



Jurisdiction update: Moldova

Mar 12 2009 [Roger Gladei and Aelita Orhei](#)

Member of the Financial Action Task Force? No. (Moldova is a member of Moneyval (Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism), which is an associate member of FATF.)

On FATF blacklist? No.

Member of Egmont? Yes.

The Republic of Moldova has ratified the following international conventions:

- UN International Convention for the Suppression of the Financing of Terrorism, New York, dated December 9, 1999 (ratification Law No. 196 dated July 18, 2002).
- Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, Strasbourg, dated November 8, 1990 (ratification Law No. 914 dated March 15, 2002).
- Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism, Warsaw, dated May 16, 2005 (ratification Law No. 165 dated July 13, 2007).
- International Convention for the Suppression of Acts of Nuclear Terrorism, New York, dated April 13, 2005 (ratification Law No. 20 dated February 21, 2008).
- Council of Europe Convention on the Prevention of Terrorism, Warsaw, May 16, 2005 (ratification Law No. 51 dated March 3, 2008).
- International Convention for the Suppression of Terrorist Bombings, New York, December 12, 1998 (ratification Law No. 1239 dated July 18, 2002).

These conventions shall not apply in the territory of the self-declared republic of Transdniestria until full resolution of the dispute related to the status of the region.

National provisions

Criminal Code

The following crimes are deemed as "predicate offences", as set out in Article nine of the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and Financing of Terrorism:

- **Money laundering**, i.e., the act of attributing a legal aspect to the source of the illicit incomes, or to hide the origin of such incomes, which is carried out in one of the forms indicated in the law (Article 243 of the Criminal Code). Money laundering is punishable by:

1. A fine of 500 to 5,000 conventional units (€750 to 7,500) for the person or imprisonment of up to 10 years with (or without) prohibiting the right to hold certain positions, or carry out certain activities, for two to five years.
 2. A fine of 7,000 to 10,000 conventional units (€10,500 to 15,000) for the legal entity and prohibiting the right to carry out certain activities or liquidation.
- **Terrorist financing**, i.e., making available or collecting any assets acquired by any means, or rendering any financial services for the purpose of using such assets or services, or knowing that they shall be used upon organisation, preparation for, or perpetration of, a terrorism offence, or by a criminal group or person in connection with a terrorism offence (Article 279 of the Criminal Code). Terrorist financing is punishable by:
 1. Imprisonment of up to 10 years with (or without) prohibiting the right to hold certain positions, or carry out certain activities, for two to five years.
 2. A fine of 7,000 to 10,000 conventional units (€10,500 to 15,000) for the legal entity and liquidation.

In line with the undertaken international commitments, the Republic of Moldova has introduced corporate liability for legal entities and broadened the notion of "terrorism financing" to cover material and mental elements (i.e., consumption of the crime does not depend on the perpetration of the act or the use of the funds). Additional articles (2781, 2791 and 2792) related to terrorist actions have been incorporated in the Criminal Code to implement the provisions of the ratified international conventions.

The new Law on Prevention and Combating of Money Laundering and Terrorism Financing dated July 26, 2007 sets forth the framework for anti-money laundering and terrorist financing measures. In comparison to the first anti-money laundering law, which was enacted in 2001, the new law is in accord with the relevant international standards. The 2007 AML Law extended the range of reporting entities. The guidelines for suspicious activities and transactions, which the Centre for Combating Economic Crimes and Corruption passed, are aimed to help the reporting entities in transaction assessment.

Reporting entities

Besides banks, other reporting entities are: bureaux de change, stock exchanges, dealers and brokers, insurance companies, investment funds, casinos, real estate agents, dealers of precious metals and stones, notaries and attorneys at law (when acting on behalf of clients in connection with the sale and purchase of real estate, management of affairs, incorporation and running of legal entities), auditors, independent accountants and financial consultants, investment and fiduciary assistants, postal and telegraphic or assets transfer service providers. These entities are legally required to report suspicious transactions to the AML monitoring authority.

Monitoring authority

The Centre for Combating Economic Crimes and Corruption is the national financial intelligence unit. It is in charge of coordinating national AML policies, collecting and processing the reports on suspicious transactions and immediate intervention to prevent money laundering and terrorist financing. The other supervisory authorities (the National Bank of Moldova and the National Commission of Financial Market) and the customs department cooperate with the CCECC to ensure the compliance of supervised entities and market participants with the AML rules.

Identification and reporting requirements

Reporting entities are required to apply extensive know-your-customer principles. They should also apply additional precautionary measures in specific cases, which include non-face-to-face operations, transactions

of politically exposed persons, cross-border interbank transfers or electronic transfers when the parties cannot be fully identified. The identity of the client and the ultimate beneficiary should be known and the information should be kept up-to-date.

Reported transactions

Transactions that are more than 500,000 Moldovan leu (€37,000) in value, which are executed in one or several operations during 30 consecutive days, should be reported to the CCECC by the fifteenth day of the following month. Any transaction which is deemed a suspicious transaction, irrespective of the amount of the transaction, should be reported within 24 hours.

The National Bank of Moldova has adopted Recommendations on Implementation of Programmes on Prevention and Combating of Money Laundering by the Banks. Moldovan banks should have internal AML programmes and procedures in place to ensure collection of the information on the identity of the client, the ultimate beneficiary, politically exposed persons, the trust relations, the holder of the corresponding bank account, etc.

Recordkeeping

Reporting entities should keep information that relates to the identity of persons, the information regarding accounts and the primary documentation, which includes the business correspondence, for a minimum of seven years after the business contract has ended.

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