

Money Laundering in Albania

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Abstract

The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) held on 28 to 30 April 2021, in Strasbourg, its 61st Plenary Session, adopting the 2nd Enhanced Follow-up report on Albania.

Also the Financial Action Task Force (FATF) amended almost all its normative acts this last year, mainly because of the exposure to the risk of virtual assets or even the pandemics.

This article will try to describe the main policies and institutions involved in anti-money laundering in the EU and Albania, with the aim to contribute in facilitating the knowledge and interpretation, as a consequence, the MONEYVAL, and such entities, processes and products.

Keywords: Albania, institutions, legislation, money laundering.

Introduction

It is in human nature for man to benefit. The more this human weakness is institutionalized, the more it takes root and the more difficult it is to repair the damage, and further develop rightfulness. The Covid situation proves once again how tough the struggle for survival in poor countries becomes and how vulnerable the country becomes to illegal activities, despite the presence of death. Through this paper I want to summarize the main institutions, the policies that these institutions produce and follow and where Albania stands in these policies, in order to raise awareness on the importance of valuing “dirty” money in the economy where we made the decision to live and work.

Main institutions and policies of anti-money laundering

One of the 2 main institution that deal with illegal activities of money laundering and terrorist financing are: The Financial Action Task Force (global) and The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (European).

The Financial Action Task Force (FATF) is an inter-governmental body that determines international standards to prevent illegal activities of global money laundering and terrorist financing and the harm they cause to society. It is a policy making body that generate political will to be implemented in the national legislative and regulatory reforms to help authorities go after the money of criminals dealing in illegal drugs, human trafficking and other crimes, as well as funding for weapons of mass destruction. It has more than 200 countries and jurisdictions committed to implementing the FATF Recommendations, which ensure a co-ordinate global response to prevent organized crime, corruption and terrorism. The FATF continuously

reviews laundering and terrorist financing techniques in order to strengthen its standard reflecting the latest developments, especially those of technology, that are of higher risk. It monitors countries to ensure they implement the FATF Standards fully and effectively, and holds countries to account that do not comply.¹

The FATF has a two stages processes and procedures: the Mutual Evaluations and Follow-Up. The Follow-Up procedure has further two types of processes²:

- Regular follow-up as the default monitoring mechanism, based on a system of regular reporting.
- Enhanced follow-up, involving a more intensive process of follow-up, for countries with significant deficiencies, or countries making insufficient progress. In deciding whether to place a country in enhanced follow-up, the Plenary should consider both the level of technical compliance and of effectiveness reached by the country.

The main FATF normative acts are: The FATF Recommendations, the international anti-money laundering and combating the financing of terrorism and proliferation (AML/CFT) standards (amended October 2020), and the FATF Methodology to assess the effectiveness of AML/CFT systems (amended November 2020), along with Procedures for the FATF Fourth Round of AML/CFT Mutual Evaluations (amended January 2021) and Consolidated Processes and Procedures for Mutual Evaluations and Follow-Up (Universal Procedures) (amended January 2021).

The FATF 40 recommendations³ include:

A. Legal Systems

- Scope of the criminal offence of money laundering (Recommendations 1, 2)
- Provisional measures and confiscation (Recommendation 3)

B. Measures to be taken by Financial Institutions and Non-Financial Businesses and Professions to prevent Money Laundering and Terrorist Financing

(Recommendation 4)

- Customer due diligence and record-keeping (Recommendations 5 - 12)
- Reporting of suspicious transactions and compliance (Recommendations 13-16)
- Other measures to deter money laundering and terrorist financing (Recommendations 17-20)
- Measures to be taken with respect to countries that do not or insufficiently comply with the FATF Recommendations (Recommendations 21, 22)
- Regulation and supervision (Recommendations 23-25)

C. Institutional and other measures necessary in systems for combating Money Laundering and Terrorist Financing

- Competent authorities, their powers and resources (Recommendations 26-32)
- Transparency of legal persons and arrangements (Recommendations 33, 34)

D. International Co-operation

Recommendation 35

¹ The Financial Action Task Force (FATF). (2020). Retrieved from: <https://www.fatf-gafi.org>.

² The Financial Action Task Force (FATF). (2020). Consolidated Processes and Procedures for Mutual Evaluations and Follow-Up “Universal Procedures” January 2021. Retrieved from: <https://www.fatf-gafi.org/media/fatf/FATF-Universal-Procedures.pdf>.

³ The Financial Action Task Force (FATF). (2020). Retrieved from: <https://www.fatf-gafi.org>.

- Mutual legal assistance and extradition (Recommendations 36-39)
- Other forms of co-operation (Recommendation 40)

There are also 9 IX Special Recommendations⁴, regarding as follows: I. Ratification and implementation of UN instruments, II. Criminalizing the financing of terrorism and associated money laundering, III. Freezing and confiscating terrorist assets, IV. Reporting suspicious transactions related to terrorism, V. International co-operation, VI. Alternative remittance, VII. Wire transfers, VIII. Non-profit organizations and IX. Cash couriers.

European Union has 6 Directives regarding anti money laundering:

The First Directive (Council Directive 91/308/EEC) of 1991, provided the initial framework for the subsequent Second and Third Directives. It established key preventative measures such as customer/client identification, record-keeping and central methods of reporting suspicious transactions. It was passed to ensure a universal approach was adopted by Member States to combat the problem of money laundering, thus protecting the EU Single Market.⁵

The Second Directive (91/308/EEC) of 2001, adopted a broader definition of money laundering, taking into account underlying offences such as corruption and thus expanding the predicate offences. The Second Directive also clarified that currency exchange offices, money transmitters and investment firms were included within the scope of the directive as they were susceptible to money laundering transactions. In addition, the Second Directive added the authority to identify, trace, freeze, seize and confiscate any property and proceeds linked to criminal activities.⁶

The Third Directive (2006/70/EC) of 2006, took into account the FATF's revised anti-money laundering and counter terrorist financing standards of 2003. Its introduction can be seen as a culmination of the sudden realization of the susceptibility of Designated Non-Financial Businesses and Professions such as lawyers to the furtherance of money laundering transactions and the changing political and economic circumstances in the wake of September 11 and the Madrid Bombings.⁷

The EU's 4th AMLD was designed to strengthen the EU's defences against money laundering and terrorist financing, while also ensuring that the EU framework is aligned with the Financial Action Task Force's (FATF) international anti-money laundering (AML) and counter-terrorist financing (CTF) standards. Key modifications included: Emphasis on ultimate beneficial ownership and enhanced customer due diligence, Expanded definition of a politically exposed person (PEPs) to domestic PEPs, Cash payment threshold lowered to €10,000 (US\$11,250), Expanded to include the entire gambling sector beyond just casinos and Enhanced risk-based approach, requiring evidence-based measures.⁸

The EU's 5th Anti-Money Laundering Directive (5AMLD), which took effect on 10

⁴ Ibid.

⁵ IBA Anti-Money Laundering Forum. (2020). European Union AML Directives. Retrieved from: <https://www.anti-moneylaundering.org/Europe.aspx>.

⁶ Ibid.

⁷ Ibid.

⁸ Refinitiv. EU Legislation-Anti-Money Laundering Directives. Retrieved from: <https://www.refinitiv.com/en/risk-and-compliance/eu-anti-money-laundering-directive>.

January 2020, is designed to bring more transparency to improve the fight against money laundering and terrorist financing and tightens regulatory controls across more sectors. The scope of the Directive is extended to include virtual currency exchanges, estate agents and rental intermediaries, art dealers, customers who are applying for Citizenship or Residency by Investment, and more. Crypto currencies face more stringent controls, with exchanges being required to register with the relevant authorities in their jurisdictions, conduct customer due diligence, and prepare suspicious activity reports where necessary. Financial Intelligence Units (FIUs) will be required to keep records of those purchasing virtual currency.⁹

The 6th AML Directive came into effect 3 December 2020 and regulated entities have until 3 June 2021 to transpose its provisions into national laws, aims to strengthen anti-money laundering (AML) rules in the EU and place higher responsibility on regulated entities to fight financial crime. Also, aims to harmonize the definition of predicate offences against money laundering by all Member States. The 22 predicate offences for money laundering now includes cybercrime and environmental crime.¹⁰ The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) is a permanent monitoring body of the Council of Europe entrusted with the task of assessing compliance with the principal international standards to counter money laundering and the financing of terrorism and the effectiveness of their implementation, as well as with the task of making recommendations to national authorities in respect of necessary improvements to their systems. Through a dynamic process of mutual evaluations, peer review and regular follow-up of its reports, MONEYVAL aims to improve the capacities of national authorities to fight money laundering and the financing of terrorism more effectively.¹¹

MONEYVAL's constitutive document is its Statute, which determines its structure and mandate. The Committee sets the Rules of Procedure which regulate in more details the functioning and structure of MONEYVAL, as established in the Statute. Also, the Committee adopted special rules of procedure: Procedures related to the implementation of voluntary tax compliance programmes and AML/CFT requirements by countries and territories evaluated by MONEYVAL.

MONEYVAL assesses the compliance of its jurisdictions with the FATF Standards, but also the EU legislation regarding the field. The evaluation process, including self-assessment and mutual evaluations, of the participating States is based on several rounds: First evaluation round (1998-2000), Second evaluation round (2001-2004), Third evaluation round (2005-2009), Follow-up evaluation round or "MONEYVAL Fourth Round" (2009-2015) and Fifth evaluation round (2015-2021).¹²

Important discussions on money laundering in Europe

The briefing from the series of implementation appraisal of the European Parliamentary

⁹ Ibid.

¹⁰ Ibid.

¹¹ Committee Of Experts On The Evaluation Of Anti-money Laundering Measures And The Financing Of Terrorism (MONEYVAL)- Council of Europe. (2020). Retrieved from: <https://www.coe.int/en/web/moneyval>.

¹² Ibid.

Research Service on the “Anti-Money Laundering package 2021”, stated that following the public consultation on the 2020 AML action plan, the Commission outlined the main aspects of the 2021 AML package at a high-level conference on 30 September 2020. The aim of the European Commission regarding the package is to reach the following three broad objectives:

- ✓ Address the fragmentation in transposition at national level. This calls for greater harmonisation in the application of certain rules by gatekeepers. The Commission proposal will therefore contain a proposal for a AML regulation, directly applicable in Member States;
- ✓ Enhanced supervision at EU level, while not replacing national supervision. Such enhanced supervision, e.g. by a dedicated EU supervisor, should also increase supervision of the non-financial sector, in addition to the supervision of financial institutions;
- ✓ Better coordination of FIUs. Cooperation between national FIUs could be supported at EU level, e.g. in helping them carry out joint analysis, through the development of standards for reporting suspicious transactions, or by providing information technology (IT) assistance and support for exchanging financial information.

For the above, the main areas of focus for this 2021 package will be (i) a proposal to transfer parts of the existing Anti-money-laundering Directive to a regulation, thereby directly applicable in the Member States, (ii) an EU level supervision with an EU-wide anti-money-laundering supervisory system, and (iii) a coordination and support mechanism for Member States’ Financial Intelligence Units.

Is worth to mention that this policies spread through Expert Group on MLTF, Committee on the Prevention of MLTF, EU FIUs, Council of European Union, European Court of Auditors, European Central Bank, Europol, European Economic and Social Committee including FATF and Egmond Group of FIUs (Forum).

Another really interesting study of Prof. Dr. Unger, dated June 2020 on “Improving anti-money laundering policy” concluded that: The Corona crisis (COVID-19) will bring tremendous changes to business and the economy, and also to the way criminals behave, to the types of crime they commit and to the way, they will use the crisis for money laundering purposes.

The study of Prof. Unger posited four key measures to improve anti-money laundering (AML) policy and legislation: (i) identification of high-risk countries through blacklisting; (ii) reduction in money laundering through letterbox or shell companies, (iii) harmonisation of EU AML policies through regulations; and (iv) strengthening the European executive, e.g. through a European public prosecutor, a European Financial Intelligence Unit (FIU), a European supervisor, or a European police also in the light of Covid-19.

Also, he valued the European Public Prosecutor’s Office (EPPO) as a new Union body in charge of conducting criminal investigations and prosecutions for crimes against the EU budget, operational in 2020, even though its methods might be cost effective. According to the study, an European Financial Intelligence Unit is more complicated and less urgent but the Intelligence Center can analyze the shifts in transactions as well as update the AML Tool comparing tax and money laundering laws in Member States and cross-check entries in beneficial ownership registers.

While money laundering constitutes a criminal offence in all EU Member States, definitions and sanctions vary across the European Union. These differences can be exploited by criminals, by carrying out their financial transactions in countries with less stringent rules. (Voronova, 2018).

In December 2019, when Regulation (EU) 2018/1727 (hereafter 'the regulation') replaced and repealed Council Decision 2002/187/JHA, Eurojust became the EU Agency for Criminal and Justice Cooperation. Besides this, the agency's most recent activity report shows that criminal activities are increasing despite the restrictions brought about as a result of the coronavirus pandemic. Since the outbreak of the pandemic, the Agency has worked on 3 240 new cases, of which 164 were related to Covid-19. In total, during 2020, the agency worked on 8 800 cross-border criminal investigations, an increase of 13 % compared to 2019. (Del Monte, 2021).

805 new cases involved non-EU countries according to Eurojust. Regarding the cooperation with third countries and international organization, Eurojust, every 4 years, in consultation with the European Commission, prepares a cooperation strategy, which includes the list of countries as well as international organizations for which an operational need for cooperation has been identified (Article 52). Up till now, Eurojust concluded 12 cooperation agreements in total, with Albania, Georgia, Iceland, Liechtenstein, Moldova, Montenegro, North Macedonia, Norway, Serbia, Switzerland, Ukraine and the United States. The single programming document for 2021-2023 mentions that priority third countries are identified, inter alia, based on current casework. Third countries may post a Liaison Prosecutor (LP) to Eurojust in support of cross-border investigations when the specific country is involved. 10 countries have posted a LP to Eurojust: Albania, Georgia, Montenegro, North Macedonia, Norway, Serbia, Switzerland, Ukraine, the United States and the United Kingdom.¹³

Another discussion at the European level was the Regulation (EC) No 1889/2005 on cash control. The impact assessment defined this problems: 1) Imperfect coverage of cross-border cash movements, 2) Difficulties regarding exchange of information on declared cash transport between competent authorities, 3) Missing common legal basis for competent authorities to detain temporarily amounts below the cash declaration threshold (€10 000), 4) Imperfect definition of 'cash', 5) Divergent penalties for failing to declare cash movements, 6) Different implementation levels among Member States in other areas, 7) Divergent national measures to raise awareness. In a briefing of Ms. Kramer of The Ex-Ante Impact Assessment Unit, concluded that there is a limited evidence base and trade-offs between the options to tackle the problems and their impact on several Union principles. It provides, very little quantification of costs and none of benefits, and focuses mainly on administrative burdens for competent authorities.

This year, a study on "Proceedings of the workshop on Use of big data and AI in fighting corruption and misuse of public funds - good practice, ways forward and how to integrate new technology into contemporary control framework" of the Policy Department D for Budgetary Affairs, Directorate General for Internal Policies

¹³ Del Monte, M. (2021, May). Understanding Eurojust: The European Union Agency for Criminal Justice ,Cooperation. European Parliamentary Research Service. PE 690.615.

of the Union, concluded that artificial Intelligence has spread out through the global marketplace and has a huge potential to improve working tools. It enables computers to detect patterns among billions of seemingly unrelated data points, improve forecasting, to share formatted data rapidly and could power many more autonomous applications assisting the decision-making processes. At the same time, concerns of abuse of personal data prompt the EU to understand Big Data technologies in order to create a regulatory framework that ensures that data is processed in a proper way while seizing the opportunity to improve monitoring and supervision systems in order to protect the EU's financial interests.

Tax heavens are also a hot topic when dealing with anti money laundering policies. Tax havens provide taxpayers, both legal and natural persons, with opportunities for tax avoidance, while their secrecy and opacity also serves to hide the origin of the proceeds of illegal and criminal activities. The Council adopted the first EU list of non-cooperative jurisdictions for tax purposes on 5 December 2017. Six other documents accompany the list, and are aimed at future updates and follow-up measures. Three elements, commonly used as distinctive criteria, contribute to the conclusion that a location is a tax haven: • lack of effective exchange of relevant information with other governments on their taxpayers, minimal or no disclosure on financial dealings and ownership of assets, • no or minimal taxation on income and assets of non-residents, tax advantages for non-resident individuals, • general non-application of accepted minimum standards of corporate governance and accountability.¹⁴

The list itself comprises 17 jurisdictions outside the EU that are non-cooperative in tax matters. Those jurisdictions have not made commitments on meeting the criteria sufficiently ahead of the adoption of the list, or made commitments that were found insufficient. Other 48 jurisdictions have been put on a watch list, which means that their commitments are deemed sufficient, but their implementation will be closely monitored by the EU. The lists include jurisdictions which are EU overseas countries and territories (OCTs), and some are closely linked to a Member State as 'Crown dependencies'. Finally, eight Caribbean region jurisdictions were given more time (until the end of 2018) before they are screened, because of the disruption caused by the September 2017 hurricane (see table in Annex). In total, 92 countries were screened in the process of setting up the lists (20 were found to meet the criteria, while 72 were asked to address deficiencies). (Remeur, 2017).

Another contribution on evaluating the effect of AML policies can be the study on "Finding the right balance across EU FTAs: benefits and risks for EU economic sectors" that examined the cost and benefits of various trade agreements that the EU has already completed, will do so in the future or is considering. The study concluded that: with regard to already-completed agreements, the effects on the EU have been mainly as predicted in ex-ante assessments; Although aggregate effects are small, sectoral effects have been quite impressive for both the EU and its partners; Perhaps most importantly for already-completed agreements, in no example could we show that the FTA had a demonstrably negative effect on the welfare of the EU or the signatory country. The key takeaway from the EU's existing agreements is that

¹⁴ Remeur, C. (2019, October). EU listing of tax havens. European Parliamentary Research Service. PE 621.872.

trade agreements are very effective at influencing sectoral trade flows in the short run, while other economic and social metrics may take a longer time to influence (if they are influenced at all); Turning to recently-concluded agreements (with Canada, Japan, and Vietnam), the EU is expected to see small but positive impacts on GDP and welfare with a small boost in trade and larger gains in specific sectors; The impact of these recently-concluded agreements is, however, dependent on non-tariff barriers (NTBs) in both trade in goods and services being substantially reduced, as tariff liberalization alone is not capable of generating substantial economic gains; The sectoral impact of the currently-negotiated FTAs on EU producers is also expected to be tiny, with neither large gains nor losses anticipated; Unlike the FTAs concluded with developed countries, however, the environmental implications of agreements under negotiation could be very important, especially in the spheres of land use and deforestation.

Along with the recommendations on the latter mentioned study, with contribution is another study on offshore activities and money laundry, which stated that the regulation of European offshore centers would be a first promising step. A homogenous European antimoney laundering and anti-tax evasion policy would need a differentiated EU approach for different groups of Member States and not a one size fits all approach.

Money Laundering in Albania

In Albania the responsible institution for monitoring and supervising the illegal activities of money laundry and the implementation of policies against it are: Albanian Financial Intelligence Unit, nationally known as General Directorate for the Prevention of Money Laundering (GDPML) and Bank of Albania.

Also, there are other institution involved in combating illegal activities, subject to Law no.9917 dated 19.5.2008 "On Prevention of Money Laundering and Financing of Terrorism", as amended. This institutions¹⁵ include:

- The Coordination Committee for the Fight against Money Laundering (CCFML) is charged with the planning and general direction of AML/CFT policy and meets at least once a year.
- The Albanian State Police (ASP) is responsible for fighting crime and for ensuring public order and the integrity of the borders. The ASP has a Directorate for Investigation of Economic Financial Crime (DIEFC) as part of the Department for Investigating Organized Crime and Serious Crime. The DIEFC is organized on central and local level. The central level has 4 sectors: Investigation of Money Laundering; Investigation of Corruption; Investigation of Criminal Assets; and Investigation on other Economic and Financial Crimes. At the local level, 7 out of 12 local DIEFC sectors have exclusive competence to investigate ML offences as well as predicate offences associated to ML.
- The General Prosecutor's Office (GPO) is the authority that exercises criminal prosecution and brings charge trials in the name of state. Criminal investigations in ML are formally initiated and then led by the competent prosecutor of the territorially competent First Instance Prosecution Office.

¹⁵ IBA Anti-Money Laundering Forum. (2020). Country Profile: Albania. Retrieved from: <https://www.anti-moneyl aunde ring.org/Europe/Albania.aspx>.

- The General Directorate of Customs (GDC) cooperates with other law enforcement structures and sends reports to the prosecutor's offices for criminal offences identified in the customs area. Based on the AML/CFT Law, the customs authorities must report to the GDPML any suspicion, information or data concerning ML or TF as regards the activities under their jurisdiction.
- The General Directorate of Taxation (GDT) targets crimes in the economic field, including ML. A special ML prevention unit was recently created within the investigative directorate. Since 2014, the GDT also has specific legal obligations for the supervision of Not for Profit Organizations. Based on the AML/CFT Law, the tax authorities must report to the GDPML any suspicion, information or data concerning ML or TF as regards the activities under their jurisdiction.
- The Agency for the Administration of Seized and Confiscated Assets (AASCA) performs its activity in cooperation with the other relevant institutions including courts, prosecutor's offices, banks, local government and immovable property registration offices.
- The High Inspectorate of Declaration and Audit of Assets and Conflict of Interest's (HIDAACI) mission is to fight corruption and economic crime through declaration and control of assets of elected and public officials and prevention of conflict of interests in the exercise of their public functions. It exchanges information with the GDPML in case of suspected ML activities by those subject to its scrutiny and submits criminal referrals to the Prosecution Office.
- The Ministry of Justice (MoJ) has recently been entrusted with the role of national coordinator of anti-corruption policies. Through its structure as a central authority for anti-money laundering, the MoJ ensures the necessary international cooperation in criminal matters between the Prosecutor's Office, International Criminal Police Organization (INTERPOL) and foreign judicial authorities. The MoJ is also the supervisor and licensing authority for notaries public.
- The State Intelligence Service (SIS) is a state authority of civilian intelligence without military or law enforcement powers.
- The Financial Supervisory Authority (FSA) is an independent public institution responsible for the regulation, licensing and supervision of entities in the fields of insurance, securities, and voluntary pension funds (VPFs). This includes supervision of entities' AML/CFT compliance
- The Ministry of Foreign Affairs (MFA) is responsible for proposing persons or entities to the relevant UN Security Committee for designation, and internal circulation of UNSC Resolution.
- The Ministry of Finance's primary functions related to AML/CFT include: proposing to the Council of Ministers amendments to the list of designated persons and entities; ordering the temporary freezing of funds or other property of persons and entities before the Council of Ministers' decision; ordering the seizure of funds and other property of persons and entities designated by the Council of Ministers; ordering the access to seized funds and the revocation of the seizure.

They both act pursuant to the above listed legal bases:

- ✓ Law 9917/2008 "On the prevention of money laundering and terrorism financing", as amended

- ✓ Regulation 44/2009 “On the Prevention of Money Laundering and Terrorism Financing”, as amended.
- ✓ Cooperation Agreement between the Bank of Albania and the General Directorate for the Prevention of Money Laundering.

The General Directorate for the Prevention of Money Laundering (GDPML), internationally referenced as Albanian Financial Intelligence Unit, is responsible for receiving, (and as permitted, requesting), analyzing and disseminating to the competent authorities, disclosures of financial information: Concerning suspected proceeds of crime and potential financing of terrorism; Required by national legislation or regulation, in order to combat money laundering and terrorism financing.¹⁶

Bank of Albania supervises the activity of the institutions it licenses and assesses the applicability of legal and regulatory acts on the prevention of money laundering and terrorism financing.¹⁷

Transparency International with the instrument of ‘Corruption Perception Index’, ranked Albania 104 from 180 countries with 36 points from the total of 100 points, going up 5 places since 2013. Yet, in the TI official web page they stated that countries in the Western Balkans, including Montenegro (45), Albania (36), Kosovo (36) and North Macedonia (35), are also struggling with anti-corruption efforts, despite aspirations towards EU membership.¹⁸

According to MONEYVAL, the monitoring body of the Council of Europe that assesses the compliance with the key international standards to combat money laundering and terrorism financing and the effectiveness of their implementation and also drafts recommendations for national authorities regarding the necessary improvements¹⁹, Albania is part of the he fifth evaluation round.

The First Evaluation Round on-site visit, took place in 12-15 December 2000. The First Mutual Evaluation report was adopted in the 8th Plenary Session (2001). The progress report almost one year later was kept confidential.

The Second Evaluation Round on-site visit, took place in 14-18 October 2003. The Second Round Evaluation report was adopted in 2004. The progress report almost one year later was kept confidential again.

The Third Evaluation Round on-site visit, took place in 12-17 September 2005. The Third Round Evaluation report was adopted in 19th Plenary Session (2006). There were two progress reports, the first in the 23rd Plenary Session (2007) and the second progress report in the 30th Plenary Session (2009).

Albania has taken the Compliance Enhancing Procedure. Status of the Compliance

¹⁶ Albanian Financial Intelligence Unit. (2020). General Directorate for the Prevention of Money Laundering (GDPML). Retrieved from: <https://fiu.gov.al/albanian-financial-intelligence-unit/>.

¹⁷ Bank of Albania. (2020). Prevention of money laundering and terrorism financing. Retrieved from: https://www.bankofalbania.org/Supervision/Prevention_of_money_laundering_and_terrorism_financing/

¹⁸ Transparency International. (2020). Country Profile: Albania. Retrieved from: <https://www.transparency.org/en/countries/albania>.

¹⁹ Bank of Albania. (2020). Prevention of money laundering and terrorism financing. Retrieved from: https://www.bankofalbania.org/Supervision/Prevention_of_money_laundering_and_terrorism_financing/.

Enhancing Procedures: September 2010: Step (i) of the Compliance Enhancing Procedures; December 2011: Step (ii) of the Compliance Enhancing Procedures; April 2013: the Compliance Enhancing Procedures have been lifted following measures taken by Albania. The country has demonstrated having taken sufficient action to be removed from regular follow-up under the 4th round. It is subject to 4th round biennial up-date follow up procedures, which may be discontinued should the date of submission of its biennial report fall within the one year period before the 5th round on-site visit.²⁰

The Follow-up round on-site visit, took place in 15-30 November 2010. The Report on Fourth Assessment Visit was adopted in the 35th Plenary Session (2011). The regular follow up report was adopted in 2015.

The Fifth Round Evaluation on-site visit, took place in 01-14 October 2017. The evaluation report was adopted in the 56th Plenary Session (2018). The Enhanced follow up report was adopted in the in the 59th Plenary Session (2019). In May 2021, the Second Enhanced Follow Up report was issued in the 61th Plenary Session (2021). The 40 recommendations of the FATF are judged on a technical compliance rating in the MONEYVAL report. Thus, C stands for compliant, LC stands for largely compliant, PC stands for partially compliant, NC stands for non compliant, N/A stands for not applicable.

The latest Follow-up Mutual Evaluation Report relating to the implementation of anti-money laundering and counter-terrorist financing standards in Albania was undertaken in 2021. According to that Evaluation, Albania was deemed Compliant for 5 and Largely Compliant for 27 of the FATF 40 Recommendations. It was deemed Highly Effective for 0 and Substantially Effective for 2 of the Effectiveness & Technical Compliance ratings.²¹

Conclusions

Policies for the measures taken in the framework of MONEYVAL developments for Albania are not made public. A more transparent system is needed for this purpose. There is also a need for an inter-institutional campaign, with the public and private sector, on money laundering developments and policies to combat it. It is important to identify and manage money laundering risks arising from technological developments.

There is a need for binding regulatory acts as often the interpretive spaces left by EU directives, recommendations and rules are used for political purposes.

From the many studies read in the service of this article, it is noticed that, risks are higher where there is wealth and a consolidated financial infrastructure. I stand with the class that believes that from blacklists should be passed to white list, leading according to the best example.

²⁰ Committee Of Experts On The Evaluation Of Anti-money Laundering Measures And The Financing Of Terrorism (MONEYVAL)- Council of Europe. (2020). Country Profile: Albania. Retrieved from: <https://www.coe.int/en/web/moneyval/jurisdictions/albania>.

²¹ Know Your Country. (2019). Global Anti-Money Laundering Research Tool. Retrieved from: <https://www.knowyourcountry.com/>.

As Prof. Unger expresses, blacklisted countries, suffer from the *emptying blacklist paradox* if there are economic sanctions applied to the countries on the list. Governments will find creative ways to get off the blacklist by fulfilling standards on paper or using diplomacy to get removed from the list.

According to Eurojust, there is an increase in cases in the past years demonstrating the need for cooperation between competent authorities in the Member States and third countries to share information, and receive guidance and support in the fight against serious crimes.

The Albanian Financial Intelligence Unit system can improve its activities by aiming to implement the latest technology and Artificial Intelligence development. It would be a revolutionary acquisition, if it doesn't stumble on the political will.

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