



REPUBLIC OF SLOVENIA
MINISTRY OF FINANCE
**OFFICE FOR MONEY LAUNDERING
PREVENTION**

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**DATA FROM THE REPORT ON ACTIVITIES OF THE
OFFICE FOR MONEY LAUNDERING PREVENTION OF
THE REPUBLIC OF SLOVENIA FOR THE YEAR 2010**

Ljubljana, July 2011

1 PREAMBLE

The Act on the Prevention of Money Laundering and Terrorist Financing (hereinafter: APMLFT) in its Article 72 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 report on the activities of the OMLP for the year 2010 has been already the sixteenth report to the Government and refers to the period from 1 January 2010 until 31 December 2010. 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.

By the implementation of the preventive acts on the prevention of money laundering and terrorist financing¹ and the establishment of the offices for money laundering prevention almost 20 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 also sending financial and other intelligence to the competent authorities. This duty has been stipulated by the definition of the Financial Action Task Force (FATF)², according to which the office for money laundering prevention is the “**central state authority for receiving, analyzing and informing competent authorities on suspicious transactions and other available data on money laundering or terrorist financing**”.

The FIUs can be administrative, police, judicial/court and hybrid types, the majority of them is 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 at detection and prevention³ of money laundering and terrorist financing. 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 the 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 the reasons for the suspicion of money laundering, terrorist financing or other criminal offences, it forwards gathered data as notification or information to the competent authorities (Police, State Prosecutor Office) for further investigation. With regards to the notifications of OMLP

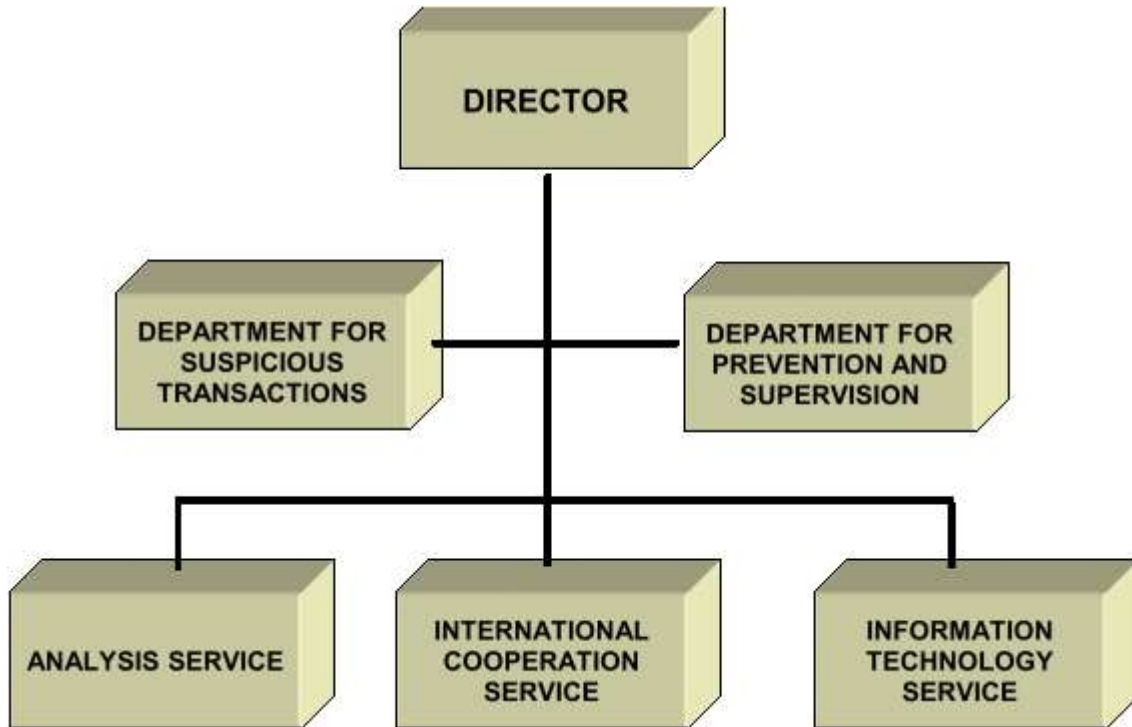
¹ The criminal offence of money laundering has been in our national legislation legalized in the Criminal Code from the year 1995. On the same year, the first Act on the Prevention of Money Laundering came into force and the Office for Money Laundering Prevention was established.

² Financial Action Task Force is the leading international body for the fight against money laundering and terrorist financing, which places the international standards in this field (40 FATF Recommendations + 9 Special FATF Recommendations). It works under the cover of OECD, but it is not its body. Slovenia has not been the member of this group due to the strategic decision of FATF that only rare countries can become its permanent members (taking into account the biggest possible size of FATF, proportionate representation of the member states and importance or strength of the particular economy).

³ Duties of OMLP, referring to the prevention of money laundering and terrorist financing are proposing the competent authorities changes and amendments to regulations, participating at drawing up the guidelines for obliged entities, participating in drawing up the list of indicators for recognizing the suspicious transactions, participating in professional training of the staff of obliged entities, recognizing the typologies and trends of money laundering and terrorist financing.

is necessary to point out, that these are intelligence data containing sensitive financial data, and not criminal reports in the sense of the Criminal Procedure Act.

The organizational chart of the OMLP is as follows:



2 ACTIVITIES OF THE OMLP IN THE FIELD OF CASH TRANSACTIONS

The OMLP receives from organizations, which are obliged entities according to the Article 4 of the APMLTF (hereinafter: organizations) data on all cash transactions exceeding 30.000 EUR and from Customs data on transfers of cash exceeding 10.000 EUR when crossing the Slovenian part of the EU border, according to the Regulation of the European Parliament and Council on Cash Movements entering or leaving EU.

2.1 Cash transactions exceeding 30.000 EUR

In the year 2010, 39 different organizations reported data on cash transactions exceeding 30.000 EUR to the OMLP. **15.412 cash transactions** with the total value of **1.197.785.163 EUR** performed in the year 2010 were reported to the OMLP on the prescribed forms. In comparison with the year 2009, when the OMLP received forms with data on 16.849 cash transactions with the total value of 1.106.542.937 EUR, the latter increased by 8,3%. In the year 2010, 64,4 % of all reported cash transactions were performed on behalf of natural persons (in the year 2009 66,5 %), 33,1 % on behalf of domestic legal persons and sole traders (in the year 2009 31,6 %) and 2,4 % on behalf of foreign legal persons (in the year 2009 1,9 %).

After implementing the new APMFT and bylaws, which rearranged the reporting on cash transactions to the Office (threshold was increased from 20.000 EUR to 30.000 EUR), the number of reported cash transactions has been permanently decreasing, namely in the period 2008 – 2010 it increased by altogether 36,8 %, but their average value increased by 12,8 %. From the afore mentioned can be seen, that less cash transactions exceeding 30.000 EUR have been performed in financial institutions, but their value on average has increased.

The detailed review of the number of cash transactions can be found in the Table 1.

Table 1: Number and share of cash and connected cash transactions exceeding 30.000 EUR in the period 2009-2010 by reporters

<i>Organizations</i>	<i>2009</i>		<i>2010</i>		
	<i>Number</i>	<i>Share</i>	<i>Number</i>	<i>Share</i>	<i>Index</i>
<i>Banks</i>	14.757	87,60%	13.494	87,6 %	91
<i>Post Office</i>	810	4,80%	811	5,3 %	100
<i>Gaming houses</i>	863	5,10%	726	4,7 %	84
<i>Savings banks</i>	265	1,60%	247	1,6 %	93
<i>Gaming Saloons</i>	149	0,90%	130	0,8 %	87
<i>Savings and Credit houses</i>	2	0,01%	3	0,019 %	150
<i>Exchange offices</i>	-	-	1	0,006%	
TOTAL CASH TRANSACTIONS	16.846	100,00%	15.412	100,00 %	91

2.2 Transfers of cash exceeding 10.000 EUR across the EU border

As stipulated by the Article 73 of the APMFT, Customs authorities are obliged to report to OMLP, at the latest within three days, the data on any declared import or export of cash amounting to or exceeding 10.000 EUR when entering or leaving EU.

At the Slovenian part of the EU border in the year 2010, the number of reported and by the customs authorities discovered non-reported cross border transfers of cash was lower than the year before.

The data on reported and discovered non-reported cash transfers across the EU border can be seen from the Tables 2 and 3.

Table 2: Number of all reported and non-reported cross - EU border transfers of cash in the period 2009 -2010

<i>Owner of the cash</i>	<i>2009</i>			<i>2010</i>		<i>Index</i>	
	<i>Transfer TO Slovenia</i>	<i>Transfer FROM Slovenia</i>	<i>TOTAL</i>	<i>Transfer TO Slovenia</i>	<i>Transfer FROM Slovenia</i>	<i>TOTAL</i>	
Banks	88	0	88	1	0	1	-
Domestic companies	11	3	14	7	1	8	57
Foreign companies	7	2	9	1	1	2	22
Natural persons	163	68	231	182	65	247	107
TOTAL (without banks)	181	73	254	190	67	257	101
TOTAL	269	73	342	191	67	258	75

From data in Table 2 can be seen, that in the year 2010 the number of all cross - EU border transfers (both reported and non-reported) of cash exceeding 10.000 EUR was reduced by 25% in comparison with the previous year.

Table 3: Number of all non-reported transfers of cash across the EU border in the period 2009-2010

Owner of the cash	2009			2010			Index
	Transfer TO Slovenia	Transfer FROM Slovenia	TOTAL	Transfer TO Slovenia	Transfer FROM Slovenia	TOTAL	
Domestic companies	0	0	0	0	1	1	
Foreign companies	0	0	0	1	0	1	
Natural persons	12	10	22	6	3	9	41
TOTAL	12	10	22	7	4	11	50

From this table can be seen, that the number of discovered violations of the obligation to report transfer of cash across the EU border was reduced by 50 % in the year 2010 in comparison with the year 2009, as in the year 2010 the number of discovered violations was 11 and in the year 2009 the number was 22.

3 ACTIVITIES OF THE OMLP IN THE FIELD OF SUSPICIOUS TRANSACTIONS

The OMLP receives from organizations, which are obliged entities according to Article 4 of the APMLTF (organizations from the Paragraph 1, Article 4 of the APMLFT, lawyers, law firms and notaries from Paragraph 2, Article 4 of the APMLFT) data on suspicious transactions regardless the amount and data on persons, whereby the reasons for the suspicion on money laundering and terrorist financing activity are raised. On the basis of Article 60 of the APMLTF, the OMLP can also start investigations in certain cases on the basis of the initiatives of the state and supervisory authorities stated in those articles and on the basis of the discovered facts of the Central Securities Clearing Corporation and stock exchange as stipulated by the Article 74 of the APMLFT and supervisory authorities from the Article 89 of the APMLFT.

In addition the OMLP receives, on the basis of Articles 64 and 65 of the APMLFT and a condition of the actual reciprocity, certain data from its foreign counterparts and checks its database of cash transactions and transfers of cash across EU borders, that can also be used as the basis to start gathering of data on suspicious transactions, assets and persons.

Paragraph 2 of Article 53 of the APMLFT stipulates that OMLP receives, collects, analyses and forwards data, information and documentation obtained on the basis of the APMLFT, and authorizes the OMLP in its Articles 61 and 62 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, stated in the Article 62.

3.1 Cases with the reasons for the suspicion on money laundering and terrorist financing

According to the provisions of the APMLFT, the OMLP **opened 233 new cases** in the year 2010. In 231 cases appeared some reasons for the suspicion on committing the criminal offence of money laundering according to the Article 245 of the Criminal Code and in 2 cases a suspicion on committing the criminal offence of terrorist financing has been raised according to Article 109 of the Criminal Code. In the period from the year 1995 until 2010, the OMLP already received 1918 of such cases.

3.1.1.1 Reporters

Detailed data on reporters of suspicious transactions and persons, on the basis of which the OMLP opened and investigated particular cases in the year 2010, can be seen in the Table 4 (together with comparative data for the period from 2005 until 2010). The table contains only reporters, explicitly determined by the APMLTF, as the OMLP could start the investigation of the certain case and use its authorizations only on the basis of the provisions of Article 53.

Table 4: Number and share of cases by reporters in the period from 2005 - 2010

REPORTERS	2005	2006	2007	2008	2009	2010
1. SUSPICIOUS TRANSACTIONS ACCORDING TO THE ARTICLE 38 OF APMLTF	81	127	164	193	160	176
	69,80%	77,90%	85,40%	77,82%	80,40%	75,54%
Banks	75	123	157	175	151	164
Savings banks	1	2	5	13	4	5
Post Office		2	2	2	2	1
Brokerage companies and management companies of investment funds	2			1		1
Leasing	2					1
Insurance companies	1					
Auditors and accountants				2		1
Organizers of the games of chance					3	
Goldsmiths						2
Real Estate Agencies						1
2. REPORTING ACCORDING TO THE ARTICLE 49 OF APMLTF	0	0	1	2	3	2
	0,00%	0,00%	0,50%	0,81%	1,51%	0,86%
Notaries			1			1
Lawyers				2	3	1
3. INITIATIVES ACCORDING TO THE ARTICLE 60 OF APML	10	16	7	13	23	24
	8,60%	9,80%	3,60%	5,24%	11,56%	10,30%
Ministry of Interior, Criminal Police Directorate	6	10	5	8	15	18

State Prosecutor's Office	3	4		1		2
Ministry of Finance, Customs Administration Office	1	2		4	2	1
Commission for the Prevention of Corruption			2		1	3
Slovenian Intelligence and Security Agency					5	
4. REPORTING ACCORDING TO THE ARTICLE 89 of APMLTF	4	2	3	3	0	6
	3,40%	1,20%	1,60%	1,21%	0,00%	2,58%
Securities Market Agency				1		
Ministry of Finance, Tax Office	1	2	3	2		2
Market Inspectorate						1
Bank of Slovenia	3					3
5. EXCLUDED BY THE OFFICE FROM CASH TRANSACTIONS	10	8	6	27	3	4
	8,60%	4,85%	3,10%	10,89%	1,51%	1,72%
6. FOREIGN COUNTERPARTS	11	12	11	10	10	21
	9,50%	7,27%	5,70%	4,03%	5,03%	9,01%
TOTAL	116	165	192	248	199	233

In this table can be seen that in the year 2010, **the organizations from the Paragraph 1, Article 4 of APMLFT (among them especially banks) sent to the OMLP the majority of suspicious transaction reports** on the basis of Article 38 of the APMLFT. Every year (including 2010), the banks forward to the OMLP the highest number of suspicious transactions. Namely, in the year 2010, 164 transactions (from all 233 opened cases) were sent to the OMLP by the banks, which represents 70,38% of all reports. In the year 2010, some suspicious transaction reports were also received from the non-financial organizations (goldsmiths, lawyers, notaries, real estate agencies).

Only two reports of all opened cases were in the year 2010 connected with the reasons for suspicion of committing the criminal offence of financing terrorism. The Office started the investigation of the first case on the basis of its own initiative, as the second one was initiated by the Criminal Police Directorate of the Ministry of Interior.

3.1.2. Number and dynamics of opened and concluded cases

In the Table 5 you can find the number of opened and concluded cases in the period from 2005 until 2010, which were investigated by the OMLP due to the reasons for the suspicion on committing the criminal offences of money laundering and terrorist financing.

Table 5: Opened and concluded cases for the period from 2005 until 2010

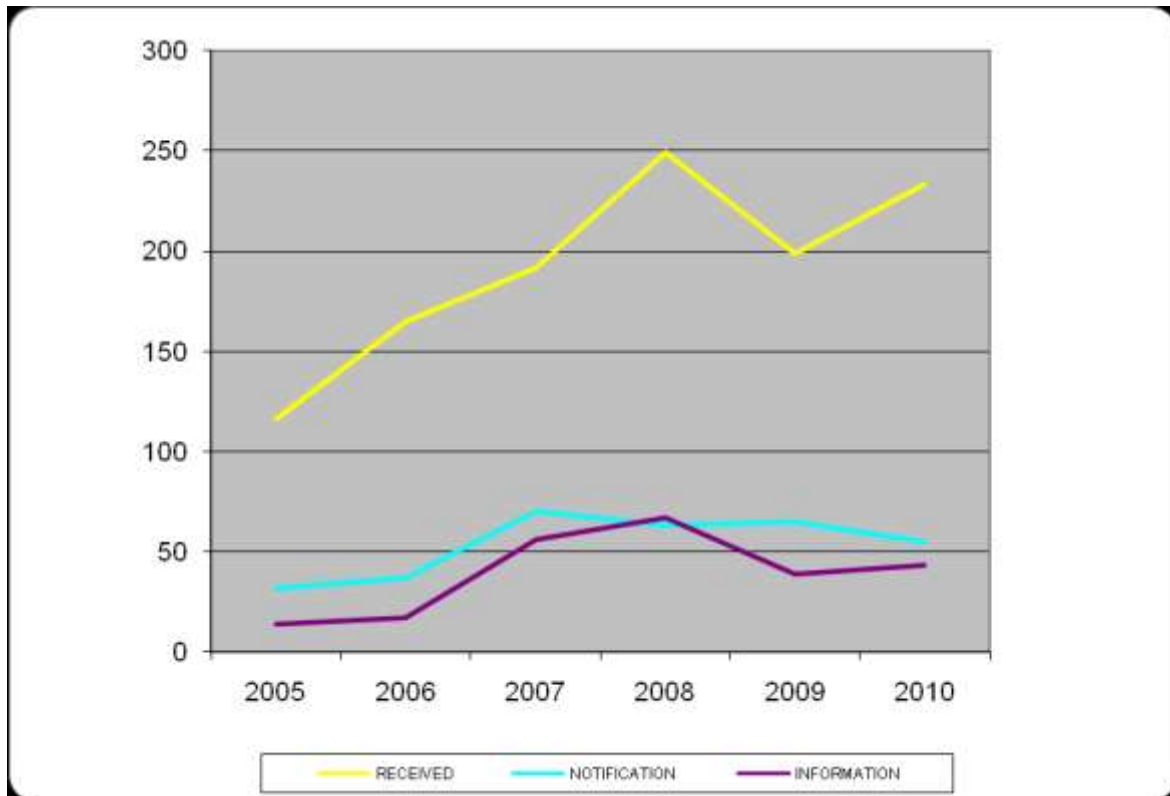
<i>YEAR</i>	<i>Opened</i>	<i>Notification</i>	<i>Information</i>	<i>AA in OMLP</i>	<i>Concluded TOTAL</i>
2005	116	32	14	58	104
2006	165	37	17	51	105
2007	192	70	56	59	185

2008	248	63	67	61	191
2009	199	65	39	111	215
2010	233	55	43	109	207
TOTAL	1153	322	236	449	1007

From the Table 5 can be seen, that **in the year 2010 the OMLP opened 233 new cases and concluded 207 cases.**

In Graph 1 you can find the data on number of received cases (by years) in relation to the number of concluded cases (sent notifications and information on suspicious transactions) for the period from the year 2005 until 2010.

Graph 1: Number of all received and concluded cases and sent notifications and information on suspicious transactions for the period 2005 - 2010



It can be seen, that the number of received cases increased from the year 2005 until 2008. In the year 2009, the number of received cases decreased from 248 opened cases (year 2008) to 199 in the year 2009, but **in the year 2010 the number of new cases increased by 17%, to 233 cases.** Below in the report you will find data on cases, sent as notifications and information to the competent authorities for further proceedings.

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 the Article 245 of the Penal Code

Among concluded cases, the OMLP forwarded to the Criminal Police Directorate of the Ministry of Interior and/or State Prosecutor's Office, those cases which were suspected to be connected with the criminal offence of money laundering, together with documentation on the basis of Article 61 of the APMLFT.

In the year 2010, OMLP forwarded to the Criminal Police Directorate of the Ministry of Interior and/or to the State Prosecutor's Office due to the suspicion on committing the criminal offence of money laundering 52 cases in 43 notifications on suspicious transactions or 25,1% of all cases concluded in this year. The reason, that the number of cases was higher than the number of notifications was that some notifications contained several connected cases. Beside the afore mentioned notifications, the OMLP forwarded in the year 2010 to the Criminal Police Directorate of the Ministry of Interior and/or to the State Prosecutor's Office, also 5 completions of already sent notifications on suspicious transactions, concluded in the previous years.

Within its competences for detection of reasons for the suspicion of ML, the OMLP can not definitively establish, which predicate criminal offence was committed, but it can estimate on the basis of gathered data, which predicate criminal offences have most probably been committed. In the year 2010 (similar as in the years 2005 – 2009) was discovered, ***that predicate criminal offences, from which the dirty money originated, were in most cases "abuse of position or trust at economic activities" according to the Article 240 of the Criminal Code and "tax evasion" according to the Article 249 of the Criminal Code.*** In our notifications of suspicious transactions have been mentioned (as most probable predicate criminal offences) also "big theft" according to the Article 205 of the Criminal Code, "fraud" according to the Article 211 of the Criminal Code, "unlawful manufacture and trade of narcotic drugs" according to the Article 186 of the Criminal Code, "business fraud" according to the Article 234a of the Criminal Code and "illegal gambling" according to the Article 234b of the Criminal Code. In some cases, it could not be established which predicate criminal offence has most probably been committed.

3.1.4 Cases forwarded to the Criminal Police Directorate of the Ministry of Interior 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

As it was already mentioned, OMLP opened 2 cases in the year 2010, where the suspicions of committing the criminal offence of financing of terrorism according to Article 109 of the Criminal Code were raised. Both cases were concluded within the OMLP in the year 2010, as suspicions were not conformed.

The OMLP sent 1 case (where the analysis started due to the suspicions of ML) to the Police and Slovenian Intelligence and Security Agency due to the established reasons for the suspicion of committing the criminal offence of financing of terrorism according to Article 109 of the Criminal Code.

3.1.5. Cases forwarded to the Criminal Police Directorate of the Ministry of Interior and other competent state authorities due to suspicion of committing other criminal offences

On the basis of Article 62 of the APMLTF in cases where the reasons for the suspicion on committing other criminal offences were found, the OMLP forwarded in the year 2010 to the competent authorities **43 cases described in 34 written information (or 20,8% of all cases concluded in the year 2010), while in the period from 25 October 2001 (when the APML came into force) until 31 December 2010, written notifications in 297 cases were forwarded to the competent authorities.** Written information were sent to the following competent state authorities regarding to the type of discovered criminal offences:

- Criminal Police Directorate of the Ministry of Interior, Tax Office (21 written information)
- Criminal Police Directorate of the Ministry of Interior (11 written information)
- Tax Office (2 written information).

The majority of written information referred to the suspicion on committing the criminal offence of “tax fraud” according to Article 249 of the Criminal Code or the “abuse of position or trust at performing economic activities” according to Article 240 of the Criminal Code. With regard to the previous years, the number of written information referring to the criminal offence of “fraud” according to the Article 211 of the Criminal Code increased significantly (14). One written information referred to the suspicion of “organizing money chains and illegal gambling” according to the Article 212 of the Criminal Code, “forgery of documents” according to the Article 251 of the Criminal Code and “unlawful manufacture and trade with drugs” according to the Article 186 of the Criminal Code.

With regard to information, sent in the year 2010 to Tax Office and feedback of Tax Office, it can be established that the OMLP has an important role also in the field of detection of criminal offence of tax evasion, especially tax added value evasion. The OMLP can on the basis of the suspicious transaction reports, when no criminal reports have been filed yet, successfully contribute to prompt and quick detection of companies (so called “missing traders”) and connected criminal offences. Quick detection and measures of the competent authorities are very important at prevention and detection of such activities, as “missing traders” are established just for a short period of time, in majority of cases for a few months (to avoid tax supervision). The main goal of “missing traders” is to make large incomes in the shortest time possible and to conceal lots of “tax added value” that has never been conducted to the Tax Office.

3.1.6. Value of the provisionally secured proceeds in money laundering cases

Table 6 shows data on the number of money laundering cases, where the court in the period from the year 2006 until 2010 in different stages of criminal procedure, ordered provisional securing of the request for the confiscation of proceeds, and their value.

Table 6: Seized funds in the period 2006 – 2010 (by foreign currencies)

YEAR	EUR	USD	GBP
2006	1x real property		
2007	4.767.503	60.345	7.500
2008	1.925.828		

2009	3.225.415		
2010	45.422.163	1.107.000	
TOTAL	55.340.909	1.167.345	7.500
TOTAL in EUR	56.223.252		

Table 6 shows that the courts in the period from the years 2006 until 2010 ordered seizure or provisional securing of the request for confiscation of proceeds in the total value of **56.223.252 EUR**⁴. Provisional securing referred to altogether 28 natural and 7 legal persons in 19 cases with regard to grounded suspicions of committing the criminal offence of money laundering. Courts ordered afore mentioned measure: in the year 2006 in one case, in 2007 in three cases, in 2008 in two cases, in 2009 in five cases and in 2010 in eight cases.

In the year 2010, the courts (on proposal of prosecutor's offices) provisionally secured proceeds in the total amount of **45.422.163 EUR, which represented a significant increase in comparison with the previous years.** Provisional securing referred to 10 natural persons and 5 legal persons in 8 cases. The exact amount of the provisionally secured proceeds can not be determined, because the value of certain proceeds is unknown or has been changing. Namely, in some cases the court degrees on the provisional securing refer also to the real assets, shares of the companies or securities, value of which has been changing constantly and also securities which have not been listed at Ljubljana stock exchange.

The value of seized proceeds (still secured by decrees of the courts on 31 December 2010), regardless to when the measure of provisional securing became valid, was **56.106.841,76 EUR** (calculated according to the ECB exchange rate on 31 December 2010 or exchange rate, valid when the exchange was made). The majority of the assets referred to the provisionally secured proceeds in a large quantity of securities, real assets and shares of the companies in the total value of **43.167. 995 EUR**. Part of the proceeds was on the accounts of the District Courts of Slovenia and accounts of competent authorities abroad (altogether **12.110.378 EUR**), as the seizure of **1.107.000 USD** referred to the amount, with which the claim was bought.

It has been estimated that the value of **56.106.842 EUR** of the provisionally secured proceeds on 31 December 2010 with regard to the value of the provisionally secured proceeds on 31 December 2009 (12.360.204 EUR), **increased by 43.996.464 EUR**, showing more intense activity of the law enforcement authorities at detection of the illegally derived proceeds.

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

In this period, at detection and prevention of the criminal offence of money laundering, 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, Bank of Slovenia, Securities Market Agency, Tax Office, Customs and Slovenian Intelligence and Security Agency. OMLP also closely cooperated in concrete

⁴ Amounts in USD and GBP were calculated into EUR according to the ECB exchange rate of 31 December 2010.

cases with criminalists from several police directorates and other state prosecutor's offices. Cooperation with afore mentioned state authorities has been taken at the level of principals and operative level between the authorized representatives of authorities.

More precise estimation of the activities in the field of the fight against money laundering referring to the police, state prosecutor's office and courts, can be seen below.

4.1 Criminal offences and performing of Article 75 of the APMMLTF

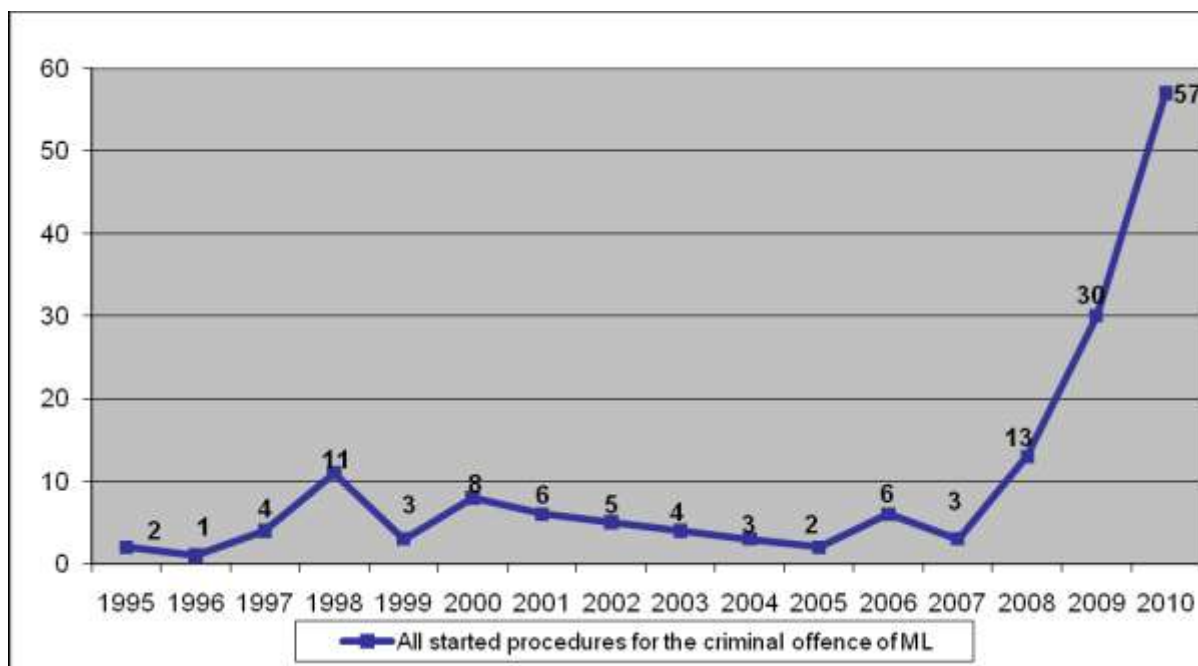
Article 75 of the APMMLTF determines, that due to centralization and analysis of all data related to money laundering, courts, State Prosecutor's Offices and other state authorities are obliged to forward to the OMLP data on the offences as provided by the APMMLTF and criminal offences on money laundering. On the basis of this article, the state authorities are obliged to forward data to the OMLP in each case and annually inform the OMLP on their findings referring to the received notifications and information. On the other hand, the State Prosecutor's Offices and the courts should send to the OMLP twice annually (in July and January) the data on persons and procedures against whom the criminal or administrative proceedings have been raised.

4.1.1. Criminal offence of money laundering

On the basis of data on filed criminal reports, that has to be sent to OMLP by the Police⁵, can be seen, that the number of criminal reports for the criminal offence of money laundering in the year 2010 increased significantly in comparison with the previous years. In the year 2010, the Police filed **47 criminal reports for money laundering**, as in the year 2009 the number was 23 and in the year 2008 only 6 criminal reports was filed. As the State Prosecutor's Office introduced the procedure in another 10 cases, **the new criminal reports were filed or procedures introduced in 57 ML cases in the year 2010.**

As can be seen from the **Graph 2**, the criminal reports were filed and procedures were introduced in **158 cases** between 1995 and 2010, due to the grounded suspicious of committing the criminal offence of money laundering.

⁵ Police provides the OMLP with the information on findings, to which it turned up on the basis of information and notification of OMLP – so called “feedback”. Feedback represents the important parameter of efficiency of OMLP and Police. Before the year 2007, the Police provided the OMLP with feedback informally on the basis of the agreement, after the year 2007 this obligation was formally stipulated by the new APMMLTF.



4.1.2. Criminal reports and proceedings with regard to money laundering, where OMLP took part

According to Criminal Procedure Act, the Police is the competent authority for detection of criminal offences (including money laundering), as State Prosecutor's Office is competent for prosecution of criminal offences. Criminal offence of money laundering was the first time stipulated in the Criminal Code from the year 1995, when also the first Act on Prevention of Money Laundering (hereinafter: APML) came into force. In accordance with international standards, APML introduced a system of fight against money laundering in Slovenia, which gave a certain role at detection of money laundering also to obliged entities (financial and non-financial institutions), especially as the obligation to report suspicious transactions to the OMLP. Therefore, the obligation of detection of the reasons for the suspicion of money laundering was given to obliged entities and the OMLP, meaning that the effective detection, investigation and prosecution of criminal offences of money laundering depended on the cooperation between the obliged entities and the OMLP at one side, and Police and State Prosecutor's Office at the other side.

In continuation you will find statistical data on number and share of cases, where also the OMLP took part with its notifications, as mediator between the obliged entities and law enforcement authorities (Police, State Prosecutor Office).

In Table 7 you will find the number of all introduced preliminary criminal procedures and criminal procedures in the year 2010 due to the grounded reasons for the suspicion of committing the criminal offence of money laundering, with regard to the source of the first data on reasons for the suspicion of money laundering, which encouraged the investigation of the Police in this field.

Table 7: Number of all introduced procedures due to the grounded suspicions of committing the criminal offence of money laundering in the year 2010 with regard to the source of information (detection of reasons for the suspicion)

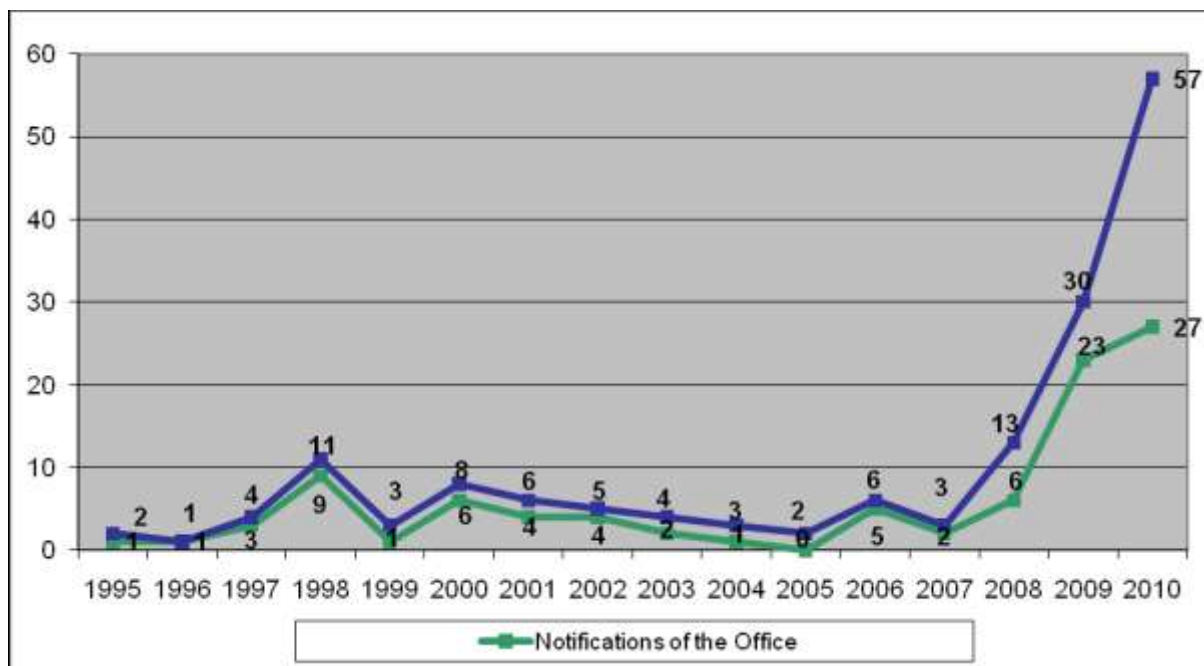
Source of information	Reporter	Number of cases	%
Notifications and information of the OMLP	Obligated entites according to the APMLFT	20	35,09%
	Initiatives of the Criminal Police Directorate of the Ministry of Interior	4	7,02%
	Obligated entity and the initiative of the Police	2	3,51%
State Prosecutor's Office independently		8	14,04%
Police independently		23	40,35%
TOTAL		57	

From the Table 7 can be seen, that in the year 2010 **26 cases (or 45,61%) of all 57 new cases** (suspected to be connected with money laundering) **based on information and notifications of the OMLP**. In the year 2010, 20 cases began on the basis of data reported to the OMLP as STRs by the obliged entities (similar as in the year 2009, when the number was 19), 6 cases began on the basis of the initiative of the state authorities, and in 2 cases the OMLP started collecting data on the basis of both – STRs of the obliged entities and initiatives. In the year 2010, the Police and State Prosecutor's Office autonomously (without the cooperation of OMLP) began preliminary criminal procedure or criminal procedure due to money laundering in 31 cases.

Below you will find data on all introduced procedures for money laundering for the period from 1995 until 2010. It can be seen, that the competent Police directorates filed altogether 125 criminal reports to the competent State Prosecutor's Offices, as in 33 cases the State Prosecutor's Office itself directly filed the demand for investigation or indictment.

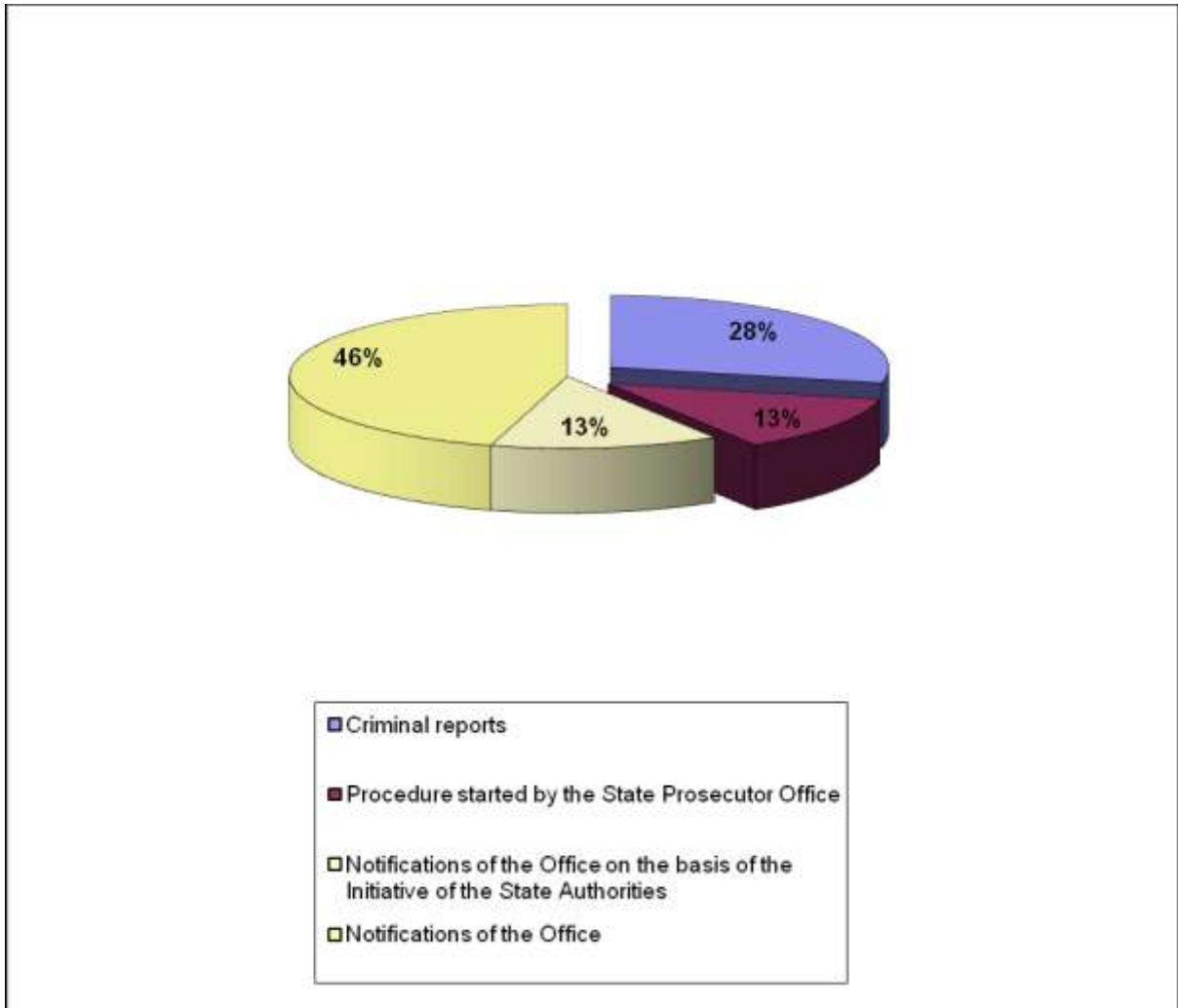
In Graph 3 you will find the number of all introduced preliminary criminal procedures and criminal procedures with regard to the criminal offence of money laundering and the number of those procedures, that began on the basis of data from the notifications of OMLP in the period 1995 – 2010.

Graph 3: Number of all introduced procedures for money laundering (158 procedures) by separate years and number of cases, based on notifications of OMLP (comparison)



From Graph 3 can be seen, that the majority of preliminary criminal procedures and criminal procedures due to money laundering was based on notifications and information of OMLP, but it has to be pointed out, that the Police in the year 2010 significantly increased the number of investigated cases from the field of money laundering, based on autonomous investigation of this criminal offence.

In the period from 1995 until 2010, **93 cases from altogether 158 money laundering cases (or 59%)** based on the information and notification of OMLP, which started the cases on the basis of the STRs of the obliged entities from the Article 4 of APMLFT, data received from the foreign FIUs or data from the database of cash transactions. **41% of cases (or 65 cases of 158) started on the basis of the information, reported to OMLP by the obliged entities according to the APMLFT.** This data have been introduced in Graph 4, where you can find shares of all introduced procedures due to the grounded reasons for the suspicion of committing the criminal offence of money laundering in the period from 1995 until 2010 with regard to the source of information, on the basis of which the procedures began.



As can be seen from the Graph 4, in the period from 1995 until 2010, 59% of all 158 cases connected with the criminal offence of money laundering began on the basis of the information and notification of OMLP. The obliged entities had an important role at detections of reasons for the suspicion of committing the criminal offence of money laundering, but it is also obvious, that the Police activities significantly increased as well. Namely, in the year 2010 the Police autonomously began the investigation of 22 cases from the field of money laundering, as the number in the year 2009 was just 6.

According to the Article 75 of APMLFT, the Police has to inform OMLP annually on its findings on the basis of received notification and information of OMLP. From Police data until the end of the year 2010 can be seen, that on the basis of notifications and information of OMLP, the **Police has filed another 146 criminal reports for other criminal offences (without money laundering)** – like tax evasion, abuse of position or trust at performing economic activities, frauds etc.. This data shows an important role of OMLP at detection of suspicions on committing the criminal offences of money laundering and other criminal offences. Beside this, the Police filed a report to State Prosecutor’s Offices with regard to the 165 information and notifications of OMLP according to the Article 148 of the Criminal Procedure Act, as on the basis of gathered information Police did not discover grounds for the criminal reports.

4.1.3. Statistical data related to the given criminal reports

From the data received for the year 2010 from the State Prosecutor's Offices and Courts can be seen, that with regard to those 158 cases (against 356 natural and 34 legal persons), the preliminary criminal procedures and criminal procedures were in the following stages on 31 December 2010:

Table 8: Stage of procedures of cases connected with the criminal offence of money laundering on 31 December, 2010

	STAGE OF PROCEDURE	No. of Cases	No. of persons	% cases
1	SP*: criminal report rejected	15	34	9,49%
2	SP: decision has not been made	59	150	37,34%
3	SP: demand for investigation	15	36	9,49%
4	IJ: investigation has been introduced	23	57	14,55%
5	SP/COURT: indictment	17	32	10,76%
6	COURT: final verdicts of non guilty	10	20	6,33%
7	COURT: convictions, which are not final yet	1	4	0,65%
8	COURT: final convictions	3	5	1,90%
9	SP/COURT: withdrawal of prosecution, limitation etc.	11	46	6,96%
10	COURT: forwarding of criminal files abroad	4	6	2,53%
	TOTAL:	158	390	100%

* SP means State Prosecutor Office

** IJ means Investigative Judge

It has been established, that in the year 2010 there was a significant increase (more than 50%) of the cases, where the procedures with regard to the criminal offence of money laundering were running, namely from 101 cases at the end of 2009 to 158 cases at the end of 2010.

On 31 December 2010, **43 (of 158) cases** connected with the criminal offence of money laundering, **became final** as follows:

- In 15 cases, State Prosecutor's Office rejected the criminal report
- **In 10 cases, the final verdict of non guilty⁶ was passed**
- **3 cases ended with the final conviction⁷**
- In 11 cases, State Prosecutor's Offices withdrew of prosecution or the court stopped

⁶ Since the criminalization of the criminal offence of money laundering in the Criminal Code on 1 January 1995 until this day, 13 final verdicts have been passed in Slovenia (10 of non guilty, 3 convictions). First verdict, that was passed for the criminal offence of money laundering in Slovenia was the verdict of non guilty from October 1999, which became final in February 2001, when the complaint of the State Prosecutor's Office was rejected. In the next years, another 9 verdicts of non guilty were passed, the last one in the year 2009. It has to be pointed out, that this number includes also the verdict which was at the court of the first degree passed in March 2001 as the conviction, but it was abolished in the same year. The court had an opinion, that the activity was not illegal and the verdict did not contain the methods of hiding of the illegally derived proceeds. The case was in the year 2002 delivered to another expert, but was stopped two years later due to the death of the defendant.

⁷ First conviction, that became final in Slovenia, was passed in May 2006, another 2 convictions followed – one in the year 2008 and second one in the year 2010.

- the criminal prosecution
- 4 cases were forwarded abroad for further procedures.

In other **59 cases**, the State Prosecutor's Office has not decided on the criminal prosecution, but in **55 cases**, the State Prosecutor's Office began with the criminal proceedings at court, namely:

- In 15 cases, it demanded investigation (increase for 1 case in comparison with 2009)
- In 23 cases, the investigation has been introduced (increase for 7 cases in comparison with 2009)
- In 17 cases, the indictment has been filed (increase for 9 cases in comparison with 2009)

In 1 case, the court already passed the conviction, but it has not been final yet as the complaint has been filed.

In Table 9 you will find number of all cases on the last day of the particular year, where the criminal proceedings due to the criminal offence of money laundering have started.

Table 9: 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

Stage of Procedure	2005	2006	2007	2008	2009	2010
SP: criminal report rejected	13	13	14	14	14	15
SP: decision has not been made	2	4	3	7	22	59
SP: demand for investigation	4	6	5	11	14	15
IJ: investigation has been introduced	7	6	8	9	16	23
SP/COURT: indictment	7	7	9	8	8	17
COURT: final verdicts of non guilty	6	7	7	8	10	10
COURT: convictions, which are not final yet	/	/	/	/	1	1
COURT: final convictions	0	1	1	2	3	3
SP/COURT: withdrawal of prosecution, limitation etc.	5	7	7	8	9	11
COURT: forwarding of criminal files abroad	4	4	4	4	4	4
TOTAL	48	55	58	71	101	158

From the Table 9 can be seen, that the number of rejected cases stayed almost the same as in the previous years, as the State Prosecutor's Office in the year 2010 rejected just one criminal report for money laundering. In comparison with the year 2009, the number of indictments (altogether: non-guilty and guilty) has not changed, as well as the number of criminal files forwarded abroad. In the year 2010, the State Prosecutor's Office withdrew of prosecution in one case, and in one case the time frame for prosecution passed by. This is quite encouraging, but this can not be said for the number of final convictions. On the other hand, the number of money laundering cases which already are in the criminal procedures (in stages of the demand for investigation, investigation or indictment) increased significantly. **Number of those cases increased from 38 in the year 2009 to 55 in the year 2010. Due to the fact, that 59 cases are still at the State Prosecutor's Office in the procedure of the continuation of prosecution, it can be established, that both – Police and State Prosecutor's Office – increased their activities in the field of the fight against money**

laundrying.

It can be estimated, that 300% increase of cases in the last 6 years (from 48 cases at the end of the year 2005 to 158 at the end of the year 2010) will influence to the court practice in the money laundering cases, which will have an impact to the relatively low number of convictions for the criminal offence of money laundering, and as a consequence higher effectiveness in the field of the prevention of money laundering in Slovenia.

5 PREVENTION AND SUPERVISION

In the year 2010, the activities of the OMLP in the field of prevention and supervision were as follows:

- preparation of the proposals changes and amendments of the APMLTF;
- preparation of opinions and views with regard to the implementation of the APMLTF and bylaws, issued on its basis;
- cooperation at amending other Slovene legislation, which directly and indirectly refers to the prevention and investigation of money laundering and financing of terrorism;
- participation in the bodies of Council of Europe and European Union, which deal with the prevention and detection of money laundering and terrorist financing,
- preparation of the Action Plan with regard to the 4th Round Evaluation Report, referring to the evaluation of measures for the fight against money laundering and terrorist financing, performed by MONEYVAL (Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism)
- supervision on the implementation of the provisions of the APMLTF by organizations stated in Article 4 of the APMLTF;
- participation in the professional training of staff of the obliged entities, state authorities, organizations with public authorizations, cooperation in the training of the foreign counterparts and bodies
- informing the public and running of the procedures on the access to the information of public character;
- ongoing editing of the website of the OMLP in accordance with the Act on the Access to the Information of Public Character
- collaboration in a special working group (together with other competent bodies from different fields) for the preparation of measures for prevention of tax evasions at cash activities
- collaboration in a special working group (together with other competent bodies from different fields) for the establishment of the Asset Recovery Office (ARO)
- collaboration in the Council for the Crime Statistics at the Slovenian Statistics Office.

5.1 Activities in the field of changing and amending of regulations

5.1.1 Regulations from the field of prevention and investigation of money laundering

5.1.1.1 Changes and amendments of APMLFT

The main purpose of the proposal of the Act on Changes and Amendments of APMLFT (hereinafter: APMLFT-A) was the implementation of EU directives.

Namely, also APMLFT has foreseen more precise regulation of certain issues in by-laws. Before issuing one of the optional rules, the competent services discovered, that certain issues can only be regulated by law, therefore some provisions or facilities for obliged entities (stipulated by afore mentioned EU directives) were included in the proposal of APMLFT-A.

At the end of the year 2007, at the EU level, a new regulation of payment services was agreed, therefore also a Directive on payment services in the internal market was partially implemented to the Slovenian legislation, together with the changes of Directives 97/7/ES, 2002/65/ES, 2005/60/ES and 2006/48/ES and on cancellation of Directive 97/5/ES (hereinafter: Directive 2007/64/ES), which has already been mainly implemented by Payment Services and Systems Act (Official Gazette of the Republic of Slovenia, No. 58/2009), that came into force on 1 November 2009, when also expired the time limit for the implementation of Directive 2007/64/ES to national legislation.

Reason for the preparation of the proposal of APMLFT-A was also the adjustment of the Slovenian regulation to the practice, namely to the implementation of the provisions of EU Directives in other EU member states. The majority of them was late by the implementation of Directives 2005/60/ES and 2006/70/ES, therefore only in the year 2009 came out, how particular countries reached the goals or perform prescribed measures. APMLFT-A also even more takes into consideration **FATF (Financial Action Task Force) Recommendations** for detection and prevention of money laundering and terrorist financing. FATF Recommendations are also the basis for evaluations of effectiveness and adequacy of the adopted measures of detection and prevention of money laundering and terrorist financing in a particular country.

In the years 2008 and 2009, some new institutions were established in Slovenia, which by the adoption of APMLFT-A obtained certain competences and duties in the field of prevention of money laundering and terrorist financing. In the year 2008, also a new Criminal Code (Official Gazette of the Republic of Slovenia No. 55/08 – hereinafter Criminal Code) came into force, with several changes, amendments and new criminal offences, which was also taken into consideration in APMLFT-A.

APMLFT-A also abolished minor obscurities and inconsistencies of some provisions, which did not bring important changes.

The goal of the adoption of APMLFT-A was mostly the adjustment of the Slovenian legislation with Directive 2007/64/ES and to introduce some facilities for the obliged entities (that have to perform measures for detection and prevention of money laundering), already foresaw by Directives 2005/60/ES and 2006/70/ES, which have not been used in our legislation so far. One of the purposes was also abolishment of certain practical minorities

and inconsistencies with regard to particular provisions of the law.

APMLFT-A is based on principles that do not differ from the principles of APMLFT, because in both cases there was the implementation of the international standards to Slovenian legislation. Beside the principle, that the Slovenian citizens and institutions have been protected from the consequences of money laundering and terrorist financing, the proposer also followed the principle of transparency and consultation with competent state authorities, obliged entities and other institutions, to which APMLFT-A referred to as well. APMLFT-A also (with risk taken into consideration), follows the adjustment of the use of measures for prevention of money laundering and terrorist financing. As a consequence, also the principle of the long-term balance between the costs and benefits of the preventive measures will be assured by the side of organizations according to APMLFT-A.

Main solutions, stipulated by APMLFT-A are as follows:

- adjustment of the definition of the obliged entities to Directives 2007/64/ES and Payment Services and Systems Act
- introduction of provisions, that allow obliged entities abandoning of customer due diligence for certain products
- simplified customer due diligence when the obliged entity has been concluding additional business relationship with the same client
- repeated introduction of the acquirement of the statement, whether the client has been performing transaction in the value of at least 15.000 EUR (and more) on its own behalf or on behalf of the third person
- abolishment of the obliged repeated annual review of the foreign legal person
- granting of competences to the Agency for Public Oversight of Auditing for the supervision of the implementation of provisions of APMLFT-A at auditing companies and independent auditors
- introduction of the new provisions to Articles 13 and 25 of APMLFT for the implementation of FATF Recommendations 8, 11 and 21, which have not been implemented to the Slovenian system for detection and prevention of money laundering so far.

5.1.1.2 *Written opinions and instructions of the OMLP regarding the implementation of the APMLTF*

In the year 2010, the OMLP issued 29 written opinions or interpretations regarding the explanation of APMLFT as the answers to several questions of the obliged entities.

The OMLP gave opinions and interpretations, which referred mostly to the questions of the operative nature:

- customer due diligence by opening of the accounts or establishment of the permanent business relationship
- reporting of cash transactions exceeding 30.000 EUR
- reporting of suspicious transactions
- customer due diligence via third parties
- customer due diligence at establishment of the additional business relationship
- exemption from the obligation to carry out customer due diligence for certain products

- risk analysis
- obligation to report transfers of cash via borders of EU Community
- retention of data and documentation
- performing of other duties according to the APMMLFT.

The majority of the OMLP's written opinions have been published on the website of the OMLP to be available to all organizations and other obliged entities.

5.2 Activities within the international bodies

The activities of the OMLP were in 2010 in a large extent connected with the MONEYVAL Committee at the Council of Europe and Committee for the Prevention of Money Laundering and Terrorist Financing at European Commission.

5.2.1 Council of Europe

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

In the year 2009, Slovenia was evaluated by MONEYVAL as the first country in the 4th Round Evaluation. Evaluation began in July 2009, when Slovenia received extensive questionnaire, to which it provided the reply (in cooperation with the several state authorities and other organizations) at the beginning of September, 2009. Evaluators of MONEYVAL visited Slovenia between 5 and 10 October 2009, checked the effectiveness of the system and legislation with regard to the FATF Methodology and evaluated recommendations from previous evaluations. During the visit, the evaluators met the representatives of several state authorities and institutions and on the basis of their findings prepared the draft report, which was sent to the competent Slovenian institutions for possible amendments. In the period from February 3 and 5, 2010, the meeting was held in Strasbourg between the representatives of the OMLP, Ministry of Justice, Ministry of Interior, Ministry of Foreign Affairs and evaluators with the purpose to adjust the opinions and views. The draft report was adjusted and adopted at the 32nd Plenary meeting of MONEYVAL in Strasbourg between March 16-19, 2010.

Part of the 4th Round Report is also the "Action Plan for Improvement of the Slovenian System for the Fight against Money Laundering and Terrorist Financing". OMLP will together with other authorities and institutions prepare the proposals of measures as "action plan", which was forwarded to the Government of the Republic of Slovenia to further proceedings in December 2010.

In the year 2010, there were three Plenary Meetings of MONEYVAL in Strasbourg, participated also by the representatives of OMLP, their contents can more precisely be seen below:

32nd Plenary Meeting MONEYVAL (March 15 – 18, 2010)

This plenary (on which also the 4th Round report of Slovenia was discussed) was attended by the representatives of OMLP, Bank of Slovenia and Criminal Police Directorate of the Ministry of Interior. At the first two days, additional meetings were held between the Slovenian representatives and evaluators on possible amendments and changes of the report, which was later on adopted. Until spring 2012, Slovenia will have to prepare the Progress

Report from the field of the prevention of money laundering and financing of terrorism adjusted to the recommendations of the evaluators and Action Plan. Beside the Slovenian report, also the Progress Reports of Lithuania, Georgia and Montenegro were discussed and adopted, but the Progress Report of Ukraine was rejected as its new act on the prevention of money laundering and terrorist financing was still in the parliamentary procedure.

The international organizations (FATF, IMF, World Bank, EU etc.) also presented activities from the field from the prevention of money laundering and terrorist financing.

33rd Plenary Meeting MONEYVAL (September 27 – October 1, 2010)

Representatives of OMLP and Bank of Slovenia attended that meeting, where the 4th Report for Hungary and First Progress Reports for Armenia, Poland and Ukraine were adopted. A discussion on the progress from the field of the prevention of money laundering and terrorist financing for Slovakia, Bosnia and Herzegovina and Azerbaijan also took part, as those countries in the 3rd Round Evaluation received 30 or more NC (non-compliant) or PC (partially compliant) at 40 FATF Recommendations or 9 Special FATF Recommendations. Representatives of the countries reported on their progress, the Bureau of MONEYVAL will send the governmental representatives a letter on procedures that will be taken against the countries in case they would not fulfil the most important conditions in the shortest time possible. At the meeting, the schedule of evaluations and plenary meetings for the year 2011 was presented and as usual, the international organizations (FATF, IMF, World Bank, EU etc.) also introduced the activities from the field from the prevention of money laundering and terrorist financing.

34th Plenary Meeting MONEYVAL (December 7 – 10, 2010)

This meeting was also attended by the representatives of OMLP and Criminal Police Directorate of the Ministry of Interior and the progress reports of Malta, Ukraine and Serbia were discussed and adopted. Slovenia was appointed as the “reporting” country for the Maltese progress report, so the members of the Slovenian delegation checked the report (legal, financial and law enforcement part), prepared the summary and presented it at the plenary meeting. The discussion was also held on the current situation in the field of the prevention of money laundering and terrorist financing in Croatia, Bosnia and Herzegovina and Moldova, which in the 3rd Round Evaluation received 30 or more NC (non-compliant) or PC (partially compliant) at 40 FATF Recommendations or 9 Special FATF Recommendations. With regard to the Rules of Procedure of MONEYVAL, such countries are obliged to report on their progress at every plenary meeting. At the meeting, the schedule of evaluations and plenary meetings for the year 2011 was presented, the international organizations (FATF, IMF, World Bank, EU etc.) introduced the activities from the field from the prevention of money laundering and terrorist financing and the horizontal review of 3rd Round Evaluations for all countries, members of MONEYVAL was discussed as well.

5.2.1.2 Conference of the Parties of the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime No. 198

Between April 15 – 16, 2010, the second meeting of the conference took place in Strasbourg, where also representatives of OMLP and Ministry of Justice were present. At the conference, the president, vice-president and bureau of the conference were elected; the rules of

procedure were adopted (especially the procedure in the case of discrepancy between the countries that signed the convention); review and adoption of the questionnaire for the evaluation of the countries at the implementation of this convention; review of legislative procedure for the ratification of this convention by countries, that have not deposited ratification document in the Council of Europe so far; election of the members of the evaluation groups. Slovenia did not have a right to vote at this meeting, as it ratified the convention on 26 April 2010, so it came into force on 1 August 2010.

5.2.2. European Union

In the year 2010, four meetings of the Committee for the Prevention of Money Laundering and Terrorist Financing were organized in Brussels, three of them were also attended by the representative of OMLP. Their contents can be seen below:

25th Meeting of Committee was organized on 25 March 2010, where the following topics were discussed: the implementation of the Third Directive of the European Parliament and of Council No. 2005/60/ES, problems of money laundering and terrorist financing in the countries which adopted tax amnesty and return of the assets to the country, and criteria of the establishment of the list of equivalent countries.

26th Meeting of Committee was organized on 15 June 2010 and the following topics were discussed: the implementation of the Third Directive of the European Parliament and of Council No. 2005/60/ES, problems of money laundering and terrorist financing in the countries which adopted tax amnesty and return of the assets to the country; proliferation; supervision of cash transfers between the EU member states; establishment of the list of equivalent countries. Special attention was also attended to the start-up of the MAB (Mutual Assistance Broker) System, to which the customs authorities have reported all cash transfers since 15 June 2010, and the data is available to all offices (some of them have already appointed their contact points).

27th Meeting of Committee was organized on 6 October 2010, where the following topics were introduced: the implementation of the Third Directive of the European Parliament and of Council No. 2005/60/ES; implementation of the Article 11/5 (e-money) of the directive to the legislation of the member states; problems of money laundering and terrorist financing in the countries which adopted tax amnesty and return of the assets to the country; proliferation; supervision of cash transfers between the EU member states. A discussion was held on criteria and establishment of the list of equivalent countries, which was basically made in March 2010 and should be adopted at the June meeting, but some countries had some remarks. A group of five countries (Ireland, Austria, Germany, England, Belgium) was appointed , which should define rules, on which basis a country will be put / withdrawn on/to the list.

5.3 Participation in the professional training

Point 6 of Paragraph 1 of Article 43 of the APMLFT and the “Rules on Performing Internal Control, Authorized Person, Safekeeping and Protection of Data and Keeping of Records of Organizations, Lawyers, Law firms and Notaries” (Official Gazette of the Republic of

Slovenia No. 10/08) determine that the obliged entities from Article 4 of the APMLFT have to provide for regular professional training related to the detection and prevention of money laundering and terrorist financing of all employees performing duties according to the APMLFT. Article 70 of the APMLFT also prescribed, that the OMLP takes an active role in such an education as well.

On this basis and within the international cooperation, the representatives of the OMLP performed in the year 2010 within different seminars home and abroad altogether 59 hours 45 minutes of lectures (53 hours 15 minutes of lectures were performed at home and 6 hours 30 minutes abroad).

5.4 Supervision on implementation of the provisions of the APMLTF by organizations and other obliged entities

5.4.1 Administrative proceedings

The OMLP has had a status of so called administrative authority since it performs supervision of the implementation of the APMLTF and bylaws (adopted on its basis). With the new Minor Offences Act (Official Gazette No. 70/2006 with amendments) the OMLP has been changed (transformed) from so far existing proposer of the administrative proceedings to a procedural authority with the power to decide upon offences and sanctions under an expedited procedure. The OMLP therefore does not only detect violations, but as a rule also declares sanctions.

Administrative proceedings of the OMLP have been run by an authorized person, who by official duty issues a provision in the form of warning or order to pay and passes the fine. On the basis of Article 55 of the Minor Offences Act the OMLP as the administrative authority has to *ex officio* and without delay quickly and simply identify the facts and collects proofs necessary for the decision on offence.

The OMLP has had satisfactory conditions for performing duties in the field of administrative offences, notably as regards the suitable premises and technical equipment.

5.4.2 Office as administrative authority

5.4.2.1 *General estimation of the situation*

The APMLFT has very precisely determined its violations and the persons activities of which have been sanctioned, have been more exactly defined (the violations of the registered verifiers of the qualified digital certificates, violations of third persons, violations of persons performing the activities of the sale of goods).

The violations of the APMLFT have been structured with regard to the sort of administrative offence, as follows:

- most serious offences (a fine from 12.000 EUR to 120.000 EUR shall be imposed on a legal entity, a fine from 800 EUR to 4.000 EUR on the responsible person of a legal entity and a fine from 4.000 EUR to 40.000 EUR to sole proprietor or self-employed

- person)
- serious offences (a fine from 6.000 EUR to 60.000 EUR shall be imposed on a legal entity, a fine from 400 EUR to 2.000 EUR on the responsible person of a legal entity and a fine from 2.000 EUR to 20.000 EUR to the sole proprietor or self-employed person)
 - minor offences (a fine from 3.000 EUR to 30.000 EUR shall be imposed on a legal entity, a fine from 200 EUR to 1.000 EUR on the responsible person of a legal entity and a fine from 1.000 EUR to 10.000 EUR to the sole proprietor or self-employed person).

Concerning the APMLFT, the OMLP has no longer been the only supervisor on the implementation of the provisions of the APMLFT by obliged entities, but so called primary supervisors have been introduced as well (Bank of Slovenia, Securities Market Agency, Insurance Supervision Agency, Office of the Republic of Slovenia for Gaming Supervision, Tax Administration, Market Inspectorate, Slovenian Audit Institute, Bar Association and Chamber of Notaries). Primary supervisors supervise within their competences the activities and as a consequence the corresponding performing of the provisions of the APMLFT at particular obliged entities. Supervisors have to take all necessary steps regarding discovered violations of the legislation from the field of money laundering and terrorist financing to abolish those violations (including the administrative proceeding) and on all its provisions inform the OMLP. **In the year 2010, the OMLP started all administrative proceedings by official duty, because they were detected by OMLP itself.**

5.4.2.2 Statistical data for the period from 1 January 2010 until 31 December 2010

The number of all cases, dealt with by the OMLP as the administrative authority in the year 2010, was 19, but the number includes also the cases from previous years. 8 cases were concluded - in 4 cases just a verbal warning was passed, because the administrative offences were almost meaningless, 1 case felt under the statute of limitations and in 6 cases the proceedings were stopped as they were not administrative offences at all.

5.5 Information of public character

Regarding Article 4 of Act on the Access to Information of Public Character (Official Gazette of the Republic of Slovenia No. 51/2006-UPB2), an information of a public character is every information, originating from the working field of the authority and it has a form of a document, case, file, register, evidence or documentary file and is made by an authority itself, in cooperation with the other body or it is gained from other persons.

On the basis of the Article 5 of this act, the information of public character are freely accessible to the legal and natural persons, by which every applicant has on his demand a right to have the insight into the information or gain its copy, photocopy or its electronic version. The authority can in accordance of Article 26 of this act entirely or partially refuses the demand of an applicant only if it discovers, that the requested data or document is an exception from Article 6 of the act, except if the public interest to disclose the information is stronger than the public interest or interest of other persons to limit the access to the requested information.

According to Article 37 of the afore mentioned act and Article 28 of the Decree on Communication and Re-use of Information of Public Character (Official Gazette of the Republic of Slovenia No. 76/2005), the Office has to prepare a report on the performing of this act for the previous year until the end of January .

In the year 2010, the OMLP received 39 requests for the access to the information of public character, 34 were replied entirely and 5 requests were refused.

6 INTERNATIONAL COOPERATION

The legal basis for the international activities of the OMLP is determined by Articles 65, 66 and 67 of the APMLTF, 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 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 the grounded suspicion on 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 the requests referring to the money laundering, search, seizure and confiscation of the proceeds from crime and financing of terrorism.

Below you will find the activities of the OMLP from the field of international cooperation separately for multilateral and bilateral cooperation.

6.1 Multilateral cooperation

In this part, we present the activities of OMLP in the year 2010 in the international group EGMONT.

*6.1.1 Activities within the international group EGMONT*⁸

⁸ EGMONT group was established on 8 June, 1995 (OMLP was one of its founders) with the purpose to promote international cooperation between FIUs in the field of combating money laundering. At this time it has 120 members from all over the world, the Office is one of its founders. The goal of the EGMONT group is establishment and improvement of the cooperation between its members, exchange of information, education and establishment of new counterparts all over the world. It has 4 working groups: legal, training, operational and outreach working group.

In the year 2010, the representative of OMLP attended the EGMONT GROUP Working Group meetings held between 28 February 2010 until 4 March 2010 on Mauritius and 10 October 2010 until 14 October 2010 in Moldova, as no representative of OMLP was present at the EGMONT Plenary Meeting in Columbia from 27 June 2010 until 1 July 2010.

The activities of the Committee of the EGMONT GROUP (hereinafter: EG) and working groups (hereinafter: WG) are presented below:

In the year 2010, the Committee discussed the revision of the procedure of the election of the chairman of the EG, regional projects, frequency of the EG meetings, budget for the years 2010 and 2011, contributions of the members for the period from 2011 until 2014, problems at the exchange of information between FIUs (some FIUs do not take into consideration the EG Best Practices for the Exchange of Information), collaboration with FATF at Recommendation 40. etc.

At the plenary meeting in Cartagena, the FIUs from Afghanistan, Cameroon, Ivory Coast and Uruguay became EG members. The suspension of El Salvador was withdrawn, as the country finally introduced the system of the prevention of money laundering and terrorist financing. The chairman of the EG, regional representatives and chairmen of the particular working groups were elected as well.

Operational WG focused to the progress at projects of the effective exchange of information, influence of the financial crisis (together with the Wolfsberg Group), impact of the tax criminal offences (as predicate criminal offences) to money laundering. Meetings were intended also to several presentations on topics such as the abuse of the financial system from the side of financial institutions, financial agents and money laundering and how the minor criminal offences can finance the terrorism.

Outreach WG discussed on the situation of the FIUs that asked to become the members of the EG and discovered that 9 countries from Asia (former Soviet Union), 2 countries from the Caribbean, 3 countries from Oceania and Pacific, 4 countries from the Middle East and North Africa and 3 countries from Africa were just before the establishment of the FIUs and adoption of the legislation from the field of the prevention of money laundering and terrorist financing. The group estimated the success of the “Strategic Project of Help to Africa” where it was established, that another 2 FIUs from Africa became the members of the EG. A collaboration with other institutions (such as African Development Bank) was also proposed to offer the assistance to the African continent.

Legal WG discussed the topics such as fusion of the FIU.NET to EUROPOL; contribution of the EG to the exchange of the information between FIUs (FATF R. 40); library with court orders; functional independency of the FIUs etc.

Information Technology WG ended the list of data standards, which will enable the FIUs (EG members) the use of unified documents at the exchange of information with foreign counterparts. A pilot group of FIUs will be established within the IT WG, which will discover whether any additional changes at unified documents are needed. After the project would be completed, the use of data standards would be available to all FIUs, EG members. IT WG develops a document on the development of the FIUs with regard to IT, which will help the FIUs to define where they are, what they want and how will they achieve that. Project supposed to be finished before the plenary meeting in 2011. IT WG will collaborate in the project of the “Protection of the FIUs”, proposed by FINCEN (American FIU), which will

focus on the security issues that has to be dealt by each FIU. The document on the security of the FIUs would be presented at the plenary meeting in 2011.

Training WG held a number of presentations in the year 2010, intended to the FIUs, members of the EG and collaborated with international organizations with the purpose to increase the efficiency of the FIUs. At the plenary meeting in Cartagena, the “Group for Technical Assistance and Education” (headed by the FIU Bermuda) was established with the purpose of planning, performing and evaluating the education for the FIUs.

In cooperation with the World Bank, the EG started the regional seminars of tactical analysis, donated by the Canadian government. First two workshops were in autumn of 2010 in Malaysia and Mexico.

EG cooperates with FATF, as in November 2010 the first common meeting of the experts of EG and FATF was held in South Africa. They discussed on the following projects: money laundering and trafficking with human beings; organized sea piracy; exchange of information and cooperation between the FIUs from the whole world; influence of financial crisis. EG collaborates with FATF at the revision of recommendations R. 27, 28 and 40.

6.2 Bilateral cooperation

In the year 2010, several contacts between the OMLP and its foreign counterparts with the purpose to exchange the information were performed.

6.2.1 International Cooperation on the basis of the Articles 65 and 66 of the APMLTF

In the year 2010, the OMLP sent on the basis of the Article 65 of APMLFT 210 requests in 79 cases to 46 countries and on the basis of the Article 66 of APMLFT received 120 requests in 91 cases from 31 countries.

*In comparison with the year 2009, when OMLP sent 143 requests to its counterparts from 35 countries in altogether 83 cases and received 124 requests from 34 countries in altogether 103 cases, it can be established that **the number of the sent requests increased by 47%**, as the number of the requests received stayed almost the same (reduced for 1%).*

Similar as the year before, the majority of the information were exchanged with the FIUs from Croatia, Italy, Serbia, Germany and Austria.

7 WORK IN THE FIELD OF LOGISTICS

7.1 Financial and Material Operations

Budget funds intended for the OMLP operations in the year 2010 amounted to 673.252 EUR and were divided as follows:

- 584.643 EUR (86,83% for salaries, other personal incomes and contributions of the

employer for the social security

- 78.454 EUR (or 11,65 %) for costs of goods and services
- 4.000 EUR (or 0,59%) for the membership fee of the EGMONT group.

According to the proposal of the OMLP, the structure of the planned funds within the particular items changed until the end of 2010 due to the slight re-arrangements of funds. Out of complete approved funds in the amount of 673.252 EUR, the OMLP in the year 2010 spent 666.737 EUR (or 99,03%) of all available funds.

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