

**THE REPORT ON ACTIVITIES OF THE OFFICE FOR MONEY LAUNDERING PREVENTION OF THE REPUBLIC OF SLOVENIA FOR THE YEAR 2021**

**Unofficial translation**

November 2022

**PREAMBLE**

The Act on the Prevention of Money Laundering and Terrorist Financing (Official Gazette of the Republic of Slovenia No. 48/2022 - hereinafter: APMLFT-2) 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. [[1]](#footnote-1)

The report on the activities of the OMLP for the year 2021 has already been the **twenty-sixth report to the Government** and refers to the period from **1 January 2021 until 31 December 2021**. 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 and by establishment of the offices for money laundering prevention 27 years ago, the system of detection of money laundering has intended a special role also to the obliged entities (financial and non-financial institutions)[[2]](#footnote-2) 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. [[3]](#footnote-3) 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.

In comparison to year 2020 the organizational chart has changed based on amendments of Public Employees Act[[4]](#footnote-4) and Decree on the internal organization, job classification, posts and titles in public administration and judicial bodies[[5]](#footnote-5). The **reorganization** was implemented in 2021. The main change was the abolition of the Division of prevention and supervision, its tasks were transferred to newly established Legal Affairs Division, Division of International Affairs and Prevention, and Inspection. Additionally, the General Affairs Division and IT Support was created that took over some tasks previously done by management and IT support. Department of Suspicious transactions was renamed to Division for Monitoring, Analysis and Supervision, its tasks remined unchanged.

**Organizational chart of the OMLP:**

Besides the management, the OMLP consists of 5 organizational units, namely:

* **General Affairs Division and IT Support,**
* **Division of international Affairs and Prevention,**
* **Inspection,**
* **Legal Affairs Division and**
* **Division for Monitoring, Analysis and Supervision.**

# CASH TRANSACTIONS, TRANSFERS TO HIGH RISK THIRD COUNTRIES AND CASH TRANSFERS VIA EU BORDER

Since 19 November 2016, when the APMLFT-1 came into force, the OMLP received according to the Article 4 of the APMLTF-1 data on all transactions exceeding certain thresholds from obliged entities, 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 customer`s demand performed to countries or accounts of natural persons and legal persons with residence or headquarters in jurisdictions with a higher risk for 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 TRANSACTIOND 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 2021, the OMLP received data (via protected electronic connection) from obliged entities on 42.980 cash transactions[[6]](#footnote-6) exceeding 15.000 EUR in the total amount 1.536.055.994 EUR**.

The share of reported cash transactions by sectors has been similar as in previous years, where we 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 2020 - the total amount of funds in all reported cash transactions increased for 19,9%, whereas the number of transactions themselves increased for 18,7%.**

***Table 1: Number and share of cash transactions exceeding 15.000 EUR in the period 2019-2021 by obliged entities.***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Obliged entity | 2019 |  | 2020 |  | 2021 |  |
|  | Number | Share | Number | Share | Number | Share |
| Banks | 35.157 | 82,03 % | 30.769 | 85,01 % | 35.358 | 82,27 % |
| Saving Houses | 4.568 | 10,66 % | 3.652 | 10,09 % | 4.195 | 9,76 % |
| Casinos | 3.113 | 7,26 % | 1.771 | 4,89 % | 3.410 | 7,93 % |
| Notaries/Lawyers | 17 | 0,04 % | 1 | 0,00 % | 2 | 0,00 % |
| Others | 6 | 0,01 % | 2 | 0,01 % | 15 | 0,03 % |
| Total cash transactions | **42.879** |  | **36.195** |  | **42.980** |  |
| Total amount | **1.533.261.465** |  | **1.280.791.830** |  | **1.536.055.994** |  |
| Amount/transaction | **35.773** |  | **35.386** |  | **35.739** |  |

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. One of the main findings of the year to year comparison is that in 2021 the number of transactions and the sum of transactions, giving the fact that average amount by reported cash transaction did not change much, raised to levels reached in 2019.

## TRANSFERS EXCEEDING 15.000 EUR, RELATED WITH 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.[[7]](#footnote-7)

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 2021 and included altogether between 74 and 77 countries. The list of risk countries is publicly available at the website of the OMLP.

In the period from 1 January 2021 until 31 December 2021, obliged entities reported to the OMLP data on altogether 3.875 transactions in the total value of 521.218.955 EUR, 100.096.602 USD and 797.956 CHF (together 635.412.734 EUR according to the bank exchange rate of 31. 12. 2021) that were transferred to persons with seat in risk countries or to accounts opened in risk countries.

## TRANSFERS OF CASH AMOUNT TO OR EXCEEDING 10.000 EUR 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 2021, there were altogether 46 reported transfers of cash at the Slovenian part of the EU border, which was 10 % less than in 2020, when there were 51 of such transfers.** In 2021, there were no non-reported transfers of cash via EU borders.

Among 46 reported transfers, there were **15 transfers to EU in total amount of 387.965 EUR and 24.500 USD, and 31 transfers from EU in total amount of 405.500 EUR, 400.550 USD and 194.000 CHF. The majority of all transfers to EU referred to the personal use, 55% of all transfers from EU referred to cash for the needs of ships.**

# ACTIVITIES OF OMLP IN THE FIELD OF SUSPICIOUS TRANSACTIONS

In 2021, the OMLP received data on suspicious transactions from obliged entities according to the Article 4 of APMLTF-1, 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 reports on suspicious transactions referring to proliferation. In 2021, 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 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 OR TERRORIST FINANCING

According to the provisions of the APMLFT-1, the OMLP received 1073 reports on suspicious transactions or suspicious activities in 2021, referring to the reasons for suspicions of money laundering; 28 reports, which referred to the reasons for suspicion of terrorist financing and 2 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 1.103 cases and performed activities on the basis of APMLFT-1.

Those reports have been (together with the comparative data for the period 2017 – 2021) sorted according to the:

* reporting entities,
* number and dynamics of opened and concluded cases,
* cases, forwarded to the Criminal Police Directorate of the Ministry of Interior due to grounds for suspicion of money laundering,
* cases, forwarded to the Criminal Police Directorate of the Ministry of Interior due to grounds for suspicion of financing of terrorism,
* 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,
* temporary postponement of transactions,
* the value of temporarily seized dirty money and assets,
* typology of suspicious transactions.

### 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 2021, can be seen below (together with the comparative data from 2017 onwards). For the year 2018, 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 from 2017–2021*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2017 | 2018 |  | 2019 |  | 2020 |  | 2021 |  |
|  | **PD** | **PD** | **FT** | **PD** | **FT** | **PD** | **FT** | **PD** | **FT** |
| 1. REPORTING ENTITIES  | **484** | **660** | **25** | **889** | **24** | **893** | **51** | **860** | **19** |
|  | **86,74 %** | **87,07 %** | **86,21 %** | **85,65 %** | **77,42 %** | **82,38 %** | **96,23 %** | **80,00 %** | **67,86 %** |
| Banks | **426** | **548** | **18** | **755** | **8** | **737** | **5** | **732** | **6** |
| Saving banks | **28** | **75** |  | **84** |  | **87** | **1** | **57** |  |
| Post Office | **10** | **15** |  | **7** |  | **17** |  | **4** |  |
| Brokerage companies and management companies of investment funds | **3** | **2** |  | **10** |  | **4** |  | **3** |  |
| Leasing | **2** | **2** |  | **2** |  | **1** |  | **1** |  |
| Auditors and accountants | **2** |  | **1** | **5** |  |  |  | **1** |  |
| Casinos | **10** | **5** |  | **9** |  | **1** |  |  |  |
| Other organisers of games of chance | **1** |  |  | **1** |  | **1** |  |  |  |
| Dealers with precious stones |  | **3** |  | **1** |  |  |  | **1** |  |
| Real Estate Agencies | **1** |  |  |  |  |  |  |  |  |
| Insurance companies | **1** |  |  |  |  | **1** |  |  |  |
| Virtual Currencies |  | **1** |  |  |  |  |  | **6** |  |
| Payment Service providers |  | **4** | **6** | **5** | **16** | **38** | **45** | **23** | **13** |
| Other Obliged Entities |  | **3** |  | **3** |  | **4** |  | **29** |  |
| Notaries | **2** | **2** |  | **2** |  | **1** |  | **1** |  |
| Lawyers |  |  |  | **5** |  | **1** |  | **2** |  |
| 2. INITIATIVES OF STATE AUTHORITIES | **38** | **49** | **2** | **81** | **5** | **115** | **1** | **128** | **5** |
|  | **6,81 %** | **6,46 %** | **6,90 %** | **7,80 %** | **16,13 %** | **10,61 %** | **1,89 %** | **11,91 %** | **17,86 %** |
| Ministry of Interior, Criminal Police Directorate | **18** | **30** |  | **48** |  | **70** |  | **99** | **3** |
| State Prosecutor's Office | **13** | **13** |  | **20** |  | **17** |  | **9** |  |
| Ministry of Finance, Financial Administration |  |  |  |  |  |  |  | **4** |  |
| Court |  |  |  | **4** |  | **3** |  | **4** |  |
| Commission for the Prevention of Corruption  |  |  |  |  |  | **1** |  | **1** |  |
| Slovenian Intelligence ang Security Agency | **7** | **6** | **1** | **9** | **5** | **24** | **1** | **11** | **2** |
| Ministry of Defence, Intelligence Security Service |  |  | **1** |  |  |  |  |  |  |
| 3. REPORTING OF THE FACTS OF SUPERVISORY AUTHORITIES | **3** | **5** | **0** | **14** | **0** | **16** | **0** | **14** | **0** |
|  | **0,54 %** | **0,66 %** | **0,00 %** | **1,35 %** | **0,00 %** | **1,48 %** | **0,00 %** | **1,30 %** | **0,00 %** |
| Ministry of Finance, Financial Administration |  |   |   | **1** |  | **1** |  |  |  |
| Securities Market Agency |  | **1** |   | **2** |  | **1** |  |  |  |
| Market Inspectorate |  | **1** |   |  |  |  |  | **1** |  |
| Bank of Slovenia | **3** | **3** |   | **11** |  | **13** |  | **13** |  |
| Insurance Supervision Agency |  |   |   |  |  | **1** |  |  |  |
| 4. OMLP ON ITS OWN INITIATIVE  | **3** | **4** |   | **1** |  | **2** | **1** | **18** | **0** |
|  | **0,54 %** | **0,53 %** | **0,00 %** | **0,10 %** | **0,00 %** | **0,18 %** | **1,89 %** | **1,67 %** | **0,00 %** |
| 5. FOREIGN FIUs  | **28** | **40** | **2** | **53** | **2** | **58** |  | **55** | **4** |
|  | **5,02%** | **5,28 %** | **6,90 %** | **5,11 %** | **6,45 %** | **5,35 %** | **0,00 %** | **5,12%** | **14,29 %** |
| TOTAL | **558** | **758** | **29** | **1038** | **31** | **1084** | **53** | **1075** | **28** |

In 2021 the OMLP opened **1.103** cases on the basis of reported suspicious transactions, namely:

- **879** cases were opened on the basis of reported suspicious transactions by obliged entities,

- **13** cases were opened on the basis of initiatives of state authorities,

- **14** cases were opened on the basis of facts reported by supervisory authorities,

- **18** cases were opened on the basis of data from OMLP’s own databases,

- **55** 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 2021, as 738 cases (out of all 1103 cases) were opened on the basis of data from reports of banks, which represented 66,91% of all opened cases.

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

### Number and dynamics of opened and concluded cases

Below you can find the number of opened and concluded cases in the period from 2011 until 2021, 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 from 2011–2021***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| YEAR | OPENED | NOTIFICATION | INFORMATION | AA IN OMLP | CONCLUDED TOTAL | NUMBER OF ALL SENT WRITTEN INFORMATION[[8]](#footnote-8) NOTOFICATION/INFORMATION |
| 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 |
| 2021 | **1.103** | **493** | **872** | **516** | **1.931** | **434/801** |

From the table can be seen that in 2021 the OMLP opened 1.103 of new cases on the basis of reports and in the same period concluded 1.931 cases.

**In 2021, the cases were concluded as follows:**

* 493 **cases** were concluded as **434** 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 (25,53% of all cases, concluded in 2021),
* **872 cases** were concluded with 810 written **information**, due to the established grounds for suspicion of committing **other criminal offences**, stipulated by Article 102 of APMLFT-1 (45,15% of all cases concluded in 2021). The cases were therefore forwarded to the competent authorities (Police, Financial Administration of the Republic of Slovenia),
* **516 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 (26,72% of all cases, concluded in 2021),
* **40 cases** were **concluded by being referred to another competent authority** (Police, Financial Administration), which represented 2,07 % of all cases concluded 2021,
* **5 cases** were **concluded with a final decision**, as it was visible from the notification that other authorities were competent for the case and were already informed about it,
* **5 cases** were concluded **with spontaneous information** forwarded to the competent foreign FIU.

According to data from previous years the number of received notifications and cases opened based on these notifications in year 2021 compared to the year 2020 decreased by **3 %** and increased by **26 % compared to average in the last 5 years.** The average number of received notifications in the period 2017–2021 amounted to 930 per year, which is a very high number compared to annual average per inhabitant in other countries.

### Cases forwarded to the Criminal Police Directorate of the Ministry of the Interior and/or State Prosecutor’s Office due to established grounds for suspicion of committing criminal offence 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 as they were suspected to be connected with the criminal offence of money laundering,

In 2021, during its analysis the OMLP discovered grounds for suspicion of committing the criminal offence of money laundering in 488 cases and forwarded its findings in 429 written notifications to the Criminal Police Directorate of the Ministry of Interior and/or State Prosecutor 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 2021 also 47 additions to already sent notifications on suspicious transactions, concluded in the previous years.

In 2021, in its notifications on suspicious transactions where grounds for suspicion of committing the criminal offences of **money laundering** or **terrorist financing** existed, the OMLP investigated **520 Slovenian natural and legal persons and 378 foreign natural and legal persons.** In comparison to the previous year, the OMLP investigated for 20% subjects less. On average, 2,07 natural persons were investigated per notification, compared to 2,49 persons in the last year. An increasing trend of investigated foreign subjects, that was stable last year, decreased in 2021 from 54% to 42%. Among foreign investigated subject – similarly as last year – the predominantly investigated subjects were from Italy - 12%, as subjects from Croatia, Bosnia and Hercegovina Serbia and Russia together represented 13%.

In comparison with the previous year, the amount of money for which (in the afore mentioned notifications on suspicious transactions) there existed reasons for the suspicion of committing the criminal offence of money laundering, increased slightly, namely for one third in the currency EUR, as it remained unchanged in the currency USD. Average investigated amount per case raised to around **1.786.000 EUR, which represented an 35 % increase compared to the previous year.**

### Cases forwarded to the Criminal Police Directorate of the Ministry of the Interior and/or States Prosecutor’s due to the suspicion of committing criminal offence of financing of terrorism according to Article 109 of the Penal Code

In 2021, the Office received 28 reports where the transactions raised suspicions of committing the criminal offence of financing of terrorism. Almost all reports were received from obliged entities, apart from three reports from Criminal Police Directorate at Ministry of the Interior, two reports from the Slovenian Intelligence and Security Agency and one case that was opened by the OMLP based on other data.

Within its analysis the OMLP established grounds for suspicion of committing the criminal offence of financing of terrorism according to Article 109 in 5 cases and sent them as 5 information to the competent authorities. In this information, we have investigated 15 persons (10 of them were foreign ones).

At the same time, the OMLP (in the field of the prevention of financing of terrorism) also performed regular reviews of the lists of persons and organizations from the EU list, against which 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 were performed as soon as the report was received. According to the reviews in 2021, it has been established that none of the persons from that list have performed or have been connected with reported financial transactions in Slovenia.

In relation to the cases where suspicion of committing the criminal offence of terrorist financing arises (Article 109 of Penal Code) the number of cases increases on a yearly basis. In 2015, there were only five such cases. Out of 28 cases, where suspicion of committing the criminal offence of terrorist financing was raised in 2021, 78% were received by obliged entities. In 2021, the OMLP investigated half less persons than in 2020. In 2021, the grounds for suspicion of committing the criminal offence of terrorism financing were established in 5 cases, meanwhile 12 such cases were recorded in 2020.

### Temporary postponement of transaction

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 2021, the OMLP issued such orders in 3 cases, postponing transactions in the total amount of 496.125,61 EUR and 179.982,00 USD on 3 Slovenian bank accounts held by 2 domestic natural persons and 1 domestic legal person.** In part of those cases, the State Prosecutor Office proposed (before the expiry of the temporary postponement of transaction) 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.

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

In 2021 there were no cases with suspected criminal offence of money laundering in which the court would provisionally secure the assets. In existed cases the courts issued decrees for provisional securing of the assets at the accounts.

A t the end of 2021, the sum of provisionally secured assets amounted to **159.646.668 EUR and 12,0995 BTC**. The majority of secured assets related to disposal with trademarks, funds at bank accounts or cash, virtual currencies, securing the business share in a foreign company and disposing with real estates. In comparison with the 2020 it was established that issued orders for temporary securing in 2021 related to slightly less cases, as certain decrees for provisional securing of the assets expired. The total amount of secured funds raised, mainly due to the secured assets that related to disposal with trademarks.

### Typology of suspicious transactions

On the basis of performed analysis of suspicious transactions, 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, as follows:

* **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, independent entrepreneurs and associations), 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, investment gold or precious metals, real assets, vehicles, boats, companies, virtual currencies.

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 2021, 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):

The most common mechanism of money laundering in 2021:

* **Financial institutions** (banks and savings houses): we discovered that in 380 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 161 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 239 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 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 175 cases, at least in 23 cases “straw” companies were used and in at least 2 cases offshore companies appeared,
* **Systems for money transfer (MoneyGram and Western Union)** were used in 9 cases,
* **Virtual currencies service providers** were used in 7 cases,
* **Casinos or Gaming houses** were used in 4 cases.

The most frequent money laundering **techniques** in 2021 (detected in more than one case) have been as follows:

* **transfer of funds between countries** (detected in approximately 77% of cases),
* **transfer of funds between accounts** (detected in approximately 74% of cases),
* **use of foreign accounts** (detected in approximately 40% of cases),
* **withdrawal of cash at ATMs** (detected in approximately 35% of cases),
* **transfers of funds via state borders** (detected in approximately 19% of cases),
* **use of funds for economic activities** (detected in approximately 16% of cases)
* **cash deposits** (detected in approximately 15% of cases)
* **smurfing and avoidance of identification** (detected in approximately 3% of cases)
* **use of fictive contrasts** (detected in approximately 3% of cases),
* **withdrawal of cash at ATMs abroad** (detected in approximately 2% of cases),
* **use of money transfer systems** (MoneyGram, Western Union) (detected in approximately 2% of cases),
* **fake purpose of transactions** (detected in approximately 2% 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 with criminal investigation officers from several police directorates and other state prosecutor`s offices in concrete cases. 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 2021, 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 2021, OMLP altogether took an active role in 73 specialized groups (55 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 shows, that the Police in 2021 filed 49 criminal complaints due to reasonable suspicion of committing the criminal offence of ML. Thus, in 2021 the proceedings began in 49 cases, 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.

In the period 1995–2021, 716 pre-trial or criminal proceedings have been introduced due to grounds for suspicion of committing the criminal offence of money laundering.

## CRIMINAL OFFENCES AND THE IMPLEMENTATION OF ARTICLE 121 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 State Prosecutors’ Offices and courts on persons and procedures, against whom the pre-trial, criminal or administrative proceedings have been introduced.

In 2021, the Police filed criminal reports or started criminal proceedings in 49 cases (within their competences).

In 2021, the number of new pre-trial or criminal proceedings increased from 31 to 49 procedures in comparison with the last year, which represented 80% of the average number of new procedures from the period 2010-2015, when the average number of new procedures was up to 60.

In the last eight years, 451 new pre-trial or criminal proceedings related to ML have been introduced, which was more than half of all 685 proceedings on criminal offences on money laundering introduced since 1995.

### 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 2021 the Police filed 49 criminal complaints for the criminal offence of money laundering - 30 of them contained the information, forwarded to the Police by the OMLP.

In the period 2010-2021, the Police filed altogether 510 criminal reports due to reasonable suspicion of committing the criminal offence of money laundering, which was 74,45% of all introduced proceedings (685) with regard to money laundering in this period. Other proceedings were introduced by the State Prosecutor`s Office independently or from other criminal proceedings. The number of Police`s criminal reports filed due to reasonable grounds for suspicion of committing the criminal offence of money laundering in years of the period 2010-2020 are 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 for the period 2011–2021***



In 2021 the Police filed 49 criminal reports due to reasonable suspicion of committing the criminal offence of money laundering, which was above the average for the last six years. The graph shows that in previous years 60% of such filed criminal reports were based on information forwarded to the Police by the OMLP but in 2021 this share decreased to 24%. The ratio deviated strongly only for 2018 and 2020, when the least criminal reports in the last ten years were filed and 87% criminal reports were based on information sent to the Police by the OMLP.

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

From the data received for the year 2021 from the State Prosecutors’ Offices and Courts it could be seen that there were **735 cases against 1364 natural persons and 181 and legal persons** at the different stage of proceedings (from filed reports to final court decisions) on 31 December 2021.

The next table shows the number of cases in different stages of proceedings and number and type of subjects (suspected, accused and convicted).

***Table 4: Stages of proceedings of cases connected with the criminal offence of money laundering on 31 December 2021***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 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 | 177 | 184 | 132 | 51 | 18 |
| SP\*: criminal charge rejected | 127 | 176 | 79 | 43 | 10 |
| SP\*: prosecution has been delayed | 1 | 1 | 0  | 0  | 0  |
| SP\*: demand for investigation  | 48 | 109 | 20 | 2 | 1 |
| IJ\*\*: investigation has been introduced | 30 | 63 | 4 | 11 | 1 |
| COURT: indictment | 112 | 192 | 25 | 15 | 7 |
| COURT: convictions | 112 | 139 | 24 | 7 | 0  |
| COURT: acquittals (final) | 30 | 42 | 9 | 7 | 1 |
| SP: Withdrawal from prosecution | 47 | 93 | 13 | 4 | 0  |
| COURT: Stop of the criminal procedure | 27 | 33 | 7 | 2 | 0  |
| COURT: Withdrawal of prosecution abroad | 6 | 0  | 8 | 1 | 0  |
| Modification of the legal qualification of the criminal offence | 5 | 11 |   |   |   |
| Joinder of proceedings | 13 |   |   |   |   |
| TOTAL | **735** | **1043** | **321** | **143** | **38** |

\*SP means State Prosecutor’s Office

\*\*IJ means Investigative Judge

From the Table 4 can be seen that on 31 December 2021 **367** **(out of 735) cases** connected with the criminal offence of money laundering **became final** as follows:

* in 127 cases the State Prosecutor`s Office rejected the criminal report,
* in 30 cases the final acquittals were pronounced,
* 121 cases ended with the final conviction,
* in 74 cases the State Prosecutor`s 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 proceedings.

In 177cases the State Prosecutor`s Office has not taken the decision on criminal prosecution and in 1 case it postponed the prosecution. In **190 cases** the State Prosecutor`s Office began with the pre-trial and criminal proceedings at court, which were on 31 December 2021 at the following stages:

* **in 48 cases at the stage of demand for investigation,**
* **in 32 cases the investigation has been introduced,**
* **in 103 cases the indictment has been filed.**

***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 (2012 – 2021)***

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| STAGES OF PROCEDURE | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| SP\*: decision has not been made yet | 64 | 80 | 104 | 94 | 112 | 135 | 141 | 138 | 147 | 177 |
| SP\*: criminal charge rejected | 50 | 55 | 55 | 65 | 74 | 82 | 87 | 103 | 112 | 127 |
| SP\*: prosecution has been delayed | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| SP\*: demand for investigation  | 21 | 27 | 20 | 27 | 31 | 31 | 34 | 48 | 45 | 48 |
| IJ\*\*: investigation has been introduced | 37 | 54 | 60 | 53 | 57 | 58 | 57 | 32 | 28 | 30 |
| COURT: indictment | 39 | 50 | 60 | 73 | 77 | 74 | 78 | 101 | 110 | 112 |
| COURT: convictions | 9 | 26 | 42 | 60 | 68 | 78 | 83 | 93 | 101 | 112 |
| COURT: acquittals (final) | 13 | 15 | 16 | 19 | 22 | 26 | 27 | 28 | 29 | 30 |
| SP: Withdrawal from prosecution | 24 | 29 | 20 | 25 | 28 | 30 | 31 | 45 | 46 | 47 |
| COUTR: Stop of the criminal procedure | 0  | 0  | 13 | 17 | 20 | 21 | 21 | 24 | 24 | 27 |
| COURT: Withdrawal of prosecution abroad | 4 | 5 | 6 | 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 | 5 |
| Joinder of proceedings | 0  | 3 | 6 | 12 | 12 | 12 | 12 | 12 | 13 | 13 |
| TOTAL | **265** | **348** | **408** | **457** | **513** | **559** | **583** | **636** | **667** | **735** |

\*SP means State Prosecutor’s Office

\*\*IJ means Investigative Judge

The State Prosecutors’ Offices dismissed 15 criminal complaints filed due to suspicions of committing the criminal offence of money laundering. At the same time, the number of cases in active stages of pre-trial and criminal proceedings did not change significantly.

# LEGISLATION AND OTHER LEGAL MATTERS

In 2021, the activities of the OMLP in the field of legal matters were as follows:

* preparation of the proposal of the Act on prevention of money laundering and financing of terrorism (APMLFT‑2),
* preparation of the proposal 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 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,
* cooperation with Agency of the Republic of Slovenia for Public Legal Records Services for preparation of proposal of the new Rules on maintenance and management of the Register of Beneficial Owners,
* preparation of the proposal of the answer to 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 opinions and views with regard to the implementation of the APMLTF-2 and bylaws, issued on its basis,
* establishment of register of providers of exchange services between virtual and fiat currencies and custodian wallet providers and publishing the register on the website of OMLP,
* preparation of decisions and answers in relation to requests for access to public information in accordance with the provisions of the Public Information Access Act (Official Gazette of the Republic of Slovenia No.: 51/06 – officially consolidated text, 117/06 – ZDavP-2, 23/14, 50/14, 19/15 – decision of the Constitutional Court, 102/15 in 7/18),
* preparation of replies and documentation to questions by the media, Members of Parliament and questions/demands received from Parliamentary Inquiries,
* participation in the preparation and coordination of regulation of other competent authorities,
* 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 AT ITS IMPLEMENTATION

An important activity of the OMLP and Legal Affairs Division 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 side 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 is 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), as due to potential different understanding of provisions of directives and the minimal harmonization principal there are also subsequently official infringements sent by the European Commission.

In the area of legislation there were several activities in the year 2021. The new proposal for APMLFT-2 and three proposals of by-laws were prepared.

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

In 2021, the OMLP gave 82 written opinions/points of view with regard to the implementation of APMLFT-1.

In some cases, 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 became more demanding and complex, which required more resources of the OMLP. On the other hand, an improvement of quality in work of certain types of obliged entities at implementation of measures to prevent money laundering and terrorist financing in the framework of their business activity was recorded.

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

* determination of the beneficial owner;
* performing CDD;
* CDD via third person;
* performing CDD via video-electronic identification;
* entering data in beneficial ownership register;
* obligation of registration of providers of exchange services between virtual and fiat currencies and custodian wallet providers and the process of entering the data into register;
* regulation of virtual currencies in Slovenia;
* obliged entities that perform activities related to virtual currencies;
* determination of political exposure;
* performing measures according to the APMLFT-1;
* CDD via external contractor;
* interpretation of term company in which the state is the major owner;
* appointment of representative and deputy representative;
* reasons for suspicion of money laundering and terrorist financing;
* issue of opening and closing bank accounts;
* transfers to risk countries;
* limitation of cash activities;
* bearer shares and
* retention of data and documentation.

### Register of virtual currency service providers and an overview of situation in the area of virtual currencies

According to 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) the register of providers of exchange services between virtual and fiat currencies and custodian wallet providers was established on 20. 3. 2021 at the OMLP. On its website the OMLP published also the request form for enrolment into register.

In 2021, the OMLP received eight requests for enrolment into the register, based on which the OMLP issued decisions on entry into register. The same year the OMLP received the information, from one of the providers of exchange services between virtual and fiat currencies and custodian wallet providers, on suspension of activities of exchange services between virtual and fiat currencies and custodian wallet providers. Based on its request the provider was - according to point 2 of Article 4b of APMLFT-1 - deleted from the register.

In September 2021, the OMLP prepared the overview and the preliminary analysis of threats in the area of virtual currencies and money laundering and terrorist financing. The analysis represented a comprehensive overview on the situation in the field of virtual currencies, legislative and supervision mechanisms and the assessment of threats from money laundering and terrorist financing in the Republic of Slovenia. With the mentioned analysis and its findings certain deficiencies were addressed regarding the FATF Recommendation 1 in relation to Recommendation 15. Based on the collected data and taking into consideration the parameters prepared with methodological tools by the World Bank for the National Risk Assessment, the OMLP assessed that the vulnerability of the virtual assets service providers for the money laundering is medium high.

# SUPERVISION

## SUPERVISION PROCEDURES

There was a reorganization in the field of supervision, that took place at the OMLP in 2021, with thr creation of a new independent Supervision sector. Its primary activity was the supervision and cooperation with other supervisory authorities responsible to control the implementation of APMLFT-1 (Bank of Slovenia, The Securities Market Agency, Insurance supervision Agency, Financial Administration, Market Inspectorate, The Agency for Public Oversight of Auditing, Slovenian Bar Association and Chamber of Notaries of Slovenia). The OMLP is the central national authority for prevention of money laundering and terrorist financing and has supervision powers over all obliged entities from Article 4 of APMLFT-1, as for single obliged entities other inspection authorities are also competent. In 2021, the supervisions were dedicated mainly to obliged entities for which the OMLP is the primary supervisor and were listed in Strategic Orientations and Priorities of the Supervision.

According to APMLFT-1 the obliged entities from financial and non-financial sector must carry out particular tasks in detecting and preventing money laundering. They are obliged to integrate the prescribed preventive measures to diminish the potential threat of money laundering and terrorist financing in their working processes. Mandatory tasks that obliged entities must execute to prevent money laundering and terrorist financing are as follows:

* carry out the risk assessment for money laundering and terrorist financing,
* creating policies and setting up controls and procedures to effectively mitigate and manage the risks of money laundering and terrorist financing,
* implementing measures to acquire knowledge about the customer (hereinafter: customer due diligence),
* reporting the required and requested information and submitting documents to the OMLP,
* appointing an authorized person (compliance officer) and its deputies and ensuring conditions for their work,
* providing regular professional training for employees, and ensuring regular internal control over the performance of duties,
* drawing up a list of indicators for the identifying clients and transactions, in respect of which reasonable grounds to suspect money laundering or terrorist financing exist,
* ensuring protection and retention of data and management of records,
* implementation of group policies and procedures and measures to detect and prevent money laundering and terrorist financing in own branches and majority-owned subsidiaries in third countries.

According to the adopted strategic orientation and priorities in 2021, the OMLP executed independent inspection supervisions mostly at the obliged entities with no primary supervisor – among them also legal/natural persons performing accounting services, tax advisors and fiduciary services. This group of professions have been obliged entities since the beginning of creation of the system of prevention of money laundering and terrorist financing, but the inspection competence was not set from the beginning for this group, therefore the performed inspections were not proportional and sufficient. This group of obliged entities has detailed insight into business activities of their clients, and therefore holds an important role in detecting and preventing money laundering and terrorist financing, but is often - due to lack of information - unaware of this important role.

In 2021, the OMLP performed 133 independent inspections, out of them 71 direct inspections, 34 onsite inspections, mostly at afore mentioned obliged entities. Two systemic inspections were also performed at organizers of games of chance and one in the financial sector.

In 2021, the inspectors of the OMLP performed also 144 **COVID inspections** in line with general provisions of Communicable Disease Act (Official Gazette of the Republic of Slovenia No.: 33/06 –Official consolidated text, 49/20 – ZIUZEOP, 142/20 in 175/20 – ZIUOPDVE) at obliged entities stipulated by AMPLFT-1.

## THE OMLP AS MINOR OFFENCES AUTHORITY

The APMLFT-1 contains detailed sanctions for violations of its provisions. Violations of provisions of this act are precisely defined according to the subjects (offences of obliged entities, offences of business entities relating to beneficial ownership, specific offences by auditing firms, legal entities and natural persons performing accounting or tax advisory services, offences by lawyers, law firms and notaries, offences by virtual currency service providers, 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).

### Recorded violations

The OMLP is competent also for supervising the entry of beneficial owners to beneficial ownership register. Criminals often use mailbox companies and straw companies to conceal the assets gained with criminal offences and the beneficial owner of those assets. To avoid this kind of practices it was established the mandatory entry of beneficial owners into register of beneficial owners and the procedures to check those data.

In 2021, the OMLP performed 25 supervisions related to beneficial ownership register and detected 16 violations. In 13 cases warnings were issued in accordance with the Minor Offences Act, and other sanctions in 3 cases.

# 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 suspicion of money laundering and terrorist financing.

The OMLP has obtained certain competences on the basis of the Council of Europe “Convention No. 198 on laundering, search, seizure and confiscation of the proceeds from crime and on the financing of terrorism” (hereinafter: Convention 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 the activities of the OMLP in the field of international cooperation, separately for multilateral and bilateral cooperation.

## MULTILATERAL COOPERATION

In this section the activities of the OMLP in the field of cooperation with the EGMONT group, Council of Europe and different bodies of the European Union, in year 2021 (and also in previous years) are presented.

### International EGMONT group

In the period July 5 – 9, 2021, the plenary session of the EGMONT group was organized on-line due to COVID-19 pandemic.

At the plenary, the Activity report for 2020-2021 of the EGMONT group and draft budget for the period 2020-2021 (without the expenses of ECOFEL - training center in the framework of EGMONT with its own budget) were presented. The FIU Botswana was accepted to the EGMONT group, so the number of members of the group raised to 167. The plan of plenary sessions for the period 2022-2023 was determined as well as the strategic work plan of the group in the future. The Camden Asset Recovery Interagency Network gained the status of observer and the World Customs Organization applied for membership. At the plenary, the support was given to the future IT renewal, as one of the most important projects of the EGMONT group.

Regional group Europe I, (Slovenia is part of this group) met virtually in March and July 2021. The topics of those meetings were progress reports on projects and single working groups, the revision of IT support, the creation of catalogue of information that single FIU can send in relation to virtual currencies, overview of typologies of terrorist financing and actual situation in cases of fact finding about potential breaches of principals of the EGMONT group. Focus was given also to the migration of network for information exchange of the EU, FIU.net and to four legislative proposals (AML package) about the new coordination and support mechanism for cooperation of FIUs.

### Council of Europe

In 2021, 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).

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

In 2021, the 61st and 62nd plenary sessions of MONEYVAL were held virtually, due to COVID-19 pandemic. The topics are described below.

The 61st Plenary meeting took place from April 26 – 20, 2021. Reports of the 5th round of evaluation of San Marino and the Holy See were adopted. Several countries presented their progress reports ( Malta, Albania and Hungary) and Slovenia as well.

Our country managed to raise the ratings to “**largely compliant**” compared to the last reporting to MONEYVAL in December 2019, for the following FATF recommendation: R. 6, R.7, R.8, R.13, R.26 and R. 28. Only R.8 was discussed based on FATF remarks, which were only procedural and there was no change of the rating.

Slovenia presented its activities related to the other four FATF recommendations that were still rated “partially compliant”: R.1, R.5, R.15 and R.32. Slovenia will have to report on its progress in a year’s time, when it will be obliged to eliminate deficiencies regarding the FATF recommendation R.5 “Incrimination of financing of terrorism”, which is one of the key recommendations. In case it will not succeed, Slovenia will be placed under Compliance Enhancing Procedure of MONEYVAL.

The 62nd Plenary meeting was held in the period December 13-17, 2021. Reports of the 5th Round of evaluations of Croatia, Poland and the Progress Report of Cyprus were discussed and adopted. Progress Reports of Andorra, Czech Republic, Gibraltar and Serbia were already adopted by written procedure before the plenary, so they were not placed on the agenda.

Elections for MONEYVAL representatives were held at plenary as well, the results were as follows: Ela Frankow Jaskiewicz from Poland was elected for president, Astghik Karamanukyan from Armenia and Richard Walke from Guernsey as vice presidents. Matis Maeker from Estonia, and Ladislav Majernik from Slovakia were elected as members of Secretariat.

The MONEYVAL strategy for 2020-2022 and the budget (it was emphasized that the FATF members contribute in 88% to the FATF budget) were presented at the plenary as well.

The next, 63rd plenary, will be held in May 2022, when Slovenia will have to present its 4th Progress report.

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

Convention no. 198 that Slovenia ratified in 2020 intended to fight money laundering and terrorist financing. Under the basic principle of Convention 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 May 2021, the extraordinary virtual plenary session took place, mainly focused to virtual assets questionnaire, that was presented at the previous plenary meeting. The Resolution “Urgent need to strengthen financial intelligence units - Sharper tools needed to improve confiscation of illegal assets” and project for implementation of activities 1.5 in the framework of Counter Terrorism Strategy, that studies the possibility to update the existing standards in fight against terrorism financing, were presented.

The 13th Conference of the parties to Convention No. 198 took place virtually in November 2021. At this conference the report on the implementation of Convention No. 198 related to first and second paragraph of Article 10 in signatory countries was discussed and adopted. The proposal that was presented to the plenary to prepare the explanatory note on this article for the next meeting was adopted. The progress on the implementation of activities to fight terrorism financing in the framework of COE was presented as well. In the FATF framework the technical reports on compliance and effectiveness of implementation of FATF standards and the related challenges in confiscation of proceeds of crime were presented. The key findings of the analysis of the received answers on the regulatory framework of the virtual assets (definition of virtual assets, definition of virtual assets service providers and wallet service providers), on possibility of seizure and confiscation of virtual assets before conviction, international cooperation, and incrimination of all illegal activities related to virtual assets were presented.

### European Union

#### Council of the European Union and European Commission

According to the adopted Action Plan from May 2020 the European Commission in July 2021 published four legislative proposals (AML package) on money laundering prevention and terrorist financing, namely:

* **Regulation on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing,**
* **Directive on the mechanisms to be put in place by the Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing,**
* **Regulation on establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism,**
* **Regulation on information accompanying transfers of funds and certain crypto-assets (recast).**

The proposals are based on several decisions taken in previous years at the Council of European Union, on Supranational Risk Assessment of the European Union, on four special reports of the European Union form July 2019, and on Action Plan from May 2020. The Action Plan stands on six pillars, and the new regulatory proposals deals with three of them. The purpose is to unify and strengthen the implementation of measures taken by obliged entities at the EU level, establish the new EU supervisor, and strengthen the cooperation between FIUs. The unification of EU rules in the area of prevention of money laundering and terrorist financing will be implemented by transferring some parts of the Directive on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (EU) 2015/849 directly into a binding regulation and by these means it will create the same competitive conditions on the single market and ensure the same implementation of provisions across EU in the sense of harmonization of the rules for the private sector.

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

In 2021, the representatives of the OMLP participated in six meetings of the Expert Group on Money Laundering and Terrorist Financing – EGMLTF:

The discussed topics were among others as follows:

* High risk third countries, designated by the Delegated Regulation of the European Commission,
* Interconnection of national beneficial ownership register into the BORIS system,
* Progress in the implementation of the study about the preparation of the final report on effectiveness of the implementation of AMLD4,
* Preparation of the Guidelines for public-private partnership in the field of prevention of money laundering and terrorist financing,
* Report of the European Court of Auditors about the fragmentation and insufficient implementation of AML regulation in the banking sector,
* Transfer of FIU.net-from Europol to the European Commission,
* Preparation for plenary meetings of FATF and Moneyval.

The main thematic was the implementation of the EU Action Plan for the comprehensive EU policy in the area of prevention of money laundering and terrorist financing as the proposal for the elimination of identified weaknesses of the existing regulatory framework. Related topics were restriction of cash transactions, establishment of EU supervisor, list of obliged entities, CDD, beneficial ownership, cooperation between FIUs. These debates contributed to the preparation of four legislative proposals that the European Commission published in 2021.

#### FIU Platforms (Financial Intelligence Unit)

In 2021, there were four regular and one extraordinary virtual meetings in the framework of the expert group of FIUs organized by the European Commission. Representatives of the OMLP participated in these meetings. The relevant topics at these meetings were:

* Creation of a mechanism for thr coordination and support for cooperation of FIUs in the framework of new authority at the EU level for the prevention of money laundering and terrorist financing,
* FIUs access to CIS (Customs Information System),
* EU Strategy for efficient fight against crime,
* Relations and cooperation of FIUs with prudential supervisors,
* Preparation of Guidelines for public-private partnership in the field of prevention of money laundering and terrorist financing,
* Europol center for economic and financial crime and activities in the framework of public private partnership,
* Transfer of FIU.net-from Europol to the European Commission, preparation of legal basis, work of special expert group and solving technical problems in real time.

One of the meetings was dedicated to the preparation of the working plan of this group for the period 2022-2023 and the preparation of the Supranational Risk Assessment of European Commission.

#### Committee on prevention of money laundering and terrorist financing – Beneficial ownership register interconnection system (BORIS)

In 2021 the representatives of the OMLP and the Agency of the Republic of Slovenia for Public Legal Records and Related Services participated in five meetings of the Committee on Prevention of Money Laundering and Terrorist Financing – Interconnection of BO registers- CPMLTF. All the meetings were held virtually.

On March 1, 2021, the EC Regulation (EU) 2021/369 on determination of technical specifications and procedures required for the system of interconnection of central registers was adopted, referred to in Directive (EU) 2015/849 of the European Parliament and of the Council. The implementing regulation defines the methods of communication, communication protocols, security standards and data to be exchanged in the framework of BORIS, structure of the standard message format, data for the platform, methods of operation of the system and information technology services provided by the platform, search criteria, payment modalities and online registration and availability of services.

#### EBA Standing Committee on anti-money laundering and countering terrorist financing (AMLSC)

Besides supervisory tasks in the banking system, the European Banking Authority (EBA) is competent also in the area of prevention of money laundering and terrorist financing. The OMLP participated in the Standing Committee on Anti-money Laundering and Countering Terrorist Financing (AMLSC) as one of the supervisors of the financial sector. The Bank of Slovenia, the Securities Market Agency and the Insurance supervisory Agency participated in the AMLSC as well.

In 2021, nine virtual meetings of AMLSC were held, the key topics were:

* Establishment of the new European register in the area of prevention of money laundering and terrorist financing for the financial sector (European Reporting system for material CFT and AML weaknesses - EuReCA),
* Preparation of guidelines based on risk assessment,
* Preparation of guidelines for risk indicators,
* Preparation of guidelines on the role of authorized person for prevention of money laundering and terrorist financing,
* Preparation of guidelines on cooperation of supervisors in the area of prevention of money laundering with prudential supervisors and FIUs,
* Preparation of guidelines remote costumer acquisition,
* Discussions on new EU AML legislative package in the area of prevention of money laundering and terrorist financing,
* Discussions on questions related to virtual asset service providers and personal data protection issues.

## BILATERAL COOPERATION

As in the previous years, there have been numerous contacts with foreign counterparts in particular cases in 2021, which could be seen below.

### International cooperation according to provisions of the AMLPFT-1

In 2021, the OMLP sent on the basis of Article 105 of APMLFT-1 354 requests to 54 countries (in 2020 345 requests to 52 countries) and on the basis of Article 108 of APMLFT-1 another 271 spontaneous information to 57 countries.

In comparison with 2020, the number of requests of the OMLP remained almost the same, but there was a 62% increase of sent spontaneous information of the OMLP.

On the basis of Article 106 of APMLFT-1, the OMLP received 141 requests from 41 countries (in 2020 141 requests from 38 countries) and 108 spontaneous information from 26 countries (in 2020, 85 spontaneous information from 24 countries).

In comparison to 2020, the number of received requests from foreign FIUs remained unchanged, but on the other hand the number of received spontaneous information increased by almost 8%.

In 2021, the majority of information was exchanged in with FIUs from Italy, Croatia, Germany, Russia, Spain, Serbia, Hungary and Estonia.

### Memorandum of Understanding

The existing cooperation between FIUs can also be upgraded with 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 2021, the OMLP has been in the process of harmonization of contents with the FIUs from Kazakhstan and Taiwan, therefore it is expected to sign the MOU with them in 2022.

Since its establishment in 1995 and until the end of 2021, the OMLP has already signed 51 Memorandums of Understanding.

### Other forms of bilateral cooperation (Bilateral technical assistance to North Macedonia and Montenegro)

On the basis of the Intergovernmental Agreement between North Macedonia and Slovenia, the OMLP participates in the project of Bilateral technical assistance since 2013. The agreement between the Ministry of Foreign Affairs and the OMLP for the realization of the project in 2021 was signed in April 2021.

The first activity of the project was realized during June 8-9, 2021and the second during September 29-30, 2021. Due to COVID-19 pandemic both activities were held virtually. The main topics were exchange of experiences from the area of analysis of suspicious transactions, typologies and trends of money laundering and terrorist financing, supervisions of obliged entities on the basis of the AMLPTF-1 and preparation for the 5th round of MONEYVAL evaluation of North Macedonia.

The Republic of Slovenia actively participates in activities of technical assistant since its entrance into EU. In 2021, the assistance was focused toward the West Balkans region and helped to their access to the EU. Montenegro asked Slovenia for bilateral technical assistance in the area of prevention of money laundering and terrorist financing mainly in the area of prevention and analysis of suspicious transactions. The Agreement between the Ministry of Foreign Affairs and the OMLP was signed in May 2021. The main area of assistance to Montenegro covered the following topics: analysis of suspicious transactions that includes virtual currencies, exchange of experiences in preparation of strategic analyses and supervision of obliged entities on the basis of AMLPTF-1. The first part of the assistance was held virtually on October 6 – 7, 2021, the second one was supposed to be concluded in June 2022.

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

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

In 2021 the OMLP, on the basis of the mentioned convention, received four requests from Slovenian Courts, three related to the execution of their decisions regarding the confiscation of proceeds of crime, as in one case the decision was not consistent with the convention as it was related to the recovery of collateral fine. In the last case the explanation was sent to the Court, other requests were forwarded to the competent foreign authorities for their further activities. In 2021, the OMLP received no such requests from foreign competent authorities.

# LOGISTICS AND INFORMATICS

## ORGANISATION AND STAFF MATTERS

### Movement and structure of personnel

In 2021, the OMLP changed its organizational structure. Instead of the previous two Departments (Department for suspicious transactions and Department for prevention and supervision) and two Services (IT Service and International Cooperation Service), five new organizational units were created, namely Legal Affairs Division, Division for Monitoring, Analysis and Supervision, General Affairs Division and IT Support and Division of international Affairs and Prevention and Inspection. The consequence of this reorganization was the change in Decree on the internal organization, job classification, posts and titles in public administration and judicial bodies. The number of staff will increase after the conclusion of personnel selection processes in 2021.

On December 31, 2021 the OMLP had (together with the director) altogether 28 employees, which was the same as on December 31, 2020. Based on the Decree on the internal organization, job classification, posts and titles in public administration and judicial bodies there are 31 systematized posts, which means that at the end of 2021 the occupancy was 94%.

## FINANCIAL AND MATERIAL OPERATIONS

The budget funds intended for the OMLP operations in the year 2021 amounted to **1.238.930 EUR. On the OMLP proposal, the structure of planned funds changed slightly as some redistribution of certain budget items was executed during the year.** 1.290.561 EUR (4,2% more than planned)were usedfor salaries, other personal incomes, contributions for the social security, costs of goods and services, membership fee of the EGMONT group, and for smaller investments.

## INFORMATICS

The IT Service of the OMLP was reorganized in 2021 and started its work in 2021 as General Affairs Division and IT Support.

The operational activities were as follows:

### Maintenance of internal IT systems

### -maintenance of databases and the records system of the OMLP,

### -collecting, keeping and publishing data on cash transactions and transfers to high risk third countries,

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

### -archiving the received data,

### -activities of trainings for users and equipment installation,

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

1. In 2021 the Act on Prevention of Money Laundering and Terrorist Financing (Official Gazette of the Republic of Slovenia No.: 68/16, 81/19, 91/20 in 2/21-popr. – APMLFT-1) was still valid therefore in the report the articles of APMLFT-1 and not APMLFT-2 are used. [↑](#footnote-ref-1)
2. In Article 4 of APMLTF-1 the obliged entities are divided to financial (banks, brokerage companies,) and non-financial (lawyers, notaries, tax advisers, virtual currencies service providers, real estate). [↑](#footnote-ref-2)
3. The activities of the OMLP in the area of prevention of money laundering and terrorist financing are proposals 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-3)
4. (Official Gazette of the Republic of Slovenia No.: 63/07 – officially consolidated text, 65/08, 69/08 – Market in Financial Instruments Act, 69/08 – Insurance Act, 40/12 – Fiscal Balance Act, 158/20 – Integrity and Prevention of Corruption Act, 203/20 – Act Determining Intervention Measures to Assist in Mitigating the Consequences of the Second Wave of COVID-19 Epidemic, 202/21 – Decision of the Constitutional Court). [↑](#footnote-ref-4)
5. (Official Gazette of the Republic of Slovenia No.: 58/03, 81/03, 109/03, 43/04, 58/04 – amendment, 138/04, 35/05, 60/05, 72/05, 112/05, 49/06, 140/06, 9/07, 33/08, 66/08, 88/08, 8/09, 63/09, 73/09, 11/10, 42/10, 82/10, 17/11, 14/12, 17/12, 23/12, 98/12, 16/13, 18/13, 36/13, 51/13, 59/13, 14/14, 28/14, 43/14, 76/14, 91/14, 36/15, 57/15, 4/16, 44/16, 58/16, 84/16, 8/17, 40/17, 41/17, 11/19, 25/19, 54/19, 67/19, 89/20, 104/20, 118/20, 168/20, 31/21, 54/21, 203/21). [↑](#footnote-ref-5)
6. *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-6)
7. In the report these transactions are referred to »transfers referring to risk countries«. [↑](#footnote-ref-7)
8. 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-8)