



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 2019**

1. PREAMBLE

The Act on the Prevention of Money Laundering and Terrorist Financing (Official Gazette of the Republic of Slovenia No. 68/16, 81/19 and 91/20 - hereinafter: APMLFT-1) in its Article 119 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 2019 has already been the twenty-fourth report to the Government and refers to the period from 1 January 2019 until 31 December 2019. 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.

1.1 Organizational chart of the OMLP

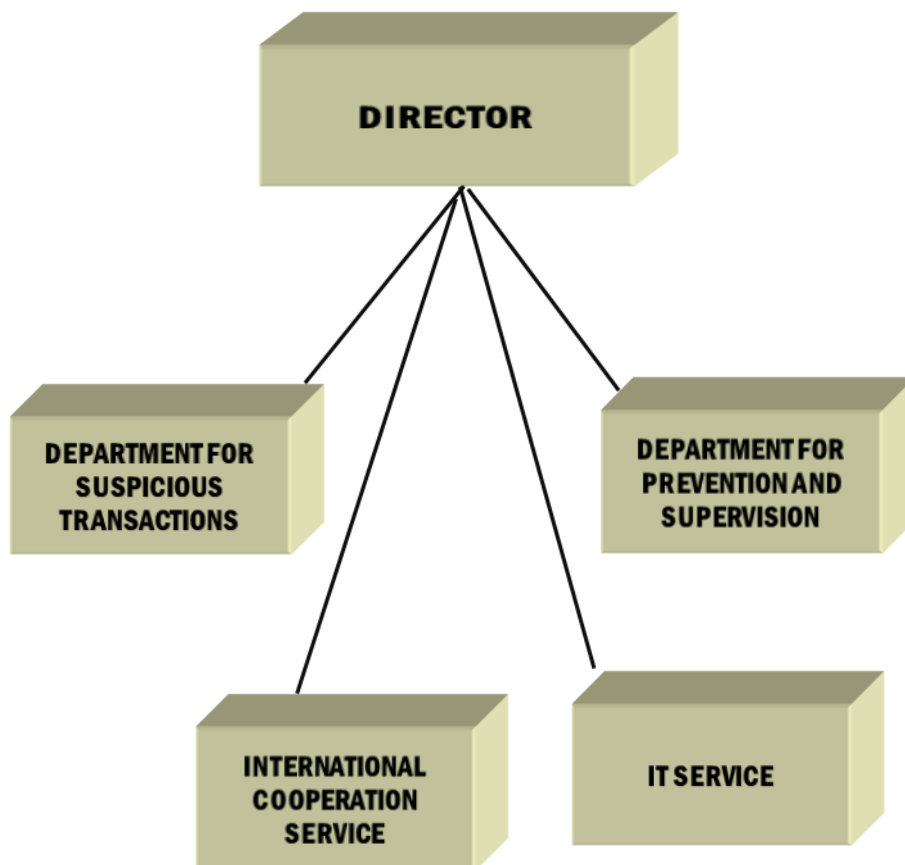
With the implementation of preventive measures in the fight against money laundering and terrorist financing and by establishment of the offices for money laundering prevention 25 years ago, the system of detection of money laundering has intended a special role also to the obliged entities (financial and non-financial institutions) and afore mentioned offices as well. The international expression for those offices is “Financial Intelligence Unit – FIU”, meaning that one of its duties is receiving, analysing and sending financial and other intelligence to the competent authorities. This duty has been stipulated by the definition of the Financial Action Task Force (FATF), according to which the office for money laundering prevention is the **“central national unit for receiving, analysing and informing the competent authorities on suspicious transaction reports and other information relevant to money laundering or terrorist financing”**.

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

Namely, the OMLP is an administrative office within the Ministry of Finance and acts as a clearing house between the financial institutions and law enforcement authorities. Within its competences, OMLP analyses suspicious transactions sent by the obliged entities and if it establishes reasons for suspicion of money laundering, terrorist financing or other criminal offences, it forwards its analyses of gathered data as a 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 analysis of financial and other data, and not criminal reports in the sense of the Criminal Procedure Act.

The organizational chart has not significantly changed until 2014, when the Analytics Service has been abolished. Its duties were taken over by the Department for Suspicious Transactions. The organizational structure of the OMLP is now 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

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

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

the Council on controls of cash entering or leaving the Community (hereinafter: cash transfers crossing the EU borders).

2.1 Cash transactions exceeding 15.000 EUR

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

In 2019, the OMLP received data (via protected electronic connection) from obliged entities on 42.879 cash transactions exceeding 15.000 EUR in the total amount of 1.533.261.465 EUR.

The share of reported cash transactions by sectors has been similar as in previous years, where we (according to the new APMLFT-1) jointly display the number of reported cash transactions for casinos together with gaming saloons and savings houses with savings and loan services. **It has been established, that – in comparison with the year 2018 - the total amount of funds in all reported cash transactions increased for 3,02%, whereas the number of transactions themselves decreased for 3,2%.**

For annual comparison, we have only taken into consideration the number of reported cash transactions (by sectors) exceeding 30.000 EUR, performed in EUR (annually, these transactions represent more than 95% of all transactions performed in cash). At the same time, we have taken into account just sectors, which reported more than 20 such transactions to the OMLP.

Table 1: Number and share of cash transactions exceeding 30.000 EUR in the period 2016-2019 by obliged entities

Obliged entities	2016		2017		2018		2019	
	Number	Share	Number	Share	Number	Share	Number	Share
Banks	9.968	73,18 %	11.989	80,44 %	10.911	85,96%	9.076	84,01 %
Casinos	2.173	15,95 %	1.285	8,62 %	656	5,16%	957	8,86 %
Savings houses	1.114	8,18 %	1.102	7,39 %	1.125	8,86%	770	7,13 %
Post Office	367	2,69 %	516	3,46 %				
TOTAL CASH TRANSACTIONS	13.622	100,00%	14.892	100 %	12.695	100%	10.803	100 %
TOTAL AMOUNT	780.436.149		919.844.278		764.939.885		716.498.668	
AMOUNT/TRANSACTION	63.321		61.767		60.255		66.324	

As can be seen from Table 1, the majority of cash transactions were reported to OMLP from the banking sector, followed by the sector of savings houses and casinos, while other obliged entities (exchange offices, lawyers etc.) sent less than 20 cash transactions per year. Since 2018, the cash transactions for the Post Office has been reported by the bank, at which the Post Office performs payment transactions. One of the main findings of the year – by - year comparison is, that the decreasing trend of reported cash transactions in the sector of casinos has stopped.

2.2 Transfers exceeding 15.000 EUR related with the risk countries

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

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

Further on in this document these transactions are referred to as transfers related with risk countries. The list of countries with higher or increased risk for money laundering or terrorist financing (hereinafter: list of higher risk countries) changed three times in 2019 and included altogether 74 countries. The list of risk countries is publicly available at the website of the OMLP.

In the period from 1 January 2019 until 31 December 2019, obliged entities reported to the OMLP data on altogether **18.103 transactions in the total value of 1.493.403.395 EUR, 163.427.031 USD, 19.703.416 BAM, 478.955.194 RSD, 736.907 CHF, 68.784 GBP 90.000 AED, 57.455.072 JPY and 683.085 HRK (altogether 1.654.382.699 EUR according to the exchange rate of 31. 12. 2019).**

2.3 Transfers of cash amounting to or exceeding 10.000 EUR via EU borders

As stipulated by Article 120 of APMFT-1, the customs authorities are obliged to report to OMLP (within three days at latest), data on any declared import or export of cash amounting to or exceeding 10.000 EUR when entering or leaving EU. **In 2019, there were altogether 113 reported transfers of cash at the Slovenian part of the EU border, which is less than in 2018, when there were 140 of such transfers.** In 2019, there were two here non-reported transfers of cash via EU borders.

Among 113 reported transfers, there were **58 transfers to EU in total amount of 2.963.648 EUR and 30.000 USD, and 55 transfers from EU in total amount of 764.365 EUR and 604.642 USD. 60% of all transfers to EU referred to the purchase of vehicles, or real estate, whereas 67% of all transfers from EU referred to cash for the needs of ships.**

3. ACTIVITIES OF OMLP IN THE FIELD OF SUSPICIOUS TRANSACTIONS

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

With regard to the Regulation on restrictive measures against Democratic Public Republic of Korea (Official Gazette of the Republic of Slovenia No. 18/2017), the OMLP is also competent for receiving suspicious transactions referring to proliferation. In 2019, the OMLP received no such reports.

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

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

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

According to the provisions of the APMLFT-1, the OMLP **received 1030 reports on suspicious transactions or suspicious activities in 2019, referring to the reasons for suspicions of money laundering; 31 reports, which referred to the reasons for suspicion of terrorist financing, and the OMLP also received 8 reports, where the State Prosecutor's Office (with the previous approval of OMLP) ordered financial investigations according to the Confiscations of Proceeds of Crime Act.**

On the basis of all those reports, the OMLP opened 1.069 cases and performed activities on the basis of the APMLFT-1.

Those reports have been (together with the comparative data for the period 2015 – 2019) sorted according to the:

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

3.1.1 Reporters

Detailed data on reporting entities of suspicious transactions and persons, on the basis of which the OMLP opened and investigated particular cases in 2019, can be seen from Table 2 (together with the comparative data from 2015 onwards). For the years 2018 and 2019, we separately show data on reports referring to money laundering and terrorist financing. The table contains only reporting entities, explicitly determined by the APMLFT-1, on which basis the OMLP could start investigations of cases and use its authorizations.

Table 2: Number and share of cases by reporters in the period from 2015 - 2019

REPORTING ENTITIES	2015	2016	2017	2018		2019	
				ML	FT	ML	FT
1. REPORTS OF OBLIGED ENTITIES	464	392	484	660	25	889	24
	88,48%	87,30%	86,74%	87,07%	86,21%	85,65%	77,42%
Banks	422	361	426	548	18	755	8
Savings banks	19	22	28	75		84	
Post Office	6	2	10	15		7	
Brokerage companies and management companies of investment funds	2	1	3	2		10	
Leasing	1		2	2		2	
Auditors and accountants			2		1	5	
Casinos	2	2	10	5		9	
Other organizers of games of chance	1		1			1	
Dealers with precious stones	5	2		3		1	
Real Estate Agencies		1	1				
Insurance Companies	3		1				
Virtual currencies				1			
Payment Service Provider				4	6	5	16
Other obliged entities				3		3	
Notaries		1	2	2		2	
Lawyers	3					5	
2. INITIATIVES OF STATE AUTHORITIES	35	32	38	49	2	81	5
	6,72%	7,12%	6,81%	6,46%	6,90%	7,80%	16,13%
Ministry of Interior, Criminal Police Directorate	28	18	18	30		48	
State Prosecutor's Office	5	7	13	13		20	
Court		1				4	
Commission for the Prevention of Corruption							
Slovenian Intelligence and Security Agency	2	6	7	6	1	9	5
Ministry of Defence, Intelligence Security Service					1		
4. REPORTING OF THE FACTS OF SUPERVISORY AUTHORITIES	2	3	3	5	0	14	0
	0,38%	0,67%	0,54%	0,66%	0,00%	1,35%	0,00%
Ministry of Finance, Financial Administration		2				1	
Securities Market Agency		1		1		2	
Market Inspectorate	1			1			
Bank of Slovenia	1		3	3		11	
Court of Audit							
5. OMLP ON ITS OWN INITIATIVE		2	3	4		1	
	0,00%	0,45%	0,54%	0,53%	0,00%	0,10%	0,00%
6. FOREIGN FIUs	20	20	28	40	2	53	2
	3,84%	4,45%	5,02%	5,28%	6,90%	5,11%	6,45%
TOTAL	521	449	558	758	29	1038	31

As we already mentioned, the OMLP opened 1.069 cases in 2019, on the basis of reported suspicious transactions, namely:

- 913 cases were opened on the basis of reported suspicious transactions by obliged entities,
- 86 cases were opened on the basis of initiatives of state authorities,
- 14 cases were opened on the basis of facts reported by supervisory authorities,
- 1 case was opened on the basis of data from OMLP's own databases,
- 55 cases were opened on the basis of data from requests of foreign FIUs.

The table shows, that the majority of suspicious transactions reports were sent by the obliged entities (financial and non-financial institutions) – mostly banks, which annually send the highest number of reports to the OMLP, that (according to their opinion) raise reasons for suspicion of committing the criminal offence of money laundering. This trend was detected also in the year 2019, as 763 cases (out of all 1.069 cases) were opened on the basis of data from reports of banks, which represented 71,37% of all opened cases.

In spite of the fact, that the number of opened cases has doubled since 2015, no changes in the structure of reporting entities have been recorded.

3.1.2 Number and dynamics of opened and concluded cases

In Table 3 you can find the number of opened and concluded cases in the period from 2010 until 2019, which were analysed by the OMLP due to reasons for suspicion of committing the criminal offences of money laundering and terrorist financing.

Table 3: Opened and concluded cases for the period from 2010 until 2019

YEAR	Opened	Notification	Information	AA in OMLP	Concluded TOTAL	Number of all sent written information
						Notification/Information
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
2016	449	245	150	136	531	185/128
2017	558	243	117	75	435	181/192
2018	787	328	149	82	559	253/129
2019	1069	351	243	187	781	259/170

From Table 3 can be seen, that **in 2019 the OMLP opened 1.069 of new cases on the basis of the reports and in the same period concluded 781 cases.**

In 2019, the cases were concluded as follows:

- **351 cases** were as 259 written **notifications** on suspicious transactions forwarded to the Criminal Police Directorate (in some cases also to the State Prosecutor`s Office), as reasons for suspicion of committing the criminal offences of **money laundering** or **terrorist financing** were raised (44,94% of all cases, concluded in 2019)
- **243 cases** were concluded with 170 written **information**, due to the raised reasons for committing **other criminal offences**, stipulated by Article 102 of APMFT-1 (31,11% of all cases concluded in 2019). The cases were therefore forwarded to the competent authorities (Police, Financial Administration of the Republic of Slovenia).

- **187 cases were concluded and kept in the OMLP** as no reasons for the suspicion of committing the criminal offence of money laundering or other criminal offence from Article 102 of APMLFT-1 were detected (23,94% of all cases, concluded in 2019).

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

Among concluded cases, 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 101 of APMLFT-1.

In 2019, during its analysis the OMLP discovered in 324 cases reasons for the suspicion of committing the criminal offence of money laundering and forwarded its findings in 241 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 2019 also 77 additions to already sent notifications on suspicious transactions, concluded in the previous years.

In comparison with the year 2018, 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, **doubled in 2019 in the currency EUR, as it decreased for more than 99% in the currency USD.**

Within its competences for detection of reasons for the suspicion of money laundering, the OMLP cannot definitively establish which predicate criminal offence was committed. In 2019, in 184 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 2019 were (as stipulated by the following Articles of Criminal Code):

- **in 46 cases, fraud, Article 211;**
- **in 6 cases, unjustified production and trade with illegal drugs, illicit substances in sport and precursors for the manufacture of illicit drugs, Article 186;**
- **in 7 cases, abuse of prostitution, Article 175;**
- **in 5 cases, abuse of position or trust at economic activities, Article 240,**
- **in 4 cases, tax evasion, Article 249 and;**
- **in some cases, the abuse of non-cash means of payment, Article 246; attack to the IT system, Article 221; special cases of forgery of documents, Article 252; smuggling, Article 250; prohibited crossing the border or territory of the country Article 308; business fraud, Article 228; great theft, Article 205 of the Criminal Code.**

In 184 of sent notifications - where we did not mention the predicate criminal offences - we established in 112 cases, that the funds most probably originated from the criminal offences committed abroad (in 47 cases in Italy). In 72 cases, we could not establish

from which criminal offence nor from which country the funds were supposed to originate.

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

As already mentioned, the OMLP received in the year 2019 also 31 reports, where the transactions raised suspicions of committing the criminal offence of financing of terrorism according to Article 109 of the Criminal Code. Almost all reports were received from obliged entities, five reports were obtained from the Slovenian Intelligence and Security Agency and two from foreign FIUs.

In 2019, within its analysis the OMLP established reasons for the suspicion of committing the criminal offence of financing of terrorism according to Article 109 in 27 cases and sent them as 18 information to the competent authorities. In this information, we have investigated 54 persons (26 were foreign ones).

At the same time, the OMLP also (in the field of the prevention of financing of terrorism) performed regular reviews of the lists of persons and organizations from the EU list, against which certain financial sanctions have been imposed on the basis of EU Directives and UN Resolutions (Consolidated List of Persons, Groups, Entities subject to EU Financial Sanctions). With the introduction of the new STR reporting system, those reviews are performed as soon as the report is received. At reviews in 2019, it has been established that none of the persons from that list have performed or have been connected with reported financial transactions in Slovenia.

3.1.5 Temporary postponement of transactions

On the basis of Article 96 of APMLFT-1, the OMLP may issue a written order for temporary postponement of transactions for a maximum of three working days, if it considers there are reasonable grounds to suspect ML/FT. **In 2019, the OMLP issued such orders in 4 cases, postponing transactions in the total amount of 282.619 EUR and 85.473 AUD at the debt of 7 bank accounts held by 2 domestic natural persons and 5 domestic legal persons.** In part of those cases, the State Prosecutor Office proposed (before the expiry of the temporary postponement of transaction) the temporary prohibition of disposing with all the funds at the accounts. On the basis of this proposal, the courts issued decrees for provisional securing of the assets at the accounts accordingly.

3.1.6 Value of the provisionally secured assets in the ML cases

In 2019, the courts (on the proposal of State Prosecutor's Office) provisionally secured assets in seven ML cases of eight domestic natural persons, namely cash in the total amount of 44.178 EUR and golden sticks in the value of 4.000 EUR. The courts also prohibited the disposal of three plots and three buildings. In comparison with the year 2018 it has been established that the number of issued orders for temporary securing and the number of subjects significantly decreased, whereas the amount of property cannot be compared, as the value of the temporary secured real assets in 2019 has not been determined. **The value of the provisionally secured assets on 31. 12. 2019 was of 33.546.745 EUR.**

3.1.7 Typology of suspicious transactions

On the basis of the performed analysis' of 259 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's Office), it has been established that the typology of those suspicious transactions has not significantly changed in comparison with the previous year. Namely, the classic ML techniques have still been used, typical for first ML phase "placement" and second one "layering", but in some cases, all three ML phases were used (including the third one "integration").

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

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

With regard to the understanding of the typologies presented above and connected basic elements, we should point out that in a particular case several basic elements of typology could appear. Therefore, the sum of particular established money laundering techniques, which is represented by certain typologies and cases, does not represent the total number of the cases, as in the particular case, several basic money laundering techniques could be detected. In 2019, 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 215 cases the financial (banking) system was used. Among the services of the financial (banking institutions) or financial system, mostly the accounts of the companies and natural persons at banks were abused, as in at least 121 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 167 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 168 cases, at least in 27 cases “straw” companies were used and in at least 7 cases off - shore companies appeared,
- **Systems for money transfer (Moneygram and Western Union)** were used in 10 cases;
- **Associations** were used as the mechanism for ML in 6 cases;
- In the remaining cases, we recorded individual use of casinos and gaming saloons, trade with precious metals (investment gold), exchange platforms for virtual currencies, ATMs and use of deposit boxes.

The most frequent money laundering **techniques** in 2019 (detected in more than one case) have been as follows:

- transfer of funds between countries (detected in approximately 69% of cases)
- transfers of funds between accounts (detected in approximately 64% cases)
- withdrawals of cash from accounts (detected in approximately 41% of cases)
- transfers of funds via state borders (detected in approximately 17% of cases)
- cash deposits (detected in approximately 16% cases)
- withdrawal of cash at ATMs abroad (detected in approximately 8% of cases)
- use of fictive contracts (detected in approximately 8% cases)
- false representation of the purpose of transactions (detected in approximately 8% of cases)
- investments to real assets (detected in approximately 5% of cases)
- use of money transfer systems (MoneyGram, Western Union) (detected in approximately 5% of cases)
- use of funds for economic activities (detected in approximately 4% of cases)
- investments to securities (detected in approximately 4% of cases)
- investments to vehicles (detected in approximately 3% of cases)
- creating false obligations (detected in approximately 2% of cases)
- concealment via third persons (detected in approximately 2% of cases)
- use of countries with a higher level of bank secrecy (detected in approximately 2% of cases)
- smurfing and avoidance of identification (detected in approximately 2% of cases).

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

In this period, in its activities for the detection and prevention of the criminal offence of money laundering, the OMLP especially cooperated with the Criminal Police Directorate of the Ministry of Interior (Police), Special Group of Prosecutors for the Fight Against Organized Crime at Supreme State Prosecutor`s Office, 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 aforementioned state authorities has been taken at the level of principals and operative level between the authorized representatives of authorities.

In 2019, the OMLP agreed to cooperate in eight specialized investigative groups, which have been all established later on. In all cases, the cooperation within those groups referred to the financial investigative group on the basis of Confiscation of Proceeds of Crime Act. Until the

end of 2019, OMLP altogether took an active role in 63 specialized groups (46 of them have been established on the basis of the afore mentioned act).

The data received from the Police and State Prosecutor Office shows, that the Police in 2019 filed 44 criminal complaints on the ground of reasons for suspicion of committing the criminal offence of ML and the State Prosecutor Office (with no criminal complaint filed by the Police) introduced 10 pre-criminal and criminal procedures related to suspicions of committing the criminal offence of ML. In 2019, therefore the proceedings in 54 cases began, where during the pre-criminal procedure or criminal procedure, the suspicions of committing the criminal offence of money laundering according to Article 245 of the Criminal Code, have been investigated.

4.1 Criminal offences and performing of Article 121 of APMLFT-1

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

In 2019, the Police and State Prosecutor`s Office filed criminal reports or started criminal proceedings in 54 cases (within their competences) against 95 natural and 2 legal persons.

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 currently sent to OMLP by the Police, can be seen, that in 2019 the Police filed 44 criminal complaints for the criminal offence of money laundering - out of which 24 received the information, that were forwarded to the Police by OMLP.

In the period 2010-2019, the Police altogether filed 435 criminal reports due to the grounded suspicion of committing the criminal offence of money laundering, which was more than 81,85% of all introduced procedures (529) with regard to money laundering in this period.

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

From the data received for the year 2019 from the State Prosecutor`s Offices and Courts could be seen, that with regard to those **636 cases against 1.025 domestic and 223 foreign natural and legal persons**, the preliminary criminal procedures and criminal procedures were at the following stages on 31 December 2019:

Table 4: Stage of procedures of cases connected with the criminal offence of money laundering on 31 December 2019

	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	138	167	85	23	5
2	SP: criminal charge rejected	103	147	59	36	5
3	SP: prosecution has been delayed	1	1	-	-	-
4	SP: demand for investigation	48	113	22	8	5
5	IJ**: investigation has been introduced	32	70	5	6	1
6	COURT: indictment	103	183	17	17	4
7	COURTS: Convictions	91	110	13	6	-
8	COURT: Acquittals (final)	28	40	9	7	1
9	SP: Withdrawal from prosecution	45	89	12	4	-
10	COURT: Stop of the criminal procedures	24	31	6	2	-
11	COURT: Withdrawal of prosecution abroad	6	-	8	1	-
12	"Pre-qualification" of criminal offence	5	11	-	-	-
13	Union of procedures	12	-	-	-	-
	TOTAL:	636	962	236	110	21

* SP means State Prosecutor Office

** IJ means Investigative Judge

From the Table 4 can be seen, that on 31 December 2017, **341 (out of 636) cases** connected with the criminal offence of money laundering, **became final** as follows:

- **in 103 cases, the State Prosecutor`s Office rejected the criminal report**
- **in 28 cases, the final acquittals were pronounced**
- **91 cases ended with the final conviction**
- in 69 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 138 cases, the State Prosecutor`s Office has not taken the decision on criminal prosecution and in 1 case it postponed the prosecution. In **183 cases**, the State Prosecutor`s Office began with the pre-criminal and criminal proceedings at court, which were on 31 December 2019 at the following stages:

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

In the following table, 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 9 years the procedures on average in 52,5 new cases connected with the criminal offence of money laundering have been introduced.

Table 5: Comparison of the number of cases connected with committing the criminal offence of money laundering with regard to the stages of procedures on the last day of the particular year (2011 – 2019)

Stage of Procedure	2011	2012	2013	2014	2015	2016	2017	2018	2019
SP: decision has not been made	75	64	80	104	94	112	135	141	138
SP: criminal report rejected	17	50	55	55	65	74	82	87	103
SP: prosecution has been delayed	-	1	1	1	1	1	1	1	1
SP: demand for investigation	30	21	27	20	27	31	31	34	48
IJ: investigation has been introduced	25	37	54	60	53	57	58	57	32
COURT: indictment	27	39	50	56	74	74	73	78	103
COURT: conviction	5	9	26	45	58	70	78	83	91
COURT: final acquittal	10	13	15	16	19	22	26	27	28
SP: withdrawal of prosecution	15	24	29	20	25	28	30	31	45
COURT: stop of the criminal procedure	-	-	-	13	17	20	21	21	24
COURT: forwarding of criminal files abroad	4	4	5	6	6	6	6	6	6
Pre-qualification" of criminal offence	-	3	3	5	5	5	5	5	5
Union of procedures	-	-	3	6	12	12	12	12	12
TOTAL	210	265	348	407	456	512	558	583	636

From this table could be seen, that the number of cases, where the State Prosecutor's Office decides on the prosecution, has decreased for the first time after 2015. The State Prosecutor's Offices have been dealing with a significant number of criminal complaints filed due to suspicions of committing the criminal offence of ML, as they rejected the complaints in 16 cases. At the same time, the number of cases in active stages of pre-criminal and criminal procedures has increased.

5. PREVENTION AND SUPERVISION

In 2019, the activities of the OMLP in the field of prevention and supervision were as follows:

- preparation of proposal of the Act on Changes and Amendments of APMLFT-1 (APMLFT-1A);
- preparation of proposal of Act on Changes and Amendments of APMLFT-1 (APMLFT-1B);
- preparation of opinions and views with regard to the implementation of the APMLTF-1 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;
- participation in the 5th Round Evaluation of Slovenia by MONEYVAL, preparation

- and implementation of the action plan;
- supervision on the implementation of the provisions of the APMLTF-1 by obliged entities stated in Article 4 of the APMLTF;
 - participation in the professional training of staff of the obliged entities, state authorities, organizations with public authorizations;
 - participation at preparation and coordination of regulation of other competent authorities;
 - preparation of replies and documentation to questions provided by the media, to questions from Members` of Parliament and questions/demands received from investigative commissions of the Parliament
 - content preparation of upgrade of OMLPs IT, leading of procedures and documentation referring to the IT upgrade, referring to the use of EU funds
 - ongoing editing of the website of the OMLP in accordance with the guidelines of the Ministry for Public Administration.

5.1 Legislation and assistance at its implementation

5.1.1. Preparation of drafts of proposal of the Act on Changes and Amendments of Act on Prevention of Money Laundering and Terrorist Financing (APMLFT-1)

In 2019, the activities referring to the preparation of draft of the proposal of Act on Changes and Amendments of APMLFT-1 have taken place due to the official notice of the European Commission referring to the concerns on proper transposition of certain provisions of AMLD4 to the legislation of the Republic of Slovenia.

The draft proposal of the act was on 31 May 2019 published at the State Portal of the Republic of Slovenia “e-uprava”, section “e-demokracija”.

The Act on Changes and Amendments of Act on Prevention of Money Laundering and Financing of Terrorism (APMLFT-1A) has been published in the Official Gazette of Republic of Slovenia No. 81/2019 on 27 December 2019 and came into force on 11 January 2020.

Beside this, activities in the field of preparation of a draft proposal of the Act on Changes and Amendments of the Act on the Prevention of Money Laundering and Terrorist Financing have taken place in 2019 as well, which were necessary due to the adoption of the Directive (EU) 2018/843 of the European Parliament and of Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amending Directives 2009/138/EC and 2013/36/EU (Official Gazette No. 156 of 19 June 2018, Page 43). The draft of proposal of the act included the changes of rules in the field of beneficial ownership, CDD, limitation at amounts of e-money, e-reporting to the OMLP, verification of customers from third countries with high risk, cooperation among competent authorities in the field of prevention of ML/FT. Beside this, the obligation of the establishment of a register of crypto currencies providers has been determined as well.

This draft was on 7 November 2019 published at the State Portal of the Republic of Slovenia “e-uprava”, section “e-demokracija”.

The Act on Changes and Amendments of Act on Prevention of Money Laundering and

Terrorist Financing (APMLFT-1B) was published in the Official Gazette of Republic of Slovenia No. 91/2020 on 26 June 2020 and came into force on 11 July 2020.

5.2 Written opinions and views referring to the implementation of APMLFT and APMLFT-1

In 2019, the OMLP gave 226 written opinions/points of view with regard to the implementation of APMLFT-1, which was 42% less than in 2018. The reason for such a significant decrease was that in 2019 the activities in field of entries to the Register of Beneficial Owners have calmed down.

The OMLP gave opinions/points of view mainly with regard to the following contents areas:

- establishment of the Register of beneficial owners and determination of the beneficial owner of the customer
- new category of obliged entities, performing activities referring to virtual currencies
- determination of political exposure
- obligation of CDD when conducting occasional transactions
- obligation to perform group politics
- obligation of reporting data on cash transactions 15.000 UER
- obligation of CDD on the basis of Article 17 of APMLFT-1
- performing of measures according to the APMLFT-1
- obtaining data on the source of funds and assets in the case of PEPs,
- performing CDD via video-electronic identification
- CDD via third person
- CDD via external contractor
- appointment of the compliance officer
- limitation of cash activities
- bearer shares and
- retention of data and documentation.

The instructions for implementation of APMLFT-1 with regard to the PEPs and beneficial owners have been published at the website of OMLP.

5.3. Activities within international bodies

The activities of the OMLP were in 2019 in a large extent connected with the MONEYVAL Committee at the Council of Europe and the two Experts Groups on the level of the European Commission (EGMLTF and FIU.Platform).

5.3.1 Council of Europe

In 2019, there were two Plenary Meetings of MONEYVAL in Strasbourg, participated also by representatives of OMLP, their contents can more precisely be seen below:

58th Plenary Meeting MONEYVAL (July 14-19,2019)

At this meeting, the 5th Round Evaluation Reports of Malta and Moldova were discussed, where especially the issues referring to the national risk assessment, use of financial information at obtaining the evidences, reporting of suspicious transactions, preventive measures etc. have been discussed. A number of countries (Romania, Croatia, Estonia,

Montenegro, Isle of Man, Lithuania, Northern Macedonia) presented their progress in the field of prevention of ML/FT with regard to the recommendations of the evaluators. The field of confiscation and seizure in the United Kingdom was presented as well, when the British judge mentioned challenges from this field stating that in his country, approximately 160 billion GBP of “dirty” money have been laundered annually.

59th Plenary Meeting MONEYVAL (December 2 – 6, 2019)

At this plenary, the 5th Round Evaluation reports of Gibraltar and Cyprus were discussed and adopted. With regard to Gibraltar, the fields of FT, beneficial owners, international cooperation, preventive measures etc., were discussed, as to Cyprus, the issues referring to the National Risk Assessment, investigations and judgments in ML cases, restrictive measures were exposed. A number of countries (Isle of Man, Romania, Bosnia and Herzegovina, Montenegro, Latvia, Andorra, Albania, Hungary Serbia and also Slovenia) presented their progress reports on effectiveness of their systems for prevention of ML/FT, taking into account the recommendations of evaluators.

Slovenia presented its Enhanced Follow Up Report, but it did not raise any of the ratings of 10 FATF recommendations, for which it received “partially compliant – PC” within 5th Round of Evaluation. The Slovenian delegation presented the activities referring to the amendments of the APMLFT-1 and Criminal Code, and legislation in the field of restrictive measures and proliferation, which was supposed to be adopted in 2020. Therefore, the MONEYVAL Secretariat urged Slovenia to take necessary actions as soon as possible, especially those referring to the FATF recommendations R. 5 and R. 6. Slovenia will have to report on its progress in April 2021.

The evaluation report of Russia was also presented at this plenary, which was prepared on the basis of the joint evaluation of FATF, MONEYVAL and EAG. The issues referring to corruption, foreign terrorist fighters, international cooperation, inspections etc. have been raised.

The representative of the “Financial Sector Commission” presented the final report on modern slavery and human trafficking. Project FAST (Financial Against Slavery and Trafficking) has begun on the initiative of Liechtenstein, as these are criminal offences that belong to three most profitable offences from the view of obtaining the illegally derived assets. Namely in 2018, their income was 150 billion USD. Share of women in the modern slavery and human trafficking is 71%.

At all plenary meetings, different international organizations have to report on their activities from the field of prevention of ML/FT, namely European Commission, FATF, EGMONT, EAG, GIFCS, UNODC, World Bank etc...

5.3.2 European Union

Experts Group on Money Laundering and Terrorist Financing - EGMLTF

In 2019, the representatives of OMLP participated at six EGMLTF meetings within European Commission. Beside regular meetings, this group gathered also for a special meeting referring to the preparation of the Supranational Risk Assessment and EU politics on higher risk third countries.

At EGMLTF meetings, the following topics have been discussed:

- FATF evaluation reports for Finland, PR China, Hong Kong, Greece, Iceland, Turkey, Russia, Spain, Norway

- FATF recommendations referring to proliferation and virtual currencies
- Possible measures at EU level referring to the implementation of FATF recommendation on financial sanctions
- Changes of founding regulations of European supervisory authorities
- EU activities referring to compliance of implementation of 4th AMLD implementation to national legislations and procedures for the establishment of violations of provisions` implementation
- Preparation of study on the effectiveness of implementation of 4th AMLD in cooperation with the Council of Europe
- Work of the expert's group on e-identification and remote CDD Interconnection of central registers of beneficial owners
- Interconnection of central registers of bank accounts
- Preparation of Supranational Risk Assessment
- High risk third countries and changes of the delegated EU act
- New methodology of European Commission on determination of high-risk countries
- Preparation of statistical data on the basis of Article 44 of the Directive
- Cooperation of FIUs of EU member states.

EU-FIU Platform

In 2019, there were three EU-FIU platform meetings organized in Brussels, two of them were attended by the representative of OMLP. The main topics, discussed at those meetings were: transfer of FIU.NET to the European Commission; operational performances of cross-border reporting of STRs (XBR), operational performances of the exchange of suspicious transactions (XBD) and encouragement of the use of the Ma3tch technology (anonymous matching of data).

5.4 Participation at professional training

Point 6 of Paragraph 1 of Article 79 of the APMLEFT-1 and the “Rules on the performance of internal control, authorized person, the storage and protection of data, professional training, and management of records by obliged entities”, (Official Gazette of the Republic of Slovenia No. 54/17) determines that the obliged entities from Article 4 of the APMLEFT-1 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 APMLEFT-1, Article 114, Point 4 of the APMLEFT-1 also stipulates, 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 20 hours within different seminars in Slovenia in 2019.

5.5 Supervision on the implementation of AMLFT-1 provisions by obliged entities

With the new APMLEFT-1, which came into force on 19 November 2016, the OMLP gained competences to perform on-site supervisions at obliged entities. This function has been performed by the Sector for Prevention and Supervision within the OMLP. According to the adopted strategic orientation and priorities, the OMLP planned independent inspection supervisions mostly at the obliged entities with no primary supervisor – among them also legal/natural persons performing accounting services, tax advisors and fiduciary services.

In 2019, 63 inspections have been performed and consequently 56 regulatory decisions have

been issued. The inspections revealed that (practically without any supervision in previous years), the knowledge of those obliged entities referring to their obligations on ground of the APMLFT-1 and their awareness have been deficient.

Beside this, the OMLP also performed inspections according to Article 44 of APMLFT-1, according to which the obliged entities should until 19 January 2018 enter data on their beneficial owners into the Register of Beneficial Owners. The OMLP issued 47 warnings according to the Misdemeanour Act.

The Office also performed joint supervisions with other supervisory authorities in 2019, namely four such supervisions with the Financial Administration of the Republic of Slovenia in casinos and gaming saloons; two with the Securities Market Agency and one with the Bank of Slovenia in savings house.

5.6. Recorded violations

In 2019, the OMLP recorded 6 violations at obliged entities from Article 4 of APMLFT-1, namely with regard to their delay at reporting data on cash transactions exceeding 15.000 EUR and transfers to higher risk countries (Article 66 of APMLFT-1). In all cases, there were minor overrun of the statutory deadline or the delays have been caused by technical issues, explained by the obliged entities on their initiative. Therefore, the OMLP considered, those were minor offences and the procedures would not be expedient.

6. INTERNATIONAL COOPERATION

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

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

Below you will find the activities of the OMLP in the field of bilateral cooperation.

6.1 Bilateral cooperation

For bilateral cooperation of OMLP, numerous contacts with its foreign counterparts were characteristic in the year 2019 as well.

In 2019, the OMLP sent on the basis of Article 105 of APMLEFT-1 239 requests in 189 cases to 52 countries and on the basis of Article 108 of APMLEFT-1 sent another 141 spontaneous information to 32 countries. In comparison with 2018, there has been an increase of 66% of requests of OMLP and 24% decrease of sent spontaneous information of OMLP.

On the basis of Article 106 of APMLEFT-1, the OMLP received 176 requests in 142 cases from 59 countries and on the basis of Article 108 of APMLEFT-1 52 spontaneous information from 16 countries. In comparison with 2018, the number of received requests of foreign FIUs increased for 11% and the number of spontaneous information for 1%.

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

6.2 Memorandum of Understanding

The existing cooperation between FIUs can also be upgraded with signing of legally non-binding documents, so called “Memorandum of Understanding”. In 2019, the OMLP has not signed any such document, but it has been in the process of harmonization of contents with the FIUs from Maldives, Turkmenistan and Guatemala, therefore it is expected to sign the MOU with them in 2020.

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

As already mentioned, the OMLP is the central authority competent for receiving and sending requests referring to money laundering, search, seizure and confiscation of the proceeds from crime and financing of terrorism.

On the basis of COE No. 198, the OMLP received 5 requests from Slovenian courts in 2019, referring to the execution of their decisions mostly to the deprivation of assets. All requests were sent to the competent foreign authorities for their further steps to be taken. By the side of foreign authority, one request has been received, which was forwarded to the Slovenian authorities.

In the period 22.10. – 23. 10. 2019, the 11th Conference of the Parties was held in Strasbourg, which was attended by the Slovenian delegation as well. The discussion at this meeting was focused on the review of the situation of the Principality of Monaco and Liechtenstein, discussion and adoption of the thematic report on execution of the Paragraph 3, Article 9 and Article 14, as well as the progress report referring to the monitoring of implementation of Article 11 and Paragraphs 2 and 3 of Article 25 of this convention. A special discussion was dedicated to virtual currencies and related challenges at investigation of criminal offences, cooperation of competent national authorities, new trends/typologies of ML/FT etc.

6. STAFF

On 31. 12. 2019, the OMLP had (together with director) altogether 24 employees (1 more than at 31. 12. 2018). The new employee was placed in the Sector for Prevention and

Supervision. On the basis of the Act on Internal Organization and Systematization of Jobs in OMLP, there are 30 systematized posts, which means that at the end of 2019 the occupancy was 80%.

7. FINANCIAL AND MATERIAL OPERATIONS

The budget funds intended for the OMLP operations in the year 2019 amounted to **1.194.307 EUR**. **The funds in total of 1.137.901 EUR (95,27% of planned funds)** were used for salaries, other personal incomes and contributions of the employer for the social security; costs of goods and services, for the membership fee of the EGMONT group, and for smaller investments.

8. INFORMATICS

In 2019, the IT service of OMLP performed activities, mostly referring to the office records system and internal network of OMLP. Those activities have been of operational, educational and administrative nature. Among them, we should point out the execution of the agreement (SLA) with IT Directorate of the Ministry for Public Administration, where we have made the basis for the migration of the external network to the central infrastructure (DRO), continuation of public order for the project ePPD, financed with EU funds.

The operational activities were as follows:

- Establishment of the new method of keeping of security copies
- Periodical checking of the adequacy of data keeping
- Ongoing activities of management of databases with the purpose of better organization of data in cash transactions` databases and data on transactions to risk countries
- Hardware and software maintenance and administration of the internal network of OMLP.