



REPUBLIC OF SLOVENIA
MINISTRY OF FINANCE
**OFFICE FOR MONEY LAUNDERING
PREVENTION**
Cankarjeva 5, P.O.BOX 1696,
1000 Ljubljana

**DATA FROM THE REPORT ON ACTIVITIES OF THE
OFFICE FOR MONEY LAUNDERING PREVENTION OF
THE REPUBLIC OF SLOVENIA FOR THE YEAR 2015**

1. PREAMBLE

The Act on the Prevention of Money Laundering and Terrorist Financing (Official Gazette of the Republic of Slovenia No. 60/07, 19/10, 77/ 11, 108/12 and 19/14 - hereinafter: APMMLFT) 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.

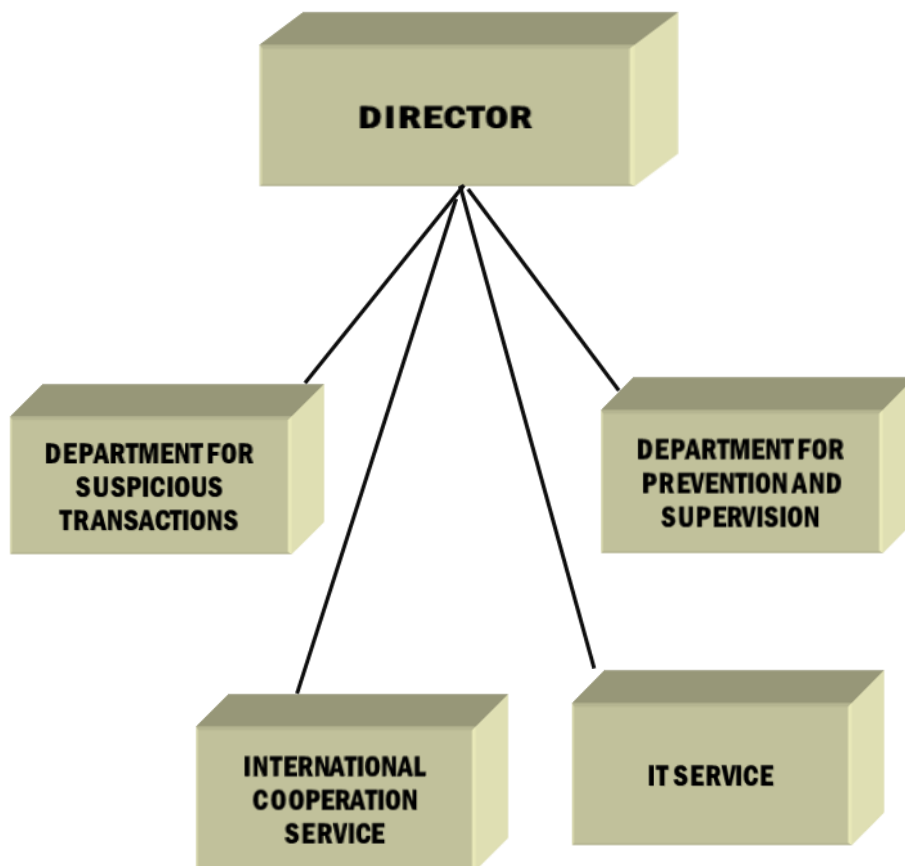
The report on the activities of the OMLP for the year 2015 has already been the twentieth report to the Government and refers to the period from 1 January 2015 until 31 December 2015. The stated period has been shown separately regarding statistical and other numerical data; to allow for year-by-year comparison also certain data from previous years has been stated in the report and its attachments.

1.2 Organizational chart of the OMLP

By the implementation of the preventive acts on the prevention of money laundering and terrorist financing and the establishment of the office 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 office 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), according to which the office for money laundering prevention is the **“central national unit for receiving, and analysing suspicious transaction reports and other information relevant to money laundering, associated predicate offences and terrorist financing and for disseminating results of its analysis to the competent authorities”**.

The FIUs can be administrative, police, judicial/court and hybrid types, 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 at detection and prevention 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 regard to the notifications of OMLP it 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:



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

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

2. ACTIVITIES OF OMLP IN THE FIELD OF SUSPICIOUS TRANSACTIONS

The OMLP receives from organizations, which are obliged entities according to the Article 4 of the APMLTF (hereinafter: organizations) and customs authorities (now Financial Administration of the Republic of Slovenia):

- data on all cash transactions exceeding 30.000 EUR (hereinafter: cash transactions)
- since 18 October 2011, data on all transfers exceeding 30.000 EUR , which were on the basis of the customer`s demand performed to the countries or accounts of natural persons and legal persons with their residence or headquarters in the states with a higher risk of money laundering and terrorist financing; the list of those countries is published at the website of the OMLP (hereinafter: transfers exceeding 30.000 EUR)
- 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 (hereinafter: cash transfers).

2.1 Cash transactions exceeding 30.000 EUR

In 2015, the OMLP received the reports on cash transactions exceeding 30.000 EUR from 40 different organizations. **11.993 cash transactions** in the total value of **853.095.310 EUR** performed in 2014 have been reported to the OMLP on the prescribed forms. In 2014, **13.548** cash transactions in the total value of **974.279.746 EUR** have been reported to the OMLP. The comparison between the years 2014 and 2015 has shown, that the **number of reported cash transactions has decreased for 11% in 2015**, as well as their value. It can be determined that the number of reported cash transactions has been decreasing constantly since 2008.

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

Table 1: Number and share of cash transactions exceeding 30.000 EUR in the period 2014-2015 by reporters

<i>Organizations</i>	<i>2014</i>		<i>2015</i>		<i>INDEX</i>
	<i>Number</i>	<i>Share</i>	<i>Number</i>	<i>Share</i>	<i>2014/2015</i>
<i>Banks</i>	11.115	82,0%	10.365	86,43%	93
<i>Post Office</i>	565	4,2%	457	3,81%	81
<i>Gaming houses</i>	849	6,3%	882	7,35%	104
<i>Savings banks</i>	666	4,9%	1.006	8,39%	151
<i>Gaming Saloons</i>	348	2,6%	275	2,29%	79
<i>Savings and Credit houses</i>	5	0,0%	6	0,05%	120
<i>Exchange offices</i>	0	0,00%	2	0,02%	0
TOTAL CASH TRANSACTIONS	13.548	100,0%	11.993	100,0%	89

As could be seen from the Table 1, the majority of cash transactions were reported to OMLP from banking sector, the average amount of transaction was 65.658 EUR, which was less than in 2014, when the average amount of cash transaction was 71.931 EUR.

2.2 Transfers exceeding 30.000 EUR to the countries with the higher ML risk

Since 18 October 2011, the organizations shall according to the Article 38 of the APMLEFT in three days at the latest, report to the OMLP the data on every transfer exceeding 30.000 EUR, which was on the basis of demand of the client performed to the account of natural and legal persons with permanent or temporary residence or headquarters in the countries with the higher risk for money laundering or terrorist financing or to the accounts in those countries (hereinafter: transfers). The list of the countries with the higher risk for money laundering or terrorist financing (hereinafter: list of the countries) changed three times in 2015. The last list published at the website of the OMLP contained 33 countries.

In the period from 1 January 2015 until 31 December 2015, the organizations reported to the OMLP altogether **5.285 transfers in the total value of 753.362.676 EUR**. 3.695 transfers (over 69% of all transfers) in the total value of 753.362.676 EUR were transfers for domestic legal persons (83,70% of the total value of all transfers), 1.454 transfers (27,5% of all transfers) in the total value of 128.816.022 EUR were performed on behalf of foreign legal persons and 135 transfers (2,5% of all transfers) on behalf of natural persons. Recipients of those transfers were mostly foreign companies, as to their accounts 5.141 or

98,1% of all transfers in the total value of 883.309.053 EUR were performed (which was 98,2% of the total value of all transfers). 137 transfers (2,6% of all transfers) were performed to the benefit of natural persons and 7 transfers (0,01% of all transfers) to domestic legal persons with the accounts in the countries from the list. In comparison with the year 2014, there was an increase in the number of transfers (for 20%) and the total amount of performed transfers (for 57%), but the structure of transfers stayed similar with regard to the type of the person for which the transfers is performed, and type of the receiver.

2.3 Transfers of cash exceeding 30.000 EUR via EU borders

As stipulated by the Article 73 of the APMLFT, customs authorities (now Financial Administration of the Republic of Slovenia) are obliged to report to OMLP (within three days at latest), the data on any declared import or export of cash amounting to or exceeding 10.000 EUR when entering or leaving EU. **In 2015, there were 132 reported transfers of cash at the Slovenian part of the EU border, which was 15% more than in 2014.** In 2015, there was no established non-reported transfers of cash via EU borders.

Among 132 reported transfers, there were **99 transfers to EU and 33 of transfers from EU. 13 transfers were performed for foreign and domestic legal persons, 119 transfers for foreign and domestic natural persons. The total value of transfers to EU was 3.166.853 EUR, 407.693 USD and 300 CHF, as the total value of transfers from EU (via Slovene border) was 690.370 EUR and 652.491 USD.**

By entering of Croatia to EU, the number of transfers decreased rapidly, as the reporting obligation of cash has been valid only at airport border crossings and harbours.

3. ACTIVITIES OF 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 Article 74 of the APMLFT and supervisory authorities from Article 89 of the APMLFT. On the basis of the Articles 64 and 65 of APMLFT, 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 the countries with inadequate AML/CFT measures, which is also a basis to start gathering 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.

3.2 Cases with the raised reasons of suspicion for money laundering or terrorist financing

According to the provisions of the APMLFT, the OMLP received 521 reports on suspicious transactions or suspicious activities in 2015. Among them 516 reports referred to the suspicions of committing the criminal offence of money laundering according to Article 245 of the Criminal Code as in 5 reports a suspicion of committing the criminal offence of terrorist financing has been raised according to Article 109 of the Criminal Code. On the basis of all those reports, the OMLP opened 521 cases and performed activities on the basis of the relevant APMLFT.

Those data has been divided in this report (for the period 2010 – 2015) according to the:

- reporters
- number and dynamics of opened and concluded cases
- cases, forwarded to the Criminal Police Directorate of the Ministry of Interior due to the reasons for the suspicion for money laundering
- cases, forwarded to the Criminal Police Directorate of the Ministry of Interior due to the reasons for the suspicion for financing of terrorism
- cases, forwarded to the Criminal Police Directorate of the Ministry of Interior and other competent authorities due to the reasons for the suspicion of committing other criminal offences
- temporary postponement of transactions
- the value of temporarily seized dirty money and assets
- typology of suspicious transactions.

3.2.1 Reporters

Detailed data on reporters of suspicious transactions and persons, on the basis of which the OMLP opened and investigated particular cases in 2015, can be seen from the Table 1 (together with comparative data for the period from 2010 until 2014). 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 2: Number and share of cases by reporters in the period from 2010 - 2015

REPORTERS	2010	2011	2012	2013	2014	2015
I. SUSPICIOUS TRANSACTIONS ACCORDING TO THE ARTICLE 38 OF APMLTF	176	260	498	541	419	461
	75,54%	79,51%	89,09%	90,17%	87,29%	88,48%
Banks	164	238	461	504	372	422
Savings banks	5	7	16	12	25	19
Post Office	1	4	9	2	4	6
Brokerage companies and management companies of investment funds	1	1	1	9	4	2
Leasing	1	1	4	3	4	1
Auditors and accountants	1	-	-	2	1	-
Casinos	-	-	-	-	2	2
Organizers of the games of chance	-	1	-	2	2	1

Dealers with precious stones	2	8	7	5	2	5
Real Estate Agencies	1	-	-	-	1	-
Insurance companies	-	-	-	-	1	3
Other obliged entities	-	-	-	2	1	-
2. REPORTING ACCORDING TO THE ARTICLE 49 OF APMLTF	2	2	4	1	4	3
	0,86%	0,61%	0,72%	0,17%	0,83%	0,58%
Notaries	1	-	2	1	4	-
Lawyers	1	2	2	-	-	3
3. INITIATIVES ACCORDING TO THE ARTICLE 60 OF APML	24	28	36	30	39	35
	10,30%	8,56%	6,44%	5,00%	8,13%	6,72%
Ministry of Interior, Criminal Police Directorate	18	17	24	16	25	28
State Prosecutor`s Office	2	2	7	9	8	5
Court	-	3	-	1	2	-
Ministry of Finance, Customs Administration (Financial Administration)	1	1	2	2	-	-
Commission for the Prevention of Corruption	3	3	3	1	2	-
Slovenian Intelligence and Security Agency	-	2	-	1	2	2
4. REPORTING ACCORDING TO THE ARTICLE 89 of APMLTF	6	4	6	3	0	2
	2,58%	1,22%	1,07%	0,50%	0,00%	0,38%
Ministry of Finance, Tax Office (Financial Administration)	2	1	3	2	-	-
Market Inspectorate	1	2	1	-	-	1
Bank of Slovenia	3	1	1	1	-	1
Court of Audit	-	-	1	-	-	-
5. EXCLUDED BY THE OMLP FROM CASH TRANSACTIONS	4	17	3	0	2	-
	1,72%	5,20%	0,54%	0,00%	0,42%	0,00%
6. FOREIGN FIUs	21	16	12	25	16	20
	9,01%	4,89%	2,15%	4,17%	3,33%	3,84%
TOTAL	233	327	559	600	480	521

3.2.2 Number and dynamics of opened and concluded cases

In the Table 3 you can find the number of opened and concluded cases in the period from 2010 until 2015, 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 3: Opened and concluded cases for the period from 2010 until 2015

YEAR	Opened	Notification	Information	AA in OMLP	Concluded TOTAL	Number of all sent written information
						<i>Notification/Information</i>
2010	233	55	43	109	207	43/34
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

From the Table 2 can be seen, that **in 2015 the OMLP opened 521 new cases on the basis of the reports and in the same period concluded 572 cases.**

In 2015, 572 cases were concluded as follows:

- **259 cases** were as 190 written notifications on suspicious transactions forwarded to the Criminal Police Directorate (in some cases also to the State Prosecutor's Office), as the reasons for the suspicion of committing the criminal offence of **money laundering** were raised (45,28% of all cases, concluded in 2015)
- **107 cases** were concluded with 95 written information, due to the raised reasons for committing the **other criminal offences**, stipulated by Article 62 of APMLFT (18,71% of all cases concluded in 2015). The cases were therefore forwarded to the competent authorities (Police, Financial Administration of the Republic of Slovenia, Slovenian Intelligence and Security Agency).
- **206 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 62 of APMLFT were detected (36,01% of all cases, concluded in 2015).

3.2.3 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 2015, during its analysis the OMLP discovered by 252 cases the reasons for the suspicion of committing the criminal offence of money laundering, which it sent (in 185 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 2015 also 36 completions of already sent notifications on suspicious transactions, concluded in the previous years.

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 for 42% in 2015 (in comparison with the year 2014), namely **247.762.960 EUR**. We should point out, that this amount is just the total amount of performed transactions, which raised reasons for the suspicion of money laundering, and not necessarily the amount of the money actually laundered.

Within its competences for detection of reasons for the suspicion of ML, the OMLP

cannot 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 2015, in 19 written notifications, the OMLP did not state the predicate criminal offence, but at remaining written notifications the OMLP estimated (on the basis of the circumstances) which predicate criminal offence has most probably been committed. Detected predicate criminal offences, from which most probably the dirty money originated in 2015 were: abuse of position or trust at performing economic activities according to the Article 240 of the Criminal Code and/or tax evasion according to the Article 249 of the Criminal Code (in 27 cases); in 15 cases the criminal offence of fraud according to the Article 211 of the Criminal Code; in 6 cases the criminal offence of unlawful manufacture and trade of narcotic drugs. In other written notifications, the OMLP also mentioned the following predicate criminal offences as possible predicate criminal offences for money laundering: business fraud, according to the Article 288 of the Criminal Code (4 times); organization of money chains and illegal organization of games of chance according to the Article 212 of the Criminal Code (3 times); use of forged non-cash means of payment according to the Article 247 of the Criminal Code (2 times)“; abuse of official duty or rights according to the Article 257 of the Criminal Code (2 times); usury according to the Article 214 of the Criminal Code (2 times); forgery and use of forged valuables or securities according to the Article 244 of the Criminal Code (2 times) and in some cases also the criminal offences of misappropriation and unjustified use of foreign assets according to the Article 209 of the Criminal Code, fraud to the detriment of EU according to the Article 228 of the Criminal Code, theft according to the Article 204 of the Criminal Code, criminal association according to the Article 294 of the Criminal Code, Embezzlement and Unauthorised Use of Another’s Property” according to the Article 209 of the Criminal Code etc... With regard to the gathered data, the Office mentioned in 92 cases that the funds most probably originated from the predicate criminal offences committed abroad (in majority of the cases in Italy).

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

As already mentioned, the OMLP received in the year 2015 also 5 cases with raised suspicions of committing the criminal offence of financing of terrorism according to Article 109 of the Criminal Code. In majority of the cases, the suspicions were not confirmed, but in 2015 the OMLP informed the competent authorities in 7 cases on suspicions of committing the criminal offence of money laundering according to the Article 109 of the Criminal Code and sent 5 written information. In this information, we have investigated 3 domestic natural persons and 17 foreign ones.

At the same time, the OMLP also (in the field of the prevention of financing of terrorism) performed regular monthly reviews of our databases (databases of cash transactions, suspicious transactions, transfers of cash from/to EU) with regard to the persons and organizations from EU list (Consolidated List of Persons, Groups, Entities subject to EU Financial Sanctions), against whom certain financial sanctions have been applied on the basis of the EU Directives and UN Resolutions. The reviews in 2015 showed, that no person from that list performed any financial transaction in Slovenia or was connected with financial transactions in our country.

3.2.5 Temporary postponement of transactions

On the basis of Article 57 of APMLFT, the OMLP may issue a written order for temporary postponement of transactions for a maximum of 72 hours, if it considers there are reasonable grounds to suspect ML/FT. In 2015, the OMLP issued such orders in 7 cases, when it postponed transactions in the total amount of 581.438 EUR at the debt of 9 bank accounts held by 5 domestic natural persons and 2 domestic legal persons. In majority 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 the decrees for provisional securing of the assets at the accounts.

3.2.6 Value of the provisionally secured assets in the ML cases

In 2015, the courts provisionally secured assets in the total amount up to 3.360.998 EUR in ML cases on the basis of the proposals of State Prosecutor`s Offices. The majority of the secured assets referred to real assets, which actual value is much lower. The provisional securing referred to 9 domestic natural persons and 1 foreign natural persons and 3 domestic legal persons together with 4 foreign ones, , investigated by the State Prosecutor Offices in 9 cases, due to the grounded reasons of committing the criminal offence of ML according to the Article 245 of the Criminal Code. In comparison with the year 2014 it has been established that the number of issued orders for temporary securing with regard to the number of cases, persons (against which the orders were issued) and total amount has not particularly changed.

The value of the provisionally secured assets on 31. 12. 2015 in the amount of 40.466.620 EUR has been increased for approximately 12% in comparison with 2014, when the amount was 36.010.381 EUR.

3.2.7 Typology of suspicious transactions

On the basis of the performed analysis of 185 notifications on suspicious transactions with raised reasons of committing the criminal offence of money laundering, which were sent to the competent authorities (Criminal Police Directorate of the Ministry of Interior/State Prosecutor Office), it has been established that the typology of those suspicious transactions has almost stayed the same as in the previous year. Namely, in 2015 we also detected the use of classic ML techniques, 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”.

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

- **mechanism of money laundering represents the environment or the system, where the money laundering activities have been entirely/partially performed:** financial institutions (banks, saving houses, brokerage houses, leasing houses), notaries, lawyers, natural persons, legal persons or companies (domestic companies, “straw” companies, off-shore companies), money transfer systems (Western Union, MoneyGram); trade with precious metal;
- **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;

- **instrument of money laundering is the holder of the value, used for the money laundering activities** and is mostly represented by the following categories: cash, cheques, securities, real assets, vehicles, boats, companies.

With regard to the understanding of the typologies presented above and connected basic elements, we should point out that in a particular case several instruments, mechanisms and money laundering techniques could appear. The sum of particular established money laundering techniques, which is represented by particular typologies and cases, does not represent the total number of the cases, as in the particular case, several money laundering techniques could be detected. In 2015, we established the following most frequent used **mechanisms of money laundering** with regard to the particular basic elements of money laundering techniques (mechanisms, techniques, instruments):

- **Financial institutions** (banks and savings houses): we discovered that in 172 (out of 190 cases) the financial (banking) system was used. In the remaining cases, we detected also particular alternative systems for transfers of funds (MoneyGram and Western Union) and trade with precious metal (investment gold). 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 87 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 166 cases. The method of use was different: “self-laundering”, when the natural person commits the predicate criminal offence and criminal offence of money laundering as well; 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 128 cases, at least in 9 cases, the “straw” companies were used and in at least 11 cases off-shore companies appeared as well.

The most frequent money laundering techniques in 2015 (detected in more than one case) have been as follows:

- transfers of funds between the accounts (detected in approximately 62% cases)
- withdrawals of cash from the accounts (detected in approximately 51% of cases)
- transfer of funds between the countries (detected in approximately 46% of cases)
- cash deposits (detected in approximately 11% of cases)
- concealment via third persons (detected in approximately 9% of cases)
- transfers of funds via state borders (detected in approximately 6% of cases)
- smurfing and avoidance of identification (detected in approximately 5% of cases)
- use of funds for economic activities (detected in approximately 5% of cases)
- use of compliance officers for the execution of transactions (detected in approximately 4% of cases)
- use of money transfer systems (MoneyGram, Western Union) (detected in approximately 4% of cases)
- use of fictive contracts (detected in approximately 3% of cases)
- investments to gold (detected in approximately 3% of cases)
- investments to real assets (detected in approximately 3% of cases)
- investments to vehicles (detected in approximately 2% of cases)

- false show of purpose of transactions (detected in approximately 1% cases)
- exchange of currencies (detected in approximately 1% of cases).

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, 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, Bank of Slovenia, Securities Market Agency, Financial Administration of the Republic of Slovenia and Slovenian Intelligence and Security Agency. OMLP also closely cooperated in concrete cases with criminalists from several police directorates and other state prosecutor`s offices. Cooperation with the afore mentioned state authorities has been taken at the level of principals and operative level between the authorized representatives of authorities.

In 2015, the OMLP issued 4 consents for cooperation in specialized investigative groups and at the end of 2015 it took an active role in 27 specialized groups (19 of them have been established on the basis of the Act on confiscation of property of illegal origin). The cooperation with the Police was good, which could also be shown by the fact, that in **2015 the Police filed 39 criminal reports due to the grounded suspicion of committing the criminal offence of money laundering.**

The State Prosecutor Office independently (without the previous criminal report of the Police for money laundering) **initiated the procedure in another 9 cases, therefore the new criminal reports were filed and the proceedings were initiated in 48 cases in 2015, where in preliminary criminal proceedings or criminal proceedings the suspicions of the criminal offence of money laundering have been investigated.**

The number of information sent to the Financial Administration due to the suspicions of committing the criminal offence of tax evasion was almost similar as in 2015, as OMLP sent 69 written notification to Financial Administration. The cooperation with Tax Administration (Financial Administration) has been successful, as it used the majority of the OMLPs information at its tax supervisions.

4.1 Criminal offences and performing of Article 75 of APMLTF

Article 75 of the APMLTF 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 APMLTF 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.

In 2015, the Police and State Prosecutor`s Office filed criminal reports or started criminal proceedings in 48 cases (within their competences) against 107 natural and 10 legal persons, referring to the suspicions of committing the criminal offence of money laundering. In the period 1995-2015, the preliminary criminal proceedings or criminal proceedings were started in 455 cases due to the grounded suspicions of committing the criminal offence of money laundering.

4.2 Statistical data of Police on criminal offences of money laundering

On the basis of data on filed criminal reports, that has to be sent to OMLP by the Police, can be seen, that the number of criminal reports for the criminal offence of money laundering in 2014 slightly decreased in comparison with the year 2013. This could be the consequence of the extremely high number of criminal reports in 2013, as the number of filed criminal reports in 2014 has been an average of the last 5 years.

In the period 2010-2015, the Police altogether filed 283 criminal reports due to the grounded suspicion of committing the criminal offence of money laundering, which was more than 50% of all introduced procedures (455) with regard to money laundering since 1995 onwards (as incriminated in the Slovenian legislation).

In 2015, the Police filed altogether 39 criminal reports due to the grounded suspicions of committing the criminal offence of money laundering – 19 of them based on the OMLPs notifications.

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

From the data received for the year 2015 from the State Prosecutor`s Offices and Courts could be seen, that with regard to those 455 cases against 906 natural and 132 legal persons, the preliminary criminal procedures and criminal procedures were at the following stages on 31 December 2015:

Table 4: Stage of procedures of cases connected with the criminal offence of money laundering on 31 December, 2015

	STAGE OF PROCEDURE	No. of cases	Domestic natural persons	Foreign natural persons	Domestic legal persons	Foreign legal persons
1	SP*: decision has not been made yet	94	188	36	39	4
2	SP: criminal charge rejected	65	89	16	19	-
3	SP: prosecution has been delayed	1	1	-	-	-
4	SP: demand for investigation	27	63	7	12	3
5	IJ**: investigation has been introduced	53	122	14	22	3
6	COURT: indictment	74	131	9	12	3
7	COURTS: Convictions	57	81	7	5	1
8	COURT: Acquittals (final)	19	22	8	4	1
9	SP: Withdrawal from prosecution	25	56	5	1	-
10	COURT: Stop of the criminal procedures	17	20	5	-	-
11	COURT: Withdrawal of prosecution abroad	6	-	8	1	-

12	“Pre-qualification” of criminal offence (concealment)	5	11	-	-	-
13	Union of procedures	12	7	-	2	-
	TOTAL:	455	791	115	117	15

* SP means State Prosecutor Office

** IJ means Investigative Judge

From the Table 4 can be seen, that on 31 December 2015, **206 (of 455) cases** connected with the criminal offence of money laundering, **became final** as follows:

- In 65 cases, State Prosecutor`s Office rejected the criminal report
- **In 19 cases, the final acquittals were pronounced**
- **57 cases ended with the final conviction**
- In 42 cases, State Prosecutor`s Offices withdrew of prosecution or the court stopped the criminal prosecution
- 6 cases were forwarded abroad for further procedures
- 5 cases ended with prequalification to other criminal offence
- In 12 cases, the courts and state prosecutor offices decided to unite the preliminary criminal procedures and criminal procedures.

In other 94 cases, the State Prosecutor`s Office has not decided on the criminal prosecution and in 1 case it postponed the prosecution, but **in 154 cases**, the State Prosecutor`s Office began with the pre-criminal and criminal proceedings at court, which were on 31 December 2015 at the following stages:

- In 27 cases, demand for investigation
- In 53 cases, the investigation has been introduced
- In 74 cases, the indictment has been filed.

In Table 5, you will find the 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. It could be seen that in the last 6 years the procedures in approximately 59 new cases connected with the criminal offence of money laundering have been introduced.

Table 5: Comparison of the number of cases connected with committing the criminal offence of money laundering with regard to the stages of procedures on the last day of the particular year (2010 – 2015)

Stage of Procedure	2010	2011	2012	2013	2014	2015
SP: decision has not been made	59	75	64	80	104	94
SP: criminal report rejected	15	17	50	56	55	65
SP: prosecution has been delayed	-	-	1	1	1	1
SP: demand for investigation	15	30	21	27	20	27
IJ: investigation has been introduced	23	25	37	53	60	53
COURT: indictment	17	27	39	50	56	74
COURT: conviction	3	5	9	26	45	57
COURT: judgment (not final)	1	2	0	0	0	0
COURT: final acquittal	10	10	13	15	16	19
COURT: final judgment - concealment	-	-	3	3	3	3
SP: withdrawal of prosecution, limitation etc.	11	15	24	29	20	25

COURT: stop of the criminal procedure	-	-	-	-	13	17
COURT: forwarding of criminal files abroad	4	4	4	5	6	6
Pre-qualification” of criminal offence (concealment)	-	-	-	-	2	2
Union of procedures	-	-	-	3	6	12
TOTAL	158	210	265	348	407	455

From the Table 5 could be seen, that the number of cases, where the State Prosecutor Office decides on the prosecution has decreased in spite of the constant annual increase of new cases. The number of rejected cases increased rapidly only in 2012, which was the consequence of the legislation referring to the incrimination of tax evasion in higher amount (which exceeded 50.000 EUR of concealed taxes), which also influenced to the number of the rejections of prosecutions. The numbers of cases forwarded abroad, cases where the State Prosecutor Office withdrew of prosecution and courts stopped the prosecution stayed almost the same as in the previous year. The number of acquittals stayed the same as well, due to the unproved predicate criminal offence. The number of final convictions increased to 57 cases, where the final judgments for committed criminal offence of money laundering were pronounced. In 154 cases, the State Prosecutor Offices decided for prosecution and they have been in stages of demand for investigation, investigation or indictment.

In previous years, we have exposed an increase of the number of those three stages of proceedings and expected early conclusion of those cases, which would influence to the number of the final concluded cases as well. Actually, in the last three years we have been noticed the constant number of cases related to committing the criminal offence of money laundering, which ended with the final conviction. The rapid increase of final judgments could also be confirmed by the data, that the courts pronounced 48 judgments in the last three years, as in the period 1995-2012 this number was only 9.

5. PREVENTION AND SUPERVISION

In 2015, the activities of the OMLP in the field of prevention and supervision were as follows:

- preparation of the new APMLFT, which will replace the existing APMLFT
- preparation of opinions and views with regard to the implementation of the APMLTF and bylaws, issued on its basis;
- participation in the bodies of Council of Europe and European Union, which deal with the prevention and detection of money laundering and terrorist financing,
- 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
- ongoing editing of the website of the OMLP in accordance with the Act on the Access to the Information of Public Character.

5.1 Preparation of new APMLFT

The OMLP prepared the proposal of new APMLFT, which will replace the existing

APMLFT due to changes of international legislation, adopted in the field of the prevention of money laundering and terrorist financing by FATF and EU. Namely, in February 2012 the revised FATF recommendations came into force, which have to be taken into consideration by the countries at performing their measures of detection and prevention of money laundering, financing of terrorism and as new – proliferation. Previous 40 recommendations for money laundering and 9 specific recommendations for terrorist financing have been merged to 40 standards. Recommendation No. 1 (R1) has been one of the most important recommendations, as it demands from the states to perform (beside the sectorial risk analysis) also the national risk analysis for money laundering and terrorist financing. As FATF expanded the recommendations, the EU has prepared the new IV. AML Directive 2015/849EU, which supposed to be implemented to the national legislation until 26 June 2017. Due to the terrorist threats, the European Commission published in February 2016 the Action plan to fight against financing of terrorism, on which basis the countries decided for the earlier implementation of this Directive – until the end of 2016. Therefore the existing APMLFT should be replaced with the completely new law, which is also very important due to the forthcoming 5th Round Evaluation of Slovenia by the MONEYVAL.

Another reason for the adoption of the new law is also the action plan for execution of MONEYVALs recommendations, which was adopted by the Government of the Republic of Slovenia on 13 January 2011 by decision No. 46000-2/2010/3, determining the competent authorities to perform adequate measures.

After the preparation of the law, the decision of the Government of the Republic of Slovenia No. 02401-4/2010/17 of 14 July 2011 has been taken into consideration, with which the government has been acquainted with the report of the Interministerial working group for preparations of measures to prevent tax evasion at cash transactions. Among others, this decision also foresees the preparations of amendments and changes of the law, which would limit cash transactions and enable closer cooperation between the Financial Administration and OMLP.

Other reasons for the preparation of the law were certain deficiencies, which influence to efficiency of the system as a whole and should be removed by new legislative provisions.

With regard to the afore mentioned facts, the OMLP prepared the draft APMLFT and published it at its website on 27 July 2015, website of the Ministry of Finance and State Portal of the Republike of Slovenia “eUprava”– under “E-demokracija”. Professional and other interested public could inform the OMLP on their views, amendments and proposals until 27 August 2015.

Due to the high number of received proposals and amendments, the OMLP prolonged the period for preparation of the law to 2016.

5.2 Written opinions and views referring to the implementation of APMLFT

In 2015, the OMLP gave 51 written opinions/points of view with regard to the explanation of APMLFT, namely 9 opinions to the requests of the supervisory authorities from Article 85 of APMLFT; 1 opinion to the request of foreign FIU; 3 opinions to the request of the state authorities; 9 opinions to the requests of the banks; 8 opinions to the requests of lawyers; 21 opinions to the requests of other obliged entities and natural persons.

The OMLP gave opinions/points of view with regard to the following questions:

- customer due diligence by opening of the accounts or establishment of the permanent business relationship
- identification of the beneficial owner
- use of qualified digital certificate
- CDD via third person
- politically exposed persons
- limitations of cash transactions
- professional training and education
- update and keeping of data
- performing of other duties according to the APMLFT.

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

4.3 Activities within the international bodies

The activities of the OMLP were in 2015 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.

4.3.1 Council of Europe

In 2015, there were three Plenary Meetings of MONEYVAL in Strasbourg, participated also by the representatives of OMLP, their contents can more precisely be seen below:

47th Plenary Meeting MONEYVAL (April 14 – 17, 2015)

At this meeting, the Slovenian delegation represented the progress report on its fight against money laundering and terrorist financing, which was adopted. Beside this, a number of other progress reports was discussed, namely of Andorra, Bosnia and Herzegovina, San Marino, Lithuania, Macedonia, Poland, Czech Republic, Malta and Georgia. The report of 4th Round Evaluation of Montenegro was discussed as well, revealing deficiencies in the country's system of prevention of ML/FT, therefore the executive secretary of MONEYVAL sent the warning letter to the head of the country's delegation.

48th Plenary Meeting MONEYVAL (September 14-18, 2015)

At this plenary, Russia and Israel reported on their Voluntary Tax Compliance programmes (VTC) and certain countries (Andorra, Albania, Latvia, Slovakia, Croatia, Bosnia and Herzegovina, Ukraine, Guernsey, Georgia, Czech Republic and Bulgaria) presented their progress reports in the field of the fight against ML/FT. Isle of Man, Israel, Hungary and Switzerland presented also the procedure and results of their projects of National Risk Assessment (NRA).

49th Plenary Meeting MONEYVAL (December 7 - 11, 2014)

The Evaluation Working Group firstly met during this plenary meeting, to which the countries (MONEYVAL members) should appoint one representative. The purpose of this group is a discussion of key issues related to the reports of particular countries within 5th Round Evaluation of MONEYVAL. At this plenary, two evaluation reports were adopted,

namely for Jersey (4th Round Evaluation) and Armenia (5th Round Evaluation). The progress reports for Vatican, Moldova, Malta, Israel, Georgia, Latvia, Cyprus and Azerbaijan were also adopted. Israel and Albania had to report on their VTC programmes, which could also represent higher risk for ML/FT. The new chairman and bureau members were also chosen within this meeting. The member of the Slovenian delegation was chosen for MONEYVAL's Gender Equality Rapporteur.

At all plenary meetings, the international organizations (FATF, IMF, World Bank, EGDMONT, European Commission etc.) informed the participants on their activities from the field of the prevention of ML/FT and the MONEYVAL Secretariat presented the draft schedule of meetings for the year 2015.

4.3.2 European Union

Experts Group on Money Laundering and Terrorist Financing - EGMLTF

In 2015, the representative of OMLP attended two meetings of EGMLTF, established within the European Commission.

On 8th January 2015, at 5th EGMLTF meeting, the EC representative informed the participants on the situation related to negotiation referring to the AML/FT legislation. The EC foreseen, the IV. AML Directive will be published in the Official Gazette of European Union in June 2015. In September 2015, the EC will organize workshops related to the transposition of this directive to national legislation. Until then, the report of the working group of the EGMLTF on Supra National Risk Assessment (SNRA) will be published at EU level. Beside this, the representatives of Estonia and Spain presented their experiences with regard to NRA projects. The draft of FATF guidelines related to the virtual currencies was also presented at this meeting.

On 5th October, 2015, at 6th EGMLTF meeting, the majority of time was dedicated to the SNRA. It was pointed out, that SNRA would not be a bundle of national risk assessments, but the EC will make a report, which will cover the internal markets with higher risks for particular sectors and most spread methods of perpetrators of ML. Beside EC also the ad hoc working group within EGMLTF, EU institutions (ESAs), FIU Platform and other experts will participate at preparation of SNRA report.

EU-FIU Platform

In 2015, there were three EU-FIU platform meetings organized in Brussels – two of them were attended by the representative of OMLP. The meetings were held on 3 March 2015 and 1 June 2015. The main topics of meetings were the improvement of international cooperation, grouping of two IT systems for the exchange of information (FIU.NET and SIENA) and fight against FT.

4.4 Participation at professional training

Point 6 of Paragraph 1 of Article 43 of the APMLTF 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 28 hours and 25 minutes of lectures in 2015 within different seminars in Slovenia and abroad.

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 the bilateral cooperation.

Bilateral cooperation

For bilateral cooperation of OMLP, numerous contacts with its foreign counterparts were characteristic in the year 2015.

In 2015, the OMLP sent on the basis of Article 65 of APMLFT 201 requests in 165 cases to 37 countries and on the basis of Article 67 of APMLFT sent another 53 spontaneous information to 8 countries.

On the basis of the Article 66 of APMLFT, the OMLP received 165 requests in 135 cases from 37 countries and on the basis of the Article 67 of APMLFT, 15 spontaneous information from 9 countries.

In comparison with the year 2014, when OMLP sent 216 requests in 150 cases to 39 countries and received 164 requests in 140 cases from 33 countries, it could be established

that the number of sent requests decreased for 7% as the number of received requests remained at the same level.

With regard to spontaneous information on the basis of the Article 67 of APMLFT, the OMLP sent in 2014 21 such information and received 13 of them. It could be established, that the number of spontaneous information increased significantly in 2015, as the number of such information, sent by OMLP was higher for more than 250% and the number of received information was higher for 15%.

It should be pointed out in relation to the received requests of foreign FIUs, that among 165 of them, there were 99 of requests, where the OMLP did not establish the suspicion of committing the criminal offence of ML, therefore it provided a replies but did not recorded them to the OMLPs database of suspicious transactions.

The majority of information was exchanged with FIUs from Italy, Croatia, Austria, Russia and Serbia.

7. FINANCIAL AND MATERIAL OPERATIONS

The budget funds intended for the OMLP operations in the year 2015 amounted to **708.021,83 EUR**, which were divided as follows:

- 633.606,38 EUR - for salaries, other personal incomes and contributions of the employer for the social security
- 68.271 EUR - for costs of goods and services
- 4.408,95 EUR - for the membership fee of the EGMONT group.