basis of performed analyses of 351 notifications on suspicious transactions with grounds for suspicion of committing the criminal offence of money laundering, which were sent to the competent authorities (Criminal Police Directorate of the Ministry of Interior/State Prosecutor’s Office), it has been established that the typology of those suspicious transactions has not significantly changed in comparison with the previous year. Namely, the classic ML techniques have still been used, typical for first ML phase “placement” and second one “layering”, but in some cases, all three ML phases were used (including the third one “integration”).

A certain typology of money laundering can only be established when we detect the sample or series of similar procedures (methods) of concealment of the illegal source of money or other assets, which include different mechanisms, techniques and instruments:

* **mechanism of money laundering represents the environment or the system, where the money laundering activities have been entirely/partially performed**: financial institutions (banks, savings houses, brokerage houses, leasing houses), notaries, lawyers, natural persons, legal persons or companies (domestic companies, “straw” companies, off-shore companies), money transfer systems (Western Union, MoneyGram); traders with precious metal; casinos and gaming saloons, exchange platforms for virtual currencies etc.
* **money laundering technique is the method of performing money laundering**, represented by the following categories: cash withdrawals, cash deposits, wire transfers (electronic transfers of money between the accounts), use of alternative systems for the transfers of funds, transfer of cash via state border, exchange of currencies, “smurfing” of the amounts, concealment via third persons, use of the accounts abroad etc.
* **instrument of money laundering is the holder of the value, used for the money laundering activities** and is mostly represented by the following categories: cash, cheques, securities, real assets, vehicles, boats, companies.

With regard to the understanding of the typologies presented above and connected basic elements, we should point out that in a particular case several basic elements of typology could appear. Therefore, the sum of particular established money laundering techniques, which is represented by certain typologies and cases, does not represent the total number of the cases, as in the particular case, several basic money laundering techniques could be detected. In 2020, we established the following **most frequent used** **mechanisms of money laundering** with regard to the particular basic elements of money laundering techniques (mechanisms, techniques, instruments):

* ***Financial institutions*** (banks and savings houses): we discovered that in 285 cases the financial (banking) system was used. Among the services of the financial (banking institutions) or financial system, mostly the accounts of the companies and natural persons at banks were abused, as in at least 120 cases the foreign accounts were used. This means that the foreign natural and legal persons used accounts in Slovenia or that Slovenian natural and legal persons used foreign bank accounts;
* ***Natural persons*** were used in 209 cases. The method of use was different: either “self-laundering”, when the natural person commits the predicate criminal offence and criminal offence of money laundering as well; or the use of natural persons as authorized persons and use of natural persons as “third persons”, via whom the money laundering was performed;
* ***Legal persons*** were used in 198 cases, at least in 56 cases “straw” companies were used and in at least 4 cases offshore companies appeared;
* ***Systems for money transfer (Moneygram and Western Union)*** were used in 15 cases;
* ***Casinos and gaming saloons*** were used in 6 cases;
* In the remaining cases, we recorded individual usage of traders with precious metals (investment gold), exchange platforms for virtual currencies, ATMs and deposit boxes.

The most frequent money laundering **techniques** in 2020 (detected in more than one case) have been as follows:

* ***transfer of funds between countries*** (detected in approximately 72% of cases);
* ***transfers of funds between accounts*** (detected in approximately 61% cases);
* ***withdrawals of cash from accounts*** (detected in approximately 32% of cases);
* ***transfers of funds via state borders*** (detected in approximately 17% of cases);
* ***cash deposits*** (detected in approximately 14% cases);
* ***false representation of the purpose of transactions*** (detected in approximately 10% of cases);
* ***use of funds for economic activities*** (detected in approximately 8% of cases);
* ***use of fictive contracts*** (detected in approximately 7% cases);
* ***investments into real estates*** (detected in approximately 4% of cases);
* ***use of money transfer systems*** (MoneyGram, Western Union) (detected in approximately 4% of cases);
* ***withdrawal of cash at ATMs abroad*** (detected in approximately 4% of cases);
* ***creating false obligations*** (detected in approximately 2% of cases);
* ***Investments into virtual currencies*** (detected in approximately 2 % of cases);
* ***smurfing and avoidance of identification*** (detected in approximately 2% of cases);
* ***use of money mules or so called »cash couriers«*** *(*detected in approximately *2 % of cases).*

# COOPERATION WITH OTHER STATE AUTHORITIES AT DETECTION, INVESTIGATION AND PROSECUTION OF MONEY LAUNDERING

In this period, in its activities for the detection and prevention of the criminal offence of money laundering, the OMLP especially cooperated with the Criminal Police Directorate of the Ministry of Interior (Police), Special Group of Prosecutors for the Fight Against Organized Crime at Supreme State Prosecutor`s Office, Financial Administration of the Republic of Slovenia and Slovenian Intelligence and Security Agency. OMLP also closely cooperated in concrete cases with criminal investigation officers from several police directorates and other state prosecutor`s offices. Cooperation with the afore mentioned state authorities has been conducted at the level of principals and operative level between the authorized representatives of authorities.

In 2020, the OMLP agreed to cooperate in four specialized investigative groups, which have been all established later on. In all cases, the cooperation within those groups referred to the financial investigative group on the basis of Confiscation of Proceeds of Crime Act. Until the end of 2020, OMLP altogether took an active role in 69 specialized groups (51 of them have been established on the basis of the afore mentioned act). We assess the cooperation with the Police as successful as it took place in concrete cases and also at joint trainings and trainings for obliged entities according to APMLFT-1.

The data received from the Police and the State Prosecutors show that the Police in 2020 filed 26 criminal complaints on the grounds of reasonable suspicion of committing the criminal offence of ML, whereas the State Prosecutors initiated five pre-trial or criminal proceedings related to the suspicion of commitment of criminal offence of money laundering (Article 245 of Penal Code) without prior criminal complaints by the Police. Therefore, in 2020 31 proceedings commenced, where during the pre-trial or criminal proceedings the suspicions of committing the criminal offence of money laundering according to Article 245 of the Criminal Code have been investigated.

***Thus, in the period from 1995 to 2020 pre-trial or criminal proceedings have been initiated in 667 cases on the grounds of reasonable suspicion of committing the criminal offence of money laundering.***

## CRIMINAL OFFENCES AND THE IMPLEMENTATION OF ARTICLE 212 OF APMLFT-1

Article 121 of APMLFT-1 determines that due to centralization and analysis of all data related to money laundering, courts, State Prosecutors’ Offices and other state authorities are obliged to forward to the OMLP data on criminal offences on money laundering and violations of APMLFT-1. On the basis of this article, the state authorities are obliged to currently forward certain data to the OMLP and annually inform the OMLP on their findings referring to the received notifications and information and the State Prosecutors’ Offices and courts on persons and procedures, against whom the pre-trial, criminal or administrative proceedings have been introduced.

***In 2020, the Police and the State Prosecutor`s Office filed criminal reports or started criminal proceedings in 31 cases (within their competences) against 49 natural and 20 legal persons.***

In 2020, the number of new pre-trial and criminal proceedings decreased from 53 to 31 in comparison to the previous year, which represented half of the number of new proceedings in the years 2010-2015, when the average number of new proceedings was up to 60.

***In the last eight years 402 new criminal proceedings related to criminal offence of money laundering started, which was more than a half of all criminal proceedings related to criminal offence of money laundering (636) from 1995 onwards.***

### 4.1.1 Statistical data of Police on criminal offences of money laundering

On the basis of data on filed criminal reports, that the Police has to send promptly to the OMLP, it can be seen that in 2020 the Police filed 26 criminal complaints for the criminal offence of money laundering - out of which 23 contained the information, that were forwarded to the Police by the OMLP.

**In the period 2010-2020, the Police altogether filed 461 criminal reports due to reasonable suspicion of committing the criminal offence of money laundering, which was more than 80,06% of all introduced procedures (555) with regard to money laundering in this period.** Other procedures were introduced by the State Prosecutor’s Office independently or from other criminal procedures. The number of filed criminal reports due to reasonable grounds for suspicion of committing the criminal offence of money laundering of the Police in years of the period 2010-2020 is shown in the graph below.

***Graph 1: Number of filed criminal reports due to reasonable grounds for suspicion of committing the criminal offence of money laundering in the period from 2010 – 2020***

In 2020, the Police filed 26 criminal reports due to reasonable suspicion of committing the criminal offence of money laundering, which is above the average for the last six years. The graph shows that 60 % of criminal reports filed due to reasonable suspicion of committing the criminal offence of money laundering, were based on information forwarded to the Police by the Office. The rate deviates strongly only for the years 2018 and 2020, when the fewest criminal reports in the last ten years were filed.

### 4.1.4 Statistical data on pre-trial and criminal proceedings for the criminal offence of money laundering

From the data received for the year 2020 from the State Prosecutors’ Offices and courts it could be seen that with regard to **667 cases against 1231 natural persons and 147 legal persons** the pre-trial and criminal procedures were at the following stages on 31 December 2020:

***Table 4: Stages of procedures of cases connected with the criminal offence of money laundering on 31. 12. 2020***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **STAGE OF PROCEDURE** | **No. of cases** | **Domestic natural persons** | **Foreign natural persons** | **Domestic legal persons** | **Foreign legal persons** |
| SP\*: decision has not been made yet | 147 | 153 | 103 | 36 | 12 |
| SP: criminal charge rejected | 112 | 166 | 65 | 36 | 5 |
| SP: prosecution has been delayed | 1 | 1 |  |  |  |
| SP: demand for investigation | 45 | 99 | 19 | 2 | 1 |
| IJ\*\*: investigation has been introduced | 28 | 59 | 4 | 11 | 1 |
| COURT: indictment | 110 | 183 | 25 | 15 | 7 |
| COURT: Convictions | 101 | 130 | 16 | 6 |  |
| COURT: Acquittals (final) | 29 | 41 | 9 | 7 | 1 |
| SP: Withdrawal from prosecution | 46 | 91 | 12 | 4 |  |
| COURT: Stop of the criminal procedures | 24 | 31 | 6 | 2 |  |
| COURT: Withdrawal of prosecution abroad | 6 |  | 8 | 1 |  |
| Modification of the legal qualification of the criminal offence | 5 | 11 |  |  |  |
| Joinder of proceedings | 13 |  |  |  |  |
| **TOTAL** | **667** | **966** | **267** | **120** | **27** |

\* SP means State Prosecutor’s Office

\*\* IJ means Investigative Judge

From the Table 4 can be seen that on 31 December 2020 **336** **(out of 667) cases** connected with the criminal offence of money laundering **became final** as follows:

* ***in 112 cases, the State Prosecutor`s Office rejected the criminal report,***
* ***in 29 cases, the final acquittals were pronounced,***
* ***101 cases ended with the final conviction,***
* in 70 cases, the State Prosecutors’ Offices discontinued prosecution or the court stopped the criminal prosecution,
* 6 cases were forwarded abroad for further procedures,
* 5 cases ended with a modification of the legal qualification to another criminal offence,
* in 13 cases, the courts or the State Prosecutors’ Offices decided to join the pre-trial or criminal procedures.

In 147cases the State Prosecutor`s Office has not taken the decision on criminal prosecution and in 1 case it postponed the prosecution. In **183 cases** the State Prosecutor`s Office began with the pre-trial and criminal proceedings at court, which were on 31 December 2020 at the following stages:

* **in 45 cases in the stage of demand for investigation,**
* **in 28 cases the investigation has been introduced,**
* **in 110 cases the indictment has been filed.**

In the following table, you will find the number of all the cases on the last day of the particular year, where the criminal proceedings due to the criminal offence of money laundering have started. It could be seen that in the last 10 years the procedures on average in 51 new cases connected with the criminal offence of money laundering have been introduced.

***Table 5: Comparison of the number of cases connected with committing the criminal offence of money laundering with regard to the stages of procedures on the last day of the particular year (2011 – 2020)***

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **STAGES OF PROCEDURE** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| SP: decision has not been made | 75 | 64 | 80 | 104 | 94 | 112 | 135 | 141 | 138 | 147 |
| SP: criminal report rejected | 17 | 50 | 55 | 55 | 65 | 74 | 82 | 87 | 103 | 112 |
| SP: prosecution has been delayed |  | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| SP: demand for investigation | 30 | 21 | 27 | 20 | 27 | 31 | 31 | 34 | 48 | 45 |
| IJ: investigation has been introduced | 25 | 37 | 54 | 60 | 53 | 57 | 58 | 57 | 32 | 28 |
| COURT: indictment | 27 | 39 | 50 | 60 | 73 | 77 | 74 | 78 | 101 | 110 |
| COURT: conviction | 5 | 9 | 26 | 42 | 60 | 68 | 78 | 83 | 93 | 101 |
| COURT: final acquittal | 10 | 13 | 15 | 16 | 19 | 22 | 26 | 27 | 28 | 29 |
| SP: withdrawal of prosecution | 15 | 24 | 29 | 20 | 25 | 28 | 30 | 31 | 45 | 46 |
| COURT: stop of the criminal procedure |  |  |  | 13 | 17 | 20 | 21 | 21 | 24 | 24 |
| COURT: forwarding of criminal files abroad | 4 | 4 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Modification of the legal qualification of the criminal offence |  | 3 | 3 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Joinder of proceedings |  |  | 3 | 6 | 12 | 12 | 12 | 12 | 12 | 13 |
| **TOTAL** | **210** | **265** | **348** | **408** | **457** | **513** | **559** | **583** | **636** | **667** |

The State Prosecutor’s Offices rejected criminal charges in 9 cases filed due to suspicions of committing the criminal offence of ML. At the same time, the number of cases in active stages of pre-criminal and criminal procedures did not change significantly.

# PREVENTION AND SUPERVISION

In 2020, the activities of the OMLP in the field of prevention and supervision were as follows:

* preparation of changes of the proposal of the Act on Changes and Amendments of APMLFT-1 (APMLFT-1B),
* preparation of the proposal of the Act on Changes and Amendments of APMLFT-1 (APMLFT-1C),
* the beginning of preparation of the proposal of the Act on prevention of money laundering and terrorist financing (APMLFT-2),
* preparation of the proposal of the Decree on the exact functions which qualify as prominent public functions in the Republic of Slovenia (Official Gazette of the Republic of Slovenia No. 164/20),
* preparation of the Rules on the register of providers of exchange services between virtual and fiat currencies and custodian wallet providers (Official Gazette of the Republic of Slovenia No. 41/21),
* preparation of the Rules on Changes and Amendments of Rules on low risk and increased risk factors regarding money laundering and terrorist financing (Official Gazette of the Republic of Slovenia No. 152/20),
* preparation of the proposal of the Rules on the technical conditions that must be met by safes and means of video-based electronic identification or means providing the identification of a customer on the basis of their biometric characteristics,
* preparation of the proposal of the letter of notice by the European Commission on the infringement in relation to Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU, regarding the transposition into Slovenian legislation,
* preparation of proposal of the answer to the letter of notice by the European Commission on the infringement of the European Commission due to the lack of compliance of some articles of Directive (EU) 2015/849 of the European Parliament of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Regulation (EU) No. 648/2012 of the European Parliament and of the Council and repealing the Directive 2005/60/ES of the European Parliament and of the Council and of the and Directive of the European Commission 2006/70/ES (hereinafter: Directive (EU) 2015/849),
* preparation of opinions and views with regard to the implementation of the APMLTF-1 and bylaws issued on its basis,
* establishment of the register of providers of exchange services between virtual and fiat currencies and custodian wallet providers and publishment of the register on the web site of OMLP,
* cooperation in international bodies and organizations (European Commission, Council of Europe) which are engaged in the prevention of money laundering and terrorist financing,
* cooperation in the preparation of the feedback for the 5th round evaluation of Slovenia at Moneyval,
* supervision on the implementation of the provisions of the APMLTF-1 by obliged entities stated in Article 4 of the APMLTF-1,
* participation in the professional training of staff of the obliged entities,
* participation in the preparation and coordination of regulation of other competent authorities,
* preparation of replies and documentation to questions by the media, Members of Parliament and questions/demands received from Parliamentary Inquiries,
* ongoing editing of the website of the OMLP in accordance with the guidelines of the Ministry for Public Administration and Government Communication Office.

## LEGISLATION AND ASSISTANCE IN ITS IMPLEMENTATION

An important activity of the OMLP and the Department for Prevention and Supervision is the preparation of proposals of legal acts related to the prevention of money laundering and terrorist financing. It is important to emphasize that on one hand the OMLP is dealing with the transposition of European Directives, where the principle of minimal harmonization and compliance with international standards (FATF recommendations) applies and on the other hand the area of ML/TF has becoming very wide, expanding from initial financial investigation units to several sectors of obliged entities and their supervisors. This requires often time-consuming coordination of provisions of APMLFT-1 with provisions from regulation in other areas (banking rector, notary, etc.) covering various jurisdictions of supervisory authorities (operating under different procedural laws) or other areas, that are closely related to the activities of the OMLP (area of classified information, protection of personal data). Also, the dynamics of adoption of regulations at the EU level in the last years caused rushing in preparation of proposals (before expiration of the deadline for implementation of AMLD4 the AMLD5), due to potential different understanding of provisions of directives and the minimal harmonization principal there are also subsequently sent official infringements from the European Commission.

In the area of legislation there were several activities in the year 2020. Additional changes to the Act on Changes and Amendments of APMLFT-1 (APMLFT-1B) were prepared, the proposal of the new Act on Changes and Amendments of APMLFT-1 (APMLFT-1C) was prepared and also the process of incorporating the Act on Changes and Amendments of APMLFT-1 (APMLFT-1C) into the new APMLFT-2 started. The new proposal for APMLFT-2 was prepared and five proposals of by-laws as well.

### 5.1.6 Written opinions and views referring to implementation of AMLFT-1

In 2020, the OMLP gave 90 written opinions/points of view with regard to the implementation of APMLFT-1, which was almost 60 % less in comparison with 2019. The reason for this lies in decreased number of questions related to entering the data into beneficial ownership register in 2020.

Nonetheless, there was a need to coordinate the opinions regarding the implementation of the act with other supervisors. In general, it was acknowledged that the questions or requests for opinion regarding the interpretation of implementation of legal provisions were becoming more demanding and complex, which required more human resources of the OMLP. On the other hand, it showed the improvement of quality of work of certain types of obliged entities at the implementation of measures to prevent money laundering and terrorist financing in the framework of their business activity.

The OMLP gave opinions/points of view mainly with regard to the following contents areas related to implementation of APMLTF-1, as follows:

* CDD via third person,
* termination of business relationship according to APMLFT-1,
* entering data to the beneficial ownership register,
* new obliged entities that perform activities related to virtual currencies,
* determination of political exposure,
* CDD obligations in occasional transactions,
* CDD according to Article 17. of APMLFT-1,
* performing measures according to the APMLFT-1,
* performing CDD via video-electronic identification,
* CDD via external contractor,
* appointment of representative and deputy representative,
* reasons for suspicion of money laundering and terrorist financing,
* obligations of lawyers and notaries according to APMLTF-1,
* bearer shares and,
* retention of data and documentation.

Instructions on how to perform the provisions of the APMLTF-1 related to politically exposed persons and beneficial owners were also published at the web site of the OMLP.

### 5.1.7 Updated report on the implementation of national risk assessment of the Republic of Slovenia in the area of money laundering prevention and terrorist financing with data from 2016, 2017, 2018 and 2019 and the Action Plan for reducing and eliminating the risk of money laundering or terrorism financing.

In 2020 the OMLP and other shareholders started to prepare the updated report on the implementation of the national risk assessment of the Republic of Slovenia.

The updated report on implementation of national risk assessment of the Republic of Slovenia is the result of the activities of several shareholders in the ML/TF prevention that took place already three times. The aim of the National Risk Assessment remains the same since its beginning, namely the preparation of the basis for the adoption of comprehensive measures that are based on risk. Risks for ML/TF are different, they change as a response to global trends in economy, with the introduction of new regulatory provisions, with the development of modern IT technologies. The approach that is based on the risk enables the competent state authorities and obliged entities to take measures that are proportionate to the perceived risk. The national risk assessment is the key document in which these risks are recognized, understood and properly managed with the measures from the Action Plan. Taking action on the basis of National risk assessment means a better targeted orientation on ML/TF risks that the Republic of Slovenia and shareholders faces in the area of ML/TF prevention.

The adopted report on the implementation of the national risk assessment and the Action plan prepared on its basis are together with the execution of foreseen measures to eliminate the risks and deficiencies the basis of detection of suspicion of commitment of criminal offence of money laundering and terrorist financing and proper investigation of these offences. With this approach the doubt that the criminal offence of ML/TF were not properly investigated is eliminated. The Risk assessment uses as a parameter of riskiness also the number of riskier clients (non residents, politically exposed persons, clients from countries with higher risk om ML/TF) with whom the obliged entities enter into business.

On 11. 2. 2021 the government of the Republic of Slovenia adopted the Updated report on the implementation of the national risk assessment of the Republic of Slovenia in the area of money laundering prevention and terrorist financing with data from 2016, 2017, 2018 and 2019 and the Action Plan for reducing and eliminating the risk of money laundering or terrorism financing with decision No.: 46000-3/2020/6

## ACTIVITIES IN THE FRAMEWORK OF INTERNATIONAL BODIES

### 5.2.1 Council of Europe

In 2020 the activities of the OMLP were largely focused to the functioning of the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL).

#### 5.2.1.1 Committee of Experts of the Council of Europe on the Evaluation of Anti-Money Laundering Measures and Financing of Terrorism (MONEYVAL)

In 2020, a working meeting and 60st plenary session of Moneyval was held virtually, due to COVID-19 pandemic. The topics are described below.

**Working meeting of MONEYVAL (June 30.-July 3. 2020)**, at this meeting Matthias KLOTH resigned as executive secretary of MONEYVAL as he took a new position in Council of Europe. The Russian representative Igor NEBYVAEV with experiences in the area of prevention of money laundering and terrorist financing, namely in FATF and EAG (Euro Asian Group), took his position. Follow up reports of Czech Republic, Lithuania and Ukraine were sent to delegations for the preliminary overview, remarks or objections. No remarks were received by MONEYVAL to the reports of Czech Republic and Lithuania. There were some remarks to the first draft of the Ukrainian report, but all the open dilemmas were solved before sending the updated report with which all delegations agreed. Follow up reports of all three counties were adopted.

The follow up report of Isle of Man was sent to delegations for the preliminary overview, remarks or objections. The MONEYVAL secretariat received remarks to the first draft of the report and to the updated report, therefore the report was discussed also at the 60th Plenary of Moneyval that took place from September 14-18, 2020. At the plenary, the Action Plan of MONEYVAL was adopted, it included the training of assessors, visits of representatives, etc.

Due to the COVID-19 pandemic some procedural rules for the 5th round of assessment have been changed.

The analysis of trends in ML/TF in countries members of MONEYVAL has shown that during the COVID-19 pandemic the number of criminal offences (with transnational elements) has risen, mainly frauds (with e-devices) in cybercrime. Given the increased need of medical equipment (as a consequence of insufficient stocks) there were cases of fraud and corruption. In the pandemic period the number of suspicious transactions received from obliged entities did not change. Supervisors were successful in executing off site supervisions by electronic means, also the number of supervisions did not change during pandemic. Law enforcement authorities did not encounter substantial problems in prosecuting criminal activity, but the courts had to postpone certain proceedings.

**60th MONEYVAL plenary session (September 14. – September 16. 2020):** Experts from all member states of MONEYVAL participated in thesession of the »evaluation working group«. The aim of this group was to answer the key questions related to reports of countries in the 5th round of MONEYVAL evaluation. According to procedural rule No. 18 the debate of this group was focused on five up to seven key issues, chosen by Secretariat, evaluators and the Chairman of this group, on the basis of questions of member states. At this plenary the reports of Slovakia and Georgia were discussed. The topics of Slovakian report were mainly the activities of FIU Slovakia, detection and prosecution of criminal offence of money laundering and terrorist financing, targeted financial sanctions related to terrorism and financing of terrorism, prevention of misuse of NGOs for terrorism financing, transparency and beneficial owners of legal persons. The report of Georgia was focused on detection and prosecution of criminal offence of money laundering, activities of their FIU for prevention of money laundering, new technologies, sanctions of financial supervisors, etc. The assessors pointed out the deficiency of FIU Georgia that is related to sharing the information of results of analyses with the intelligence unit at their Ministry of Finance.

Two projects (Polish and Russian) were presented to MONEYVAL (Secretariat was an initiator), they were both confirmed. The aim of the first (Polish) project »COVID-19 SUPERVISORS« was to collect and share best practices from member states. The supervisors must be aware that in emergency circumstances the standard procedures do not function. The second project (Russian) was focused on FATF recommendation R.15 »New technologies «. The aim of this project was to analyze the use of cryptocurrencies in relation to the cross-border drug dealing, harmonize the ML/TF legislation with the issues deriving from cryptocurrencies, analyze transactions with cryptocurrencies in member states.

The president of COP 198 Ioannis ANDROULAKIS presented the horizontal assessment of countries in line with COP 198, Carlo CHIAROMONTE, the coordinator of the Council of Europe in fight against terrorism (CDCT), pointed out the shared points between CDCT and MONEYVAL and the need to strengthen the cooperation. The representative of the MONEYVAL Secretariat presented the reports from the point of view of their quality and consistency with particular emphasis to Designated Non-Financial Businesses and Professions.

#### 5.2.1.2 Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism

#### The Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (hereinafter: COE No. 198) that Slovenia ratified in 2020 intended to fight money laundering and terrorist financing. Under the basic principle of COE No. 198 signatory countries shall take such measures to enable to search, to follow, to detect, to freeze, to seize and to confiscate the proceeds from crime, that is partly or entirely used to finance terrorism or proceeds from crime from this criminal offence and in this context enables extended cooperation. One of its fundamental obligations is to support the direct communication between contracting states and their authorities and to prescribe the obligation of information sharing between authorities of contracting members. In Slovenia, the OMLP is the central authority competent for receiving and sending requests in the framework of chapter IV (international cooperation) and forwarding them to competent authorities.

In October 2020, the 12th conference of the parties of COE No. 198 took place, also participated by the representative of OMLP. Due to emergency circumstances the mandate of three members of the presidency was extended. The thematic report on implementation of the implementation of the convention in member states in relation to Articles 7(2c) and 19(1) was adopted. The next thematic review focused on first and second paragraph of Article 10 of the convention that covered the responsibility of legal persons. Some changes were adopted in relation to thematic assessments for 2018 and 2019 connected to the Ratification by Monaco and the financial contribution of Russia. In relation to thematic reports on the implementation of the fourth paragraph of Article 3, it was decided that an explanatory note is needed. It was decided that for this reason a meeting will be organized in May 2021. The representative of the European Court for Human Rights presented the case Phillips against United Kingdom and other judicial practice related to the reversal of burden of proof in confiscation proceedings. The questionnaire on virtual assets was also discussed.

### 5.2.2 European Commission

### 5.2.2.1 Expert Group on Money Laundering and Terrorist Financing« – EGMLTF

In 2020 the representatives of the FIU participated in five meetings of the Expert Group on Money Laundering and Terrorist Financing – EGMLTF) at the European Commission.

The main topics of the meetings were as follows:

1. Definition of high risk third countries that the European Commission adopted with the delegated Regulation

In May in the framework of AML/TF package the European Commission improved the methodology to determine the high risk third countries. The revised methodology focused on three main goals:

i) synergy with the FATF list, so that the country that was on the FATF list was also listed on the EU list as well

ii) enhancing the cooperation with third countries and

iii) enhancing the cooperation with experts from member states in the whole process of determining the high risk third countries.

1. Transposition of Directives AMLD4 and AMLD5

The European Commission recognized that the process of transposition of European legislation from the area of AML/TF could represent a problem due to different understanding of certain provisions of the Directives. The deadline for the transposition of AMLD4 was June 2017, when the infringement procedures against all member states started. At the beginning of 2020, two cases of infringement were before the Court of Justice of the European Union and 13 were still open due to incomplete transposition. At the end of 2020 the situation improved, mainly for what concerns the Directive AMLD4. The European Commission stressed that it would cooperate with all member states to ensure the correct implementation. In relation to Directive AMLD5 for which the deadline expired in January until September 15 member states notified complete transposition, 10 member states partial transposition and two member states did not notify the European Commission. Given the above mentioned in February the European Commission started eight infringement proceedings due to non-notification and nine infringements in May due to incomplete transposition.

1. Action Plan of the European Commission.

Based on the findings of four reports of the Commission published in July 2019 and the conclusions of the Council adopted in December 2019 the Commission prepared the basis for legislative changes for the wide harmonization of rules in the area of AML/TF. These changes are supposed to create a long term sustainable system of measures that would address the issues of legislative framework implementation, inconsistent legal framework, inconsistent supervision and insufficient cooperation between FIUs. On 7th May 2020 the European Commission published the Action plan for the comprehensive policy of the EU in the area of AML/TF as the proposal to eliminate the weaknesses of the current legal framework. The Action plan consist of six pillars:

- efficient transposition or implementation of existing regulations,

- preparation of new unified European rules, to achieve the maximum harmonization and achieve the same conditions at the internal market,

- supervision at the EU level,

- mechanism to support and enhance cooperation of FIUs,

- enforcement of criminal law provisions at EU level and exchange of information,

- strengthen the role of EU in the world.

### 5.2.2.2 FIU Platforms (Financial Intelligence Unit)

In 2020 the European Commission organized four virtual meetings of representatives of FIUs in the framework of FIU Platforms. Representatives of the OMLP attended those meetings as well. The main topics of meetings in 2020 were:

– the Coordination and Support Mechanism – CSM, that includes the construction of information system to exchange the data between FIUs, potential establishment of European FIU and cooperation,

– exchange of data in accordance with the Directive (EU) 1153/2019,

– access of LEA to financial data in accordance with the Directive (EU) 1153/2019.

### 5.2.2.3 Committee on Prevention of Money Laundering and Terrorist Financing – Interconnection of BO registers – BORIS

In 2020 the representatives of OMLP and the Agency of the Republic of Slovenia for Public Legal Records and Related Services participated in three comitology meetings of the Committee on Prevention of Money Laundering and Terrorist Financing – Interconnection of BO registers - CPMLTF.

In the framework of the Committee, the members were familiarized with the forms and state of play of BOR in member states and started to prepare the text of the Commission implementing regulation on establishing the technical specifications and procedures required for the system of interconnection of central registers referred to in Directive (EU) 2015/849 of the European Parliament and of the Council.

## PARTICIPATION IN PROFESSIONAL TRAINING

According to the point 6 of first paragraph of Article 79. of APMLFT-1 and the Rules on the performance of internal control, authorized persons, the storage and protection of data, professional training, and management of records by obliged persons (Official Gazette of the Republic of Slovenia No. 54/17) the obliged entities from Article 4 of APMLFT-1 must ensure regular professional training in relation to prevention of money laundering and terrorist financing for all employees performing tasks from APMLFT-1. In 2020 the representatives of the OMLP participated in 17 trainings with their presentations in Slovenia and abroad that were mainly held virtually due to COVID-19.

## SUPERVISION OF IMPLEMENTATION OF PROVISIONS OF APMLFT-1 AT OBLIGED ENTITIES

### 5.4.1 Supervision procedures

The supervisory tasks are from the organizational point of view placed in the Department for prevention and supervision, which has also several other duties, described in the previous parts of this report.

Due to the low number of employes in the Department, two vacancy tenders for supervisors were published. The main obstacles for more efficient supervision are the lack of staff and other tasks that the department has to perform besides the supervision.

According to the adopted strategic orientation and priorities for 2020 the OMLP continued to execute supervisions of natural and legal persons performing accounting services, tax advisors and fiduciary services. In 2020 the OMLP performed 50 on site supervisions and issued 46 regulatory decisions. Due to COVID-19, 103 off site supervisions with questionnaires on activities of business entities in the field of AML/TF were performed, one decision to remedy irregularities was issued and one misdemeanor case opened.

With regard to the extent of entities obliged for the implementation of the provisions of the APMLFT-1 and the number and diversity of supervisory bodies supervising individual types of obliged entities (Bank of Slovenia, Securities Market Agency, Insurance supervision Agency, Financial Administration, Market Inspectorate, Agency for Public Oversight of Auditing, Slovenian Bar Association and Chamber of Notaries of Slovenia), the OMLP also foresees carrying out of inspections that would include both independent inspections, especially at entities that do not have a primary supervisor, as well as joint inspections with other supervisors in order to harmonize supervisory practices and improve the implementation of the provisions of the APMLFT-1 in practice.

### 5.4.2 The OMLP as a minor offence authority- general

The APMLFT-1 contains detailed sanctions for violations of provisions. Violations of provisions of the act are precisely defined according to subjects (violations committed by issuer of electronic mean of communication, violations of third parties, violations of persons performing the activity of selling goods, violations of business entities which are obliged to identify and enter data on their beneficial owner, etc.)

In APMLFT-1, the offences are divided by their gravity:

* most serious offence (imposed fine for legal entity is from 12.000 to 120.000 EUR, for responsible person of the legal entity from 800 to 4.000 EUR and for a sole trader or a self-employed person from 4.000 to 40.000 EUR),
* serious offence (imposed fine for legal entity is from 6.000 to 60.000 EUR, for responsible person of the legal entity from 400 to 2.000 EUR and for a sole trader or a self-employed person from 2.000 to 20.000 EUR) and
* minor offence (imposed fine for legal entity is from 3.000 to 30.000 EUR, for responsible person of the legal entity from 200 to 1.000 EUR, and for a sole trader or a self-employed person from 1.000 to 10.000 EUR).

### 5.4.3 Recorded violations

In 2020, the OMLP recorded four violations at obliged entities from Article 4 of APMLFT-1, namely with regard to their delay at reporting data on cash transactions exceeding 15.000 EUR and transfers to higher risk countries (Article 68 of APMLFT-1). In all cases, there were minor overruns of the statutory deadline or the delays due to technical issues, explained by the obliged entities on their initiative. Therefore, the OMLP considered that those were petty offences and the procedures would not be expedient. In 2019 there were 6 such violations.

# INTERNATIONAL COOPERATION

The legal basis for the international activities of the OMLP is determined by Articles 105, 106 and 108 of APMLFT-1, authorizing the OMLP to exchange the information with foreign counterparts competent for the prevention of money laundering and terrorist financing. The chapter of the APMLTF-1 referring to the international cooperation also determines conditions under which the OMLP can temporarily postpone a transaction on the basis of the initiative of the foreign FIU and enables the OMLP itself to give (within its obligations of the prevention of money laundering and terrorist financing) an initiative to a foreign authority for the temporary postponement of transaction on the basis of reasoned suspicion of money laundering and terrorist financing.

The OMLP has obtained certain competences on the basis of COE No. 198, which was adopted by the Board of Ministers of the Council of Europe on 16 May 2005. Slovenia signed it on 28 March 2007, ratified on 26 April 2010, so it came into force on 1 August 2010. The OMLP was foreseen as the central authority competent for receiving and sending requests referring to money laundering, search, seizure and confiscation of the proceeds from crime and financing of terrorism.

Below you will find data on the activities of the OMLP in the field of multilateral and bilateral cooperation.

## MULTILATERAL COOPERATION

This chapter refers to the activities of the OMLP in 2020 that are related to the cooperation in the EGMONT group. The activities in the Council of Europe and European Commission are presented in the chapter of Prevention and supervision.

Activities in the framework of the EGMONT group

In 2020 the meeting of representatives of FIUs members of EGMONT was organized in Mauritius (January 27th to January 30th 2020), the OMLP did not participate in this meeting. The meeting of heads of FIUs also took place virtually in July 2020 due to COVID-19.

In 2020, the number of FIU members of the EGMONT group rose to 166, as Bhutan and Montenegro joined the group. The president of the EGMONT group, Henni VERBEEK KUSTERS, presented the role of FIUs in the fight against corruption at G20 meeting. It was the first time that a member of the EGMONT group was invited to such an event. Members from India, Australia, Italy, France and Armenia were welcomed to the EGMONT secretariat.

## BILATERAL COOPERATION

For bilateral cooperation of OMLP, numerous contacts with its foreign counterparts were characteristic in the year 2020 as well.

### International cooperation on the basis of the Act on prevention of money laundering and terrorist financing

On the basis of Article 105 of APMLFT-1 the OMLP sent 345 requests in 245 cases to 52 countries (in 2019 239 requests in 189 cases to 52 countries) and on the basis of Article 108 168 spontaneous information to 28 countries (in 2019 141 spontaneous information to 32 countries).

In comparison to 2019 we noted an increase of sent requests by 44 % and spontaneous information by 18 %.

On the basis of Article 106 of APMLFT-1 in 2020 the OMLP received 141 requests in 135 cases from 38 countries (in 2019 176 requests in 142 cases from 59 countries) and 85 spontaneous information from 24 countries (in 2019, 52 spontaneous information from 18 countries)

In comparison to 2019 the number of received requests decreased by 20 % and the number of received spontaneous information increased by 63 %.

In 2020 the majority of data was exchanged with FIUs of Italy, Croatia, Germany, Russia, Great Britain and Serbia.

### Memorandum of understanding

The existing cooperation between FIUs can also be upgraded with the signing of legally non-binding documents, so called “Memorandums of Understanding”. In some countries the Memorandum of Understanding is mandatory in order to exchange information.

In 2020, the OMLP signed a memorandum of understanding with Maldives, Guatemala and South Africa.

Since its establishment the OMLP in 1995 until the end of 2020 has already signed 51 Memoranda of Understanding.

### International cooperation on the basis of COE No. 198

As already mentioned in chapter 5.2.1.2 , the OMLP is on the basis of COE No. 198 the central authority competent for receiving and sending requests in the framework of its chapter IV (international cooperation).

In 2020 the OMLP received eight requests from Slovenian Courts relating to the execution of their decisions regarding the confiscation of proceeds of crime on the basis of the mentioned Convention. No such requests were received from foreign competent authorities in 2020.

# LOGISTICS AND INFORMATICS

## ORGANISATION AND STAFF MATTERS

### Movement and structure of personnel

On 31st December 2020, the OMLP had (together with the acting director) altogether 28 employees, which was four more than on 31st December 2019. The increase was a consequence of the employment of a new acting director, the internal redeployment of a previous director into the international cooperation service and three new employments in the Department for prevention and supervision. Based on the Decree on the internal organization, job classification, posts and titles in public administration and judicial bodies there were 33 systematized posts, which meant that at the end of 2020 the occupancy was 85%.

## FINANCIAL AND MATERIAL OPERATIONS

The budget funds intended for the OMLP operations in the year 2020 amounted to 1.159.624 **EUR. On the OMLP proposal the structure of planned funds changed slightly as some redistribution of certain budget items was executed during the year. The** total amount of 1.112.682 EUR was used for salaries, other personal incomes and contributions of the employer for the social security; costs of goods and services, for the membership fee of the EGMONT group, and for smaller investments and for own financial participation to the co-financed project of IT development – which represented 95,95 % of the planned funds.

## INFORMATICS

In 2020 the IT service started, continued or finished the following activities:

### preparation of the needed documentation for maintenance of IT systems,

### implementation of the Agreement between the Ministry of Public Administration and preparation for the movement of users to the state computer cloud.,

* maintenance of databases and the record system of the OMLP,
* collecting, keeping and publishing of data sent by obliged entities according to the Article 68 of AMLPTF-1,
* preparation of statistical data and analysis of cash transactions for the yearly report of the OMLP,

### administration and maintenance of internal servers of the OMLP,

* archiving the confidential data,
* collecting data on cash transactions,
* integration of new employees into the working process of the OMLP,
* activities of training of users,

### activities related to the smooth operation of IT technology during COVID-19 pandemic.

1. *Criminal offence of money laundering was introduced into our legislation – Criminal Code in 1995, the same year as the OMLP was established and the Act on prevention of money laundering and terrorist financing was adopted.* [↑](#footnote-ref-1)
2. *The activities of the OMLP in the area of prevention of money laundering and terrorist financing are proposal of acts amendments, preparation of guidelines for obliged entities, cooperation in preparation of indicators to detect suspicious transactions, cooperation in training of obliged entities, following trend and typologies.* [↑](#footnote-ref-2)
3. *The obliged entities send the data on prescribed forms, one form can contain more transactions, of which the sum exceeds 15.000 EUR.* [↑](#footnote-ref-3)
4. *The number in this column is the number of written notifications or information of the OMLP to the foreign counterpart, that is smaller than the number of investigated cases, as the OMLP can investigate more subjects in one written notifications or information.* [↑](#footnote-ref-4)