



Research Article

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Money laundering - Harmonization of Albanian legislation in the framework of EU membership

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Abstract

The 2022 strategic report on international narcotics control of the United States Department of State, estimates that Albania remains a country susceptible to money laundering, due to corruption, the presence of organized crime networks, as well as deficiencies in legislation and supervision.¹ Whereas, according to the Basel Index for the risks of money laundering and terrorist financing, Albania ranks 93rd out of 152 jurisdictions, with 4.75 out of 10 points.² The main sources of money laundering are related to drug trafficking and other organized crime activities, while the most widespread methods of money laundering are construction, real estate and business development projects.³ Despite the reform of justice and efforts to improve the fight against money laundering, the country faces challenges in terms of capacities, insufficient supervision of some sectors, as well as the lack of cooperation between law enforcement and supervisory bodies. Albania is in the conditions of insufficient control mechanisms, in relation to the size of informal money.

Referring to the report of the European Commission for Albania of 2023, the problems related to money laundering in the country remains an area that requires attention and further

¹ United States Department of State (Bureau of International Narcotics and Law Enforcement Affairs), "International Narcotics Control Strategy Report, Volume II: Money Laundering", 2022, pg.35. <https://www.state.gov/wp-content/uploads/2022/03/22-00768-INCSR-2022-Vol-2.pdf> (Last accessed on 25.10.2023)

² Basel AML Index, "Global ranking in 2023" <https://index.baselgovernance.org/ranking> (Last accessed on 13.11.2023)

Note: The Basel Index measures the risk of money laundering and terrorist financing in jurisdictions around the world. The ranking comes in descending order, from the country with the highest risk (country 1) to the country with the lowest risk for money laundering and terrorist financing (country 152). Meanwhile, the evaluation points are from "0 = little risk" to "10 = high risk".

³ United States Department of State (Bureau of International Narcotics and Law Enforcement Affairs), "International Narcotics Control Strategy Report, Volume II: Money Laundering", 2022, pg.35. <https://www.state.gov/wp-content/uploads/2022/03/22-00768-INCSR-2022-Vol-2.pdf> (Last accessed on 25.10.2023) 4 Ibid.

results.⁴ Also, the report shows that Albania has made progress in terms of implementing the recommendations of the Committee of Experts for the Evaluation of Measures against Money Laundering and the Financing of Terrorism (hereinafter: Moneyval),⁵ as well as the action plan of the Special Financial Action Task Force (hereinafter: FATF),⁶ with the aim of improving effectiveness in the field of money laundering. Also, since February 2020, Albania is part of a political commitment to engage with the FATF and Moneyval, in the framework of the fight against money laundering and the financing of terrorism.

Keywords: Money laundering, harmonization, Albanian legislation, EU membership.

1. Introduction

The recommendations of the FATF concern the measures that must be implemented by the states in order to engage in the fight against money laundering and the financing of terrorism. States have different legal and financial frameworks; in this context it is not possible to take exactly the same measures in this line. FATF sets standards and motivates the effective implementation of legal measures, meanwhile, the relevant institution to supervise and monitor the addressing of these recommendations in the internal legislations is Moneyval. The FATF has formulated 40 recommendations, divided into seven areas, as follows:

- policies and coordination in the field of money laundering and terrorist financing;
- money laundering and confiscation;
- financing of terrorism and proliferation of weapons of mass destruction;
- preventive measures;
- transparency and beneficial owners of legal entities and other legal forms;
- the powers and responsibilities of the responsible authorities, as well as other institutional measures;
- international cooperation.

FATF's recommendations, universally accepted, also propose means of punishment in cases of their violation. The obligation to be implemented by Albania derives from Article 13 of the Council of Europe Convention, ratified by the Republic of Albania with Law no. 9646, date 27.11.2006 ratification of the Council of Europe convention "On the cleaning, search, seizure and confiscation of the proceeds of crime and on the financing of terrorism".⁷ The improvement of legislation in the field of money

⁴European Commission, "Albania 2023 Report", 2023, p. 5.

<https://neighbourhood-enlargement.ec.europa.eu/system/files/2023->

⁵Note: The Committee of Experts for the Evaluation of Measures Against Money Laundering and Terrorist Financing (Moneyval) is the body responsible for analyzing the level of compliance of domestic legislation with the 40 FATF Recommendations, as well as the level of effectiveness of the anti-money laundering system the first in Albania.

⁶Note: The Financial Action Task Force (FATF) is an intergovernmental body established in 1989 by the ministers of the member countries (the G7 member states, the European Commission and 8 other states). The Financial Action Task Force (FATF), "History of the FATF". <https://www.fatf-gafi.org/en/the-fatf/history-of-saidfatf.html> (Last accessed on 25.10.2023)

⁷Article 13 (1) stipulates that "each Party shall take such legislative and other measures as are necessary to establish a comprehensive domestic regulatory and supervisory regime to prevent

laundering originates from a series of political commitments, but also from the country's membership process in the EU (EU). Above all, the obligation to align national legislation in the field of money laundering with the EU legal framework also derives from articles 4, 70 and 82 of the Stabilization and Association Agreement (hereinafter: SAA), which has entered into force on April 1, 2009.

2. Key findings

The legal framework in the field of money laundering consists of the special law no. 9917, dated 19.5.2008 "on the prevention of money laundering and the financing of terrorism", as well as from a number of sectoral laws, the most important of which are: law no. 112/2020, dated 29.07.2020 "on the register of beneficial owners", law no. 10 192, dated 3.12.2009 "on preventing and combating organized crime, trafficking, corruption and other crimes through preventive measures against wealth", law no. 110/2018 "on notary", law no. 8788, dated 7.05.2001, "on non-profit organizations", as well as law no. 9/2022 "for the profession of real estate broker and law no. 9917, dated 19.5.2008 "on the prevention of money laundering and the financing of terrorism", as amended.

The law has provided for the concept of proper vigilance, simplified and expanded. Due diligence refers to the totality of measures taken to identify and verify customers, beneficial owners, legal entities and transactions that may present a money laundering risk. Simplified vigilance can be carried out in cases where a low risk of money laundering and/or terrorist financing is identified, based on the risk assessments of the authorities charged with the law, as well as the risk assessments and management procedures, determined by the subjects of the law, whereas, enhanced vigilance should include additional measures, in addition to those provided for due diligence, for business relationships, customers or high-risk transactions.

Moneyval has published 5 evaluation reports for Albania specifically in the years: 2001, 2004, 2006, 2011, 2018 accompanied by progress reports or intensive reports respectively in: 2019, 2021, 2022 and 2023.⁸ As a result of the progress achieved until 2018 and the need for further improvement of the legal framework, Moneyval approved in 2019 the placement of Albania in the intensive reporting procedure and currently Albania reports every year on the progress achieved.

money laundering and shall take due account of applicable international standards, including in particular the recommendations adopted by the Financial Action Task Force on Money Laundering (FATF)." Law no. 9646, dated 27.11.2006, "On the ratification of the Convention of the Council of Europe "On the cleaning, search, capture and confiscation of the proceeds of crime and on the financing of terrorism.

<https://qbz.gov.al/eli/ligj/2006/11/27/9646/a14214a4-2f01-44-ed-bc93->

⁸Note: The intensive report refers to cases where, after the adoption of the joint assessment report, a country is placed in the intensive reporting procedure. This means that the state reports more frequently, initially 2 years after the adoption of the joint assessment report, and then annually. Intensive reports are reports that evidence the progress achieved regarding the deficiencies identified in the joint evaluation report. Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism, Monitoring Process. <https://www.coe.int/en/web/moneyval/monitoring-progress> (Last accessed on 25.10.2023)

3. Obligations arising from the process of membership in the EU in the field of money laundering

The process of joining the EU is accompanied by the obligation to align the national legislation with the EU acquis. The main document which obliges Albania to align its legislation is the Stabilization and Association Agreement, signed on June 12, 2006 between Albania and the EU, which entered into force on April 1, 2009.⁹ The SAA constitutes an important document, due to the fact that Albania's obligation to align its legislation with the EU acquis stems from its article 70. In this article it is determined that Albania will try to ensure that its existing laws and future legislation gradually move towards compliance with the EU acquis. This alignment has started on the date of signing the SAA in 2006 and will gradually extend to all elements of the EU acquis provided for in this agreement, within a transitional period of up to 10 years, divided in two phases. During the first phase of the transitional period, which has started with the entry into force of the SAA, the alignment focuses on the essential elements of the internal market acquis, as well as on other important areas such as competition, intellectual property rights, industrial and commercial, public procurement, standards and certification, financial services, sea and land transport, paying special attention to safety and environmental standards, as well as social aspects, commercial company law, accounting, consumer protection, protection of data, health and safety at work and equal opportunities. Meanwhile, during the second phase, Albania will align the remaining parts of the acquis.¹⁰

Referring to the National Plans for European Integration (2014-2020¹¹ and subsequent plans), the field of money laundering prevention is included in chapter 4 of the SAA "Free movement of capital". At the stage of the adoption of the 2008 law on the prevention of money laundering, the legal framework of the EU in the field of money laundering consisted of (i) directive 2005/60/EC of the European Parliament and of the Council, dated October 26, 2005. On the prevention of the use of the financial system for the purposes of money laundering and terrorist financing" as well as (ii) Commission directive 2006/70/EC, dated August 1, 2006, which sets out the implementation of measures for directive 2005/60/EC of the European Parliament. The aforementioned law was further amended in 2017, but the purpose of the changes was to harmonize this law with the legal framework approved by the Parliament of Albania in the framework of the justice reform.¹² The changes led to the expansion of

⁹ The Stabilization and Association Agreement was signed on June 12, 2006 and entered into force on April 1, 2009. Integration of the Republic of Albania into the EU, History. <https://integration-in-be.punetejashtme.gov.al/anetaresimi-in-be/history/> (Last accessed on 25.10.2023)

¹⁰ Law no. 9590, dated 27.7.2006, "On the ratification of the "Stabilization-Association Agreement between the Republic of Albania and the European Communities and their member states". <https://qbz.gov.al/eli/fz/2006/87/3e565b9e-375a-4884-9897-6e75854aa0c4> (Last accessed on

¹¹ National European Integration Plan 2014-2020. <https://integration-in-be.punetejashtme.gov.al/wp-content/uploads/2020/04/PKIE-2014-2020.pdf> (Last accessed on 25.10.2023).

¹² Report on the draft law "On some changes and additions to the law no. 9917, dated 19.5.2008, "On the prevention of money laundering and financing of terrorism", as amended. <https://staging.parlament.al/Files/ProjektLigje/RELACION-for-PREVENTION-E-Cleaning-THEMONEY.pdf>

the range of crimes for which assets can be confiscated, the implementation of this law by the new structures of the fight against corruption and organized crime, the clarification of seizure procedures, provisions were added regarding the seizure and confiscation of equivalent assets and the revocation of the seizure.

Whereas, the changes with the law no. 120/2021 “On some changes and additions to the law no. 9917, dated 19.5.2008, “On the prevention of money laundering and financing of terrorism”, as amended, mark significant progress, as they brought full alignment with the current directive (EU) 2015/849 of the European Parliament and the Council, dated May 20, 2015 “On preventing the use of the financial system for the purposes of money laundering or terrorist financing, which was later amended by directive (EU) 2018/843 of the European Parliament and of the Council, dated May 30, 2018 “On amending directive 2015/849 “On preventing the use of the financial system for the purposes of money laundering and terrorist financing”. The Directive requires entities subject to its provisions to apply due diligence to the customer and report suspicious transactions, as well as to take important supporting measures, such as data retention, training and the establishment of internal procedures, whereas, the changes in 2021 of law no. 9917, dated 19.05.2008 “On the prevention of money laundering and the financing of terrorism”, mainly consist in the clarification of some of the definitions necessary for the implementation of the law, the determination of some necessary data which must be implemented by the subjects during the implementation of appropriate and enhanced vigilance measures, determining some additional enhanced vigilance measures that reporting entities must implement in cases of transactions or customer categories with high-risk countries, establishing deadlines for keeping documentation by reporting entities , as well as imposing further administrative sanctions, in accordance with the EU directive.¹³

The law on the prevention of money laundering was last amended by law no. 62/2023, dated 21.7.2023, “On some changes and additions to the law no. 9917, dated 19.5.2008 “On the prevention of money laundering and terrorist financing”, amended.¹⁴The changes are mainly related to the change of the name of the institution, from the General Directorate for the Prevention of Money Laundering, to the Financial

(Last accessed on 25.10.2023).

¹³ Parliament and of the Council and Commission Directive 2006/70/EC.<https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A02015L0849-20210630> (Last accessed on 25.10.2023)

⁷⁵ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU.<https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=celex%3A32018L0843> (Last accessed on 25.10.2023).

¹⁴ Parliament and of the Council and Commission Directive 2006/70/EC.<https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A02015L0849-20210630> (Last accessed on 25.10.2023)

⁷⁵ Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU.<https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=celex%3A32018L0843> (Last accessed on 25.10.2023).

Intelligence Agency, as well as rewording of some provisions of the law. As a result, the 2023 amendments do not approximate any act of EU legislation.¹⁵

4. Legal regulation of the main aspects of the law in force for the prevention of money laundering and sectoral laws

The chapter analyses the main aspects of law no. 9917, dated 19.5.2008 “On the prevention of money laundering and financing of terrorism”, amended, which constitutes the main legal act in the field of money laundering prevention, but also the main act drafted in accordance with the assessments of Moneyval and FATF recommendations. Also, this chapter reflects a brief summary of other laws, which show points of contact with the law on the prevention of money laundering and terrorist financing.

4.1. Special Law on Prevention of Money Laundering and Financing of Terrorism

Law no. 9917, dated 19.5.2008 “On the prevention of money laundering and the financing of terrorism”, as amended, aims to prevent the laundering of money derived from criminal activity, as well as the fight against financial crime.¹⁶The subjects of this law, which have been significantly increased compared to the previous law, no. 8610, dated 17.5.2000 “On the prevention of money laundering”, are defined in Article 3 and are summarized below:

- banking entities, as well as any other entity that is licensed or supervised by the Bank of Albania;
- non-bank financial entities;
- foreign exchange offices;
- savings and credit societies and their unions;
- postal services that perform payment services;
- stock exchanges and any other entity (agent, broker, commission company, etc.), which carries out activities for issuing, consulting, mediation, financing and any other service related to the trading of securities;
- life insurance or reinsurance companies, their agents or intermediaries, as well as pension funds;
- the state authority responsible for the administration and sale of public property and any other public legal entity that performs legal actions related to the alienation and use of state property, or that performs the identification, transfer or alienation

¹⁵Parliament and of the Council and Commission Directive 2006/70/EC. <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A02015L0849-20210630> (Last accessed on 25.10.2023)

⁷⁵Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU. <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=celex%3A32018L0843> (Last accessed on 25.10.2023).

¹⁶Article 1. Law no. 9917, dated 19.5.2008, “On the prevention of money laundering and financing of terrorism”, as amended. <https://qbz.gov.al/eli/ligj/2008/05/19/9917/bb9b5ab1-5309-45e0-87c7-aab63d0937ae;q=law%20per%20pARANDALIMI%20%20i%20cleaning%20to%20p%5Bares> (Last accessed on 1.11.2023)

of state property;

- gambling, casinos and hippodromes, of any form;
- lawyers, notaries and other professions, when preparing transactions or when participating acting in the name and on behalf of their client in any financial, or movable and immovable property transaction or helping to plan and carry out transactions for clients theirs, or perform other actions that may result as support for determining the value of ownership quotas or for conducting transactions;
- real estate agents, when they are involved in transactions for their clients, related to the purchase or sale of real estate or when they act as an intermediary in the leasing of real estate in connection with transactions for which the monthly rent reaches the value equal to or greater than 500,000 (five hundred thousand) ALL, regardless of whether the transaction is carried out in a single transaction or in several related transactions;
- management companies of collective investment enterprises and pension funds, as well as their agents;
- any natural or legal person, except those specified above, who deal with the administration of the assets of third parties and/or the management of related activities, constructions, the business of metals and precious stones, financial agreements and guarantees, buying and selling and other activities that are directly or indirectly related to money laundering;
- any individual, natural or legal person, who trades goods or services to the extent that he makes or accepts payments in physical money in an amount of 1,000,000 (one million) ALL or more, regardless of whether the transaction is carried out in a single transaction or in certain related transactions;
- statutory auditors, certified accountants, tax advisors, as well as any other person who undertakes to provide, directly or through other persons with whom that person is related, material assistance, assistance or advice on tax matters, as a main business or professional activity.¹⁷
- From the changes that this law underwent in 2019, with the law no. 33/2019 “On some changes and additions to the law no. 9917, dated 19.5.2008 “On the prevention of money laundering and financing of terrorism”, as amended”¹⁸, as well as in 2021, with the law no. 120/2021 “On some changes and additions to the law no. 9917, dated 19.5.2008 “On the prevention of money laundering and financing of terrorism”, as amended”¹⁹, the obligations of legal organizations have

¹⁷ Yes there. Article 3.

¹⁸ Law no. 33/2019, For some changes and additions to law no. 9917, dated 19.5.2008, “On the prevention of money laundering and financing of terrorism”, as amended. <https://qbz.gov.al/eli/ligj/2019/06/17/33/91225ff9-14364154-8d5b-3af253b85f4c;q=law%20per%20pARANDALIMI%20%20i%20cleaning%20to%20p%5Bares>
(Last accessed on 1.11.2023)

¹⁹ Law no. 120/2021, For some changes and additions to law no. 9917, dated 19.5.2008, “On the prevention of money laundering and financing of terrorism”, as amended. <https://qbz.gov.al/eli/ligj/2021/12/02/120/40a1c4f0-35a4493d-a970-17c74e820d2d;q=law%20per%20pARANDALIMI%20%20i%20cleaning%20to%20p%5Bares>
(Last accessed on 1.11.2023)

increased. The law has provided for the concept of proper vigilance, simplified vigilance and extended vigilance, also foreseeing the cases when each of them is applied. Specifically, due diligence measures must be taken against the client, according to the criteria below:

- before establishing a business relationship;
- when the customer performs or requests to perform a transfer inside or outside the country or a transaction in an amount equal to or greater than 100,000 (one hundred thousand) ALL for a category of entities such as: banking entities, non-banking financial entities, exchange offices currency exchange, savings and credit associations and their unions, gambling, casinos and hippodromes, of any form;
- when the customer performs a transaction with an amount equal to no less than 1,000,000 (one million) ALL, performed in a single transaction or in several transactions connected to each other;
- when there are doubts about the authenticity or adequacy of identification data;
- in all cases, regardless of reporting limits, when money laundering is suspected or financing of terrorism

In article 4/1 of this law, due vigilance measures are provided, according to which subjects are obliged to take all measures to verify the identity of customers as best as possible through specific identification documents for each category (individual, physical person and legal), and through data or information obtained from reliable and independent sources.

Vigilance simplified to customers can be carried out in cases where a low risk of money laundering and/or terrorist financing is identified, based on the risk assessments of the authorities charged with the law, as well as the risk assessments and management procedures determined by the entities themselves by the law. In its article 5, the law has defined in detail the documents that must be required for the identification of customers, for individuals, commercial natural persons, legal entities, for legal representatives or by proxy, as well as for legal organizations.

In Article 7, the law has defined enhanced vigilance, which should include additional measures, in addition to those provided for due diligence, for business relationships, customers or high-risk transactions. In order to reduce the risk of money laundering and terrorist financing, reporting entities define other categories of business relationships, customers, transactions, products, services, distribution channels, countries or geographical risks, assessed as high risk and to which they must apply extended vigilance measures in addition to those defined in by the law.

The categories of customers and transactions to which enhanced vigilance is applied are defined in Article 8 of the law. In summary, these categories are presented as follows:

- politically exposed persons and their family members;
- non-profit organizations;
- customers who reside or exercise their activity in places for which special measures are required, according to the determinations or requirements of the responsible authority;

- clients, whom the entity itself has categorized as high risk or if during a transaction or business relationship high risks are identified that were not identified before;
- business relations and transactions with clients, legal organizations or companies that have shares of the holder, transactions carried out in their name or on their account;
- beneficiary of life insurance policies;
- complex transactions, with high and unusual values, which are not intended for economic or legal reasons.
- For cross-border correspondent banking or financial services provided by banks subject to this law, before establishing a business relationship, they must:
- gather sufficient information about the host and intermediary institution to fully understand the nature of the business;
- determine, through public information, the reputation of the host and intermediary institution, the quality of its supervision, including whether it has been subject to investigation or administrative measures related to money laundering and/or terrorist financing;
- assess that the host and intermediary institution's internal control procedures against money laundering and terrorist financing are sufficient and effective.

Obligations for the money or value transfer service are defined in Article 10 of the law. Entities whose activities include transfers of money or values, in the case of outgoing and incoming transfers, must receive detailed information to identify the customer and the financial institution involved in the transaction. Entities are prohibited from carrying out transfers of money or values to persons declared by decisions of the United Nations Security Council, according to relevant acts of international organizations or international agreements, to which the Republic of Albania is a party. Entities whose activities involve transfers of money or value must keep a list of agents operating on their behalf and make it available to the responsible authorities if requested. The collected data, information and documentation are stored for a period of 5 years.

Among the preventive measures that must be taken by the subjects are the drafting, updating and effective implementation of internal regulations and/or instructions, which foresee taking appropriate measures to understand the risk of money laundering. In Article 11, all the details and appropriate mechanisms for risk assessment are provided in detail.

The obligation to report is defined in the fourth chapter of this law. Article 12 defines the modalities of reporting to the responsible authority. Subjects submit a report to the responsible authority, where they present their doubts about the cases where they know or suspect that the laundering of the proceeds of a criminal offense, the financing of terrorism or the funds involved derive from criminal activity is being carried out, has been carried out or is attempted to be carried out. Reporting is done immediately and no later than 72 hours. When the subject has doubts about the transaction, he must not carry out the transaction, immediately report the case to the responsible authority and ask for instructions. Entities are required to report to the

responsible authority all transactions in physical money, in a value equal to or greater than 1,000,000 (one million) ALL or the equivalent in foreign currencies, carried out as a single transaction, or as related transactions the other, within 24 hours.

The responsible authority is obliged to preserve the identity of the reporting entities and their employees who have reported. Managers, officials or employees of entities, who in good faith report or provide information to the responsible authority, in accordance with the provisions of this law, are exempt from criminal, civil or administrative liability, for the disclosure of professional or banking secrets defined by legislation special in force.

Managers, officers and employees of entities, supervisory authorities or institutions that are required to report to the responsible authority are prohibited from informing the client or any other person about sending or preparing to send information to the responsible authority, about reporting suspicious activity, as well as for any information required by the latter or for the investigations that are being carried out. Article 16 of the law defines the ways of keeping documentation by the subjects, the types of documents, the method of registration and the time limits of document storage are provided according to the transactions. The customs authorities must report them immediately, and not later than 72 hours, to the responsible authority any suspicion, information or data related to money laundering or terrorist financing, for the activities under their jurisdiction. Meanwhile, in article 17/1, the declaration procedures at the border are detailed. Every person, who enters/or leaves the territory of the Republic of Albania, is obliged to declare the amounts in money, any type of negotiable instrument of the bearer, metals or precious stones, valuables and antique objects, starting from the amount of 10,000 euros or its equivalent in other currencies, the purpose of their holding, as well as to present relevant justifying documents.

In case of non-declaration, in parallel with the treatment of the case, according to the provisions of the Criminal Code and the Code of Criminal Procedure, a fine is imposed depending on the undeclared value. Tax authorities identify their subjects, and report to the responsible authority immediately and in any case, no later than 72 hours after the registration of the action, for any suspicion, alert, notification or data, related to money laundering and financing of terrorism.

The State Cadastre Agency reports within 72 hours the registration of the contract of alienation of property with a value equal to or greater than 6,000,000 (six million) ALL or its equivalent in other foreign currencies. This agency also reports any suspicion, information or evidence of money laundering or terrorist financing for activities under its jurisdiction.

Any authority that registers, licenses and supervises the activity of non-profit organizations must immediately report to the responsible authority any suspicion, information or data related to money laundering or terrorist financing.

The fifth chapter of the law defines the responsible and supervisory structures for the implementation of the law. The Financial Intelligence Agency (hereinafter: AIF) is organized as the general directorate under the minister responsible for finance and exercises the functions of the responsible authority according to this law. AIF serves

as a specialized financial unit for the prevention and fight against money laundering and terrorist financing. Also, this directorate functions as a national centre in charge of collecting, analysing and distributing data on possible money laundering and terrorist financing activities to law enforcement agencies. The AIF may impose restrictions on the data requested in accordance with the right to information, if the restriction is necessary and proportionate. Article 21 defines the way of organization, operation and financing of the agency, while the duties and functions of the responsible authority are defined in Article 22 of the law. Among the most important are:

- collects, administers, processes, analyses and distributes to the competent authorities data, reports and information on money laundering and terrorist financing issues;
- has direct access free of charge to information technology systems or databases and to any information administered by public institutions, by private entities owned by the state, as well as in any type of public register;
- requests any type of information from subjects subject to this law;
- oversees the compliance of the entities' activity with the requirements of legal and by-laws for the prevention of money laundering and terrorist financing;
- exchange information with any foreign counterpart agency;
- exchange information with prosecutors and other competent law enforcement or intelligence authorities;
- keeps complete statistics and reports on the criminal proceedings registered for the criminal offenses of laundering the proceeds of criminal offenses or criminal activity and the financing of terrorism, as well as on the manner of their termination;
- orders, when there are reasons based on concrete facts and circumstances for money laundering and terrorist financing, the blocking or temporary freezing of the transaction or financial action, for a period not exceeding 72 hours.

Any information or data sent by the Financial Intelligence Agency to law enforcement bodies is subject to the law on classified state secret information and does not constitute evidence within the meaning of the Code of Criminal Procedure. The Coordinating Committee of the Fight Against Money Laundering is responsible for determining the directions of the general state policy in the field of prevention and the fight against money laundering and terrorist financing. The committee is headed by the Prime Minister and is composed of the ministries responsible for finance, defence, public order and security, foreign affairs and justice issues, as well as the leaders of the main institutions that have a direct and indirect connection with this field. The functions of the supervisory authorities are defined in article 24 of this law. Supervisory authorities for the relevant entities they control include the Bank of Albania, the Financial Supervision Authority, the Ministry of Justice and the Public Oversight Board. While their main functions are:

- supervise, through inspections, the compliance of the entities' activity with the obligations provided for in this law;
- immediately report to the responsible authority any suspicion, information or data, related to money laundering or terrorist financing, for the activities under their jurisdiction;

- control the implementation of programs of the fight against money laundering and terrorist financing by entities;
- inform in time and cooperate with the responsible authority;
- take the necessary measures to prevent an unsuitable person from owning, controlling or participating, directly or indirectly, in the management, administration or activity of an entity, cooperate and provide specialized assistance in the field of money laundering and terrorist financing, whereas in Article 27 of this law, administrative offenses are defined. When they do not constitute a criminal offense, violations of the provisions of this law constitute administrative misdemeanours and the responsible authority imposes one or more administrative measures as follows:
 - warning;
 - an order that compels the subject to stop a certain behaviour, work or business practice, and not to repeat it in the future;
 - order for temporary suspension or replacement of the heads of structures responsible for preventing money laundering and terrorist financing; -fine;
 - public announcement of the offender and the nature of the offence.
- The responsible authority may request the relevant licensing and/or supervisory authority to limit, suspend or revoke the license of an entity when it finds or has facts to believe that the entity is involved in money laundering or terrorist financing and when the entity, repeatedly, commits one or several of the administrative offenses provided for in this law.
- In order to determine the type and amount of sanctions, in addition to the criteria established in the law on administrative offenses, the following criteria are also taken into account:
 - the financial strength of the legal entity responsible for the violation;
 - the benefits that the entity that committed the violation may have had;
 - losses that may have been caused to third parties due to the commission of the violation (if any);
 - the subject's level of cooperation with the competent authorities;
 - the degree of responsibility of the entity that committed the violation.

5. Conclusion

The purpose of this paper is to highlight the imperative importance of controlling money laundering as a dangerous criminal enterprise with a major impact on the development and economic stability of the country. Undoubtedly, this is an undertaking with a global character, which is why merging with international mechanisms and harmonizing legislation is a requirement and obligation for the state. Albania has taken considerable steps in this direction, however, the mechanisms and cooperation between institutions do not manage to control money laundering in the country to the necessary extent. This is clearly read from the analysis of the Bank of Albania, which speak of an equal size of the formal economy with the informal one.

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