

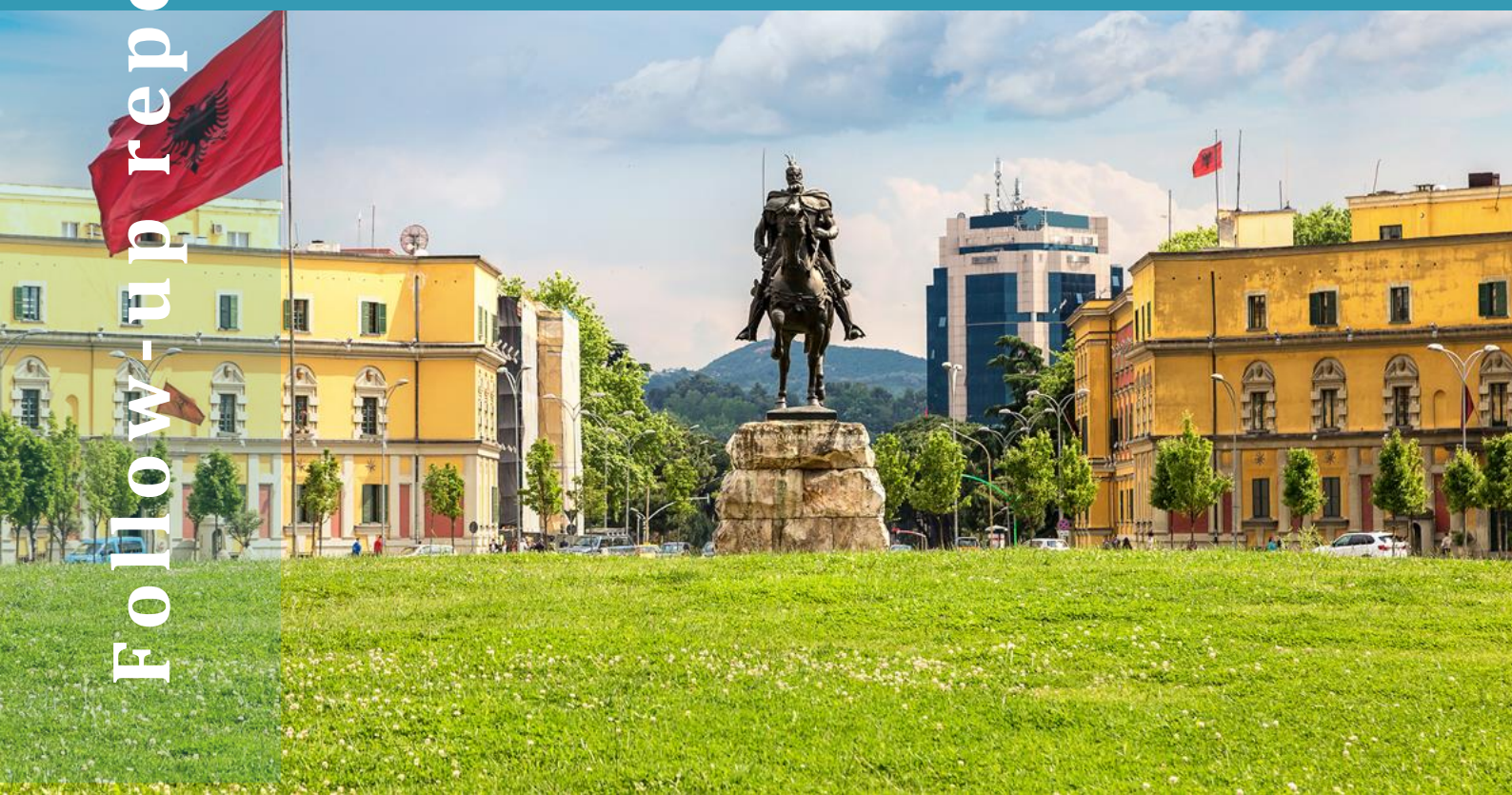
Anti-money laundering and counter-terrorist financing measures

Albania

4th Enhanced Follow-up Report

May 2023

Follow-up report



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.

The 4th Enhanced Follow-up Report on Albania was adopted by the MONEYVAL Committee at its 65th Plenary Meeting (Strasbourg, 22-26 May 2023).

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Albania: 4th Enhanced Follow-up Report

I. INTRODUCTION

1. The mutual evaluation report (MER) of Albania was adopted in July 2018¹. Given the results of the MER, Albania was placed in enhanced follow-up². Its 1st³, 2nd⁴ and 3rd⁵ Enhanced Follow-up Reports were adopted respectively in December 2019, April 2021 and May 2022. The report analyses the progress of Albania in addressing the technical compliance (TC) deficiencies identified in its MER. Re-ratings are given where sufficient progress has been made. Overall, Albania has reached the general expectation to address most of the TC deficiencies by the end of the third year from the adoption of its MER⁶.

2. The assessment of Albania request for technical compliance re-ratings and the preparation of this report were undertaken by the following Rapporteur teams (together with the MONEYVAL Secretariat):

- Cyprus
- Estonia

3. Section II of this report summarises Albania's progress made in improving technical compliance. Section III sets out the conclusion and a table showing which Recommendations have been re-rated.

II. OVERVIEW OF PROGRESS TO IMPROVE TECHNICAL COMPLIANCE

4. This section summarises the progress made by Albania to improve its technical compliance by addressing the technical compliance deficiencies identified in the MER and applicable subsequent FUR for which the authorities have requested a re-rating (R. 25 and 28).

5. For the rest of the Recommendations rated as PC (R. 7 and 15), the authorities did not request a re-rating.

6. This report takes into consideration only relevant laws, regulations or other AML/CFT measures that are in force and effect at the time that Albania submitted its country update report – at least six months before the FUR is due to be considered by MONEYVAL⁷.

II.1 PROGRESS TO ADDRESS TECHNICAL COMPLIANCE DEFICIENCIES IDENTIFIED IN THE MER AND APPLICABLE SUBSEQUENT FURS

7. Albania has made progress to address the technical compliance deficiencies identified in the MER and applicable subsequent FURs. As a result of this progress, Albania has been re-rated on Recommendations 25 and 28.

¹ <https://rm.coe.int/committee-of-experts-on-the-evaluation-of-anti-money-laundering-measur/1680931f70>

² Regular follow-up is the default monitoring mechanism for all countries. Enhanced follow-up involves a more intensive process of follow-up.

³ <https://rm.coe.int/anti-money-laundering-and-counter-terrorist-financing-measures-albania/16809988c0>

⁴ <https://rm.coe.int/moneyval-2021-2-fur-albania/1680a2982c>

⁵ <https://rm.coe.int/fur-albania-3rd/1680a6cea3>

⁶ Please see the decisions of the 63rd Plenary.

⁷ This rule may be relaxed in the exceptional case where legislation is not yet in force at the six-month deadline, but the text will not change and will be in force by the time that written comments are due. In other words, the legislation has been enacted, but it is awaiting the expiry of an implementation or transitional period before it is enforceable. In all other cases the procedural deadlines should be strictly followed to ensure that experts have sufficient time to do their analysis.

8. Annex A provides the description of country's compliance with each Recommendation that is reassessed, set out by criterion, with all criteria covered.⁸ Annex B provides the consolidated list of remaining deficiencies of the re-assessed Recommendations.

III. CONCLUSION

9. Overall, in light of the progress made by Albania since its MER or the adoption of its 3rd enhanced FUR, its technical compliance with the FATF Recommendations has been re-rated as follows:

Table 1. Technical compliance with re-ratings, May 2023

R.1 LC PC (FUR 2019) NC (MER)	R.2 LC (MER)	R.3 LC (MER)	R.4 LC (MER)	R.5 LC (MER)
R.6 C (FUR 2019) PC (MER)	R.7 PC (FUR 2021) NC (MER)	R.8 LC (FUR 2019) PC (MER)	R.9 LC (MER)	R.10 LC (MER)
R.11 LC (MER)	R.12 LC (MER)	R.13 LC (MER)	R.14 C (MER)	R.15 PC (FUR 2021) LC (MER)
R.16 LC (MER)	R.17 N/A	R.18 LC (FUR 2019) PC (MER)	R.19 C (FUR 2019) PC (MER)	R.20 LC (MER)
R.21 C (FUR 2019) LC (MER)	R.22 LC (MER)	R.23 LC (MER)	R.24 LC (FUR 2022) PC (FUR 2019) PC (MER)	R.25 LC (FUR 2023) PC (FUR 2021) PC (FUR 2019) PC (MER)
R.26 LC (FUR 2022) PC (FUR 2021) PC (FUR 2019) PC (MER)	R.27 LC (MER)	R.28 LC (FUR 2023) PC (FUR 2022) PC (FUR 2021) PC (MER)	R.29 LC (MER)	R.30 C (MER)
R.31 LC (MER)	R.32 LC (MER)	R.33 LC (MER)	R.34 LC (MER)	R.35 LC (FUR 2019) PC (MER)
R.36 LC (MER)	R.37 LC (MER)	R.38 C (FUR 2022) PC (MER)	R.39 LC (MER)	R.40 LC (MER)

Note: There are four possible levels of technical compliance: compliant (C), largely compliant (LC), partially compliant (PC), and non-compliant (NC).

10. Albania will remain in enhanced follow-up and will continue to report back to MONEYVAL on progress to strengthen its implementation of AML/CFT measures. Albania is expected to report back within two years' time.

⁸ Amendments introduced to the text of Recommendations in *italics* are based on the previously adopted follow-up reports - they are presented for information and do not require plenary's approval. Amendments introduced in track mode are based on newly submitted information since the adoption of the MER or last follow-up report and require plenary's discussion and approval.

Annex A: reassessed Recommendations

Recommendation 25 – Transparency and beneficial ownership of legal arrangements

	Year	Rating and subsequent re-rating
MER	2018	[PC]
FUR1	2019	[PC (no upgrade requested)]
FUR2	2021	[PC (upgrade requested)]
FUR3	2022	[PC (upgrade requested)]

1. In the 3rd round Albania was rated as N/A with R. 34. The new FATF Recommendations and the assessment Methodology provides that the country must apply minimum transparency requirements even if it does not legally recognise trusts. R. 25 therefore applied to Albania, although an express trust cannot be created in the country. Albania was rated PC in the 5th round of evaluations and requested an upgrade in the context of the 2nd FUR. However, no sufficient progress has been achieved which would justify an upgrade.

2. **Criterion 25.1**

(a) and (b) (N/A) Albania is not a signatory to the Hague Convention on Laws Applicable to Trusts and their Recognition. Although there is no law governing the formation and operation of trusts or other legal arrangements in the country there is no prohibition on foreign trusts operating in Albania too. Hence, the sub-criteria (a) and (b) are not applicable to Albania.

(c) Authorities explained that the trustees' obligations are stipulated under the AML/CFT legislation, referring to the following provisions "any natural or legal person engaged in the administration of third parties' assets/management of the activities related to them, foundation, registration, administration, functioning of the legal arrangement", "any natural or legal person, other than those specified above, providing the following services to a customer", "acts or designates someone else to act as trustee of a legal arrangement or performs an equivalent function for another form of legal arrangement " (Letters k(i), ll(iv), Art. 3 of the AML/CFT Law). Considering the Albanian legal framework, this, de facto would refer to foreign trusts. Under Art. 4/1 (c) of the AML/CFT Law trustees are obliged to identify the BO and take reasonable measures to verify the identity from reliable sources. Art. 2, part 12 of the AML/CFT Law refers to the definition of a "BO" provided for under the Law on the Register of Beneficial Owners. The latter includes the "creator of the trust, custodian / trustee, advocate, if any, and beneficiaries or where the persons benefiting from the legal agreement or entity have not yet been identified, the class of persons for whose primary interest the legal agreement or entity is established or operates; any other individual exercising ultimate control over the trust through direct or indirect ownership or other means" (Art. 3 of the Law on the Register of Beneficial Owners). Article 3/1 of the AML/CFT Law requires trustees of legal arrangements to retain essential information about founders, beneficiaries, trustees or persons with de-facto control over them, other regulated agents and service providers, including advisers, managers, accountants and tax/fiscal advisors. Thus, the requirements to obtain and hold information envisaged under the sub-criteria (a) and (b) are covered. The REs, as subjects to record-keeping requirements under the AML/CFT Law are required to maintain CDD records for 5 years.

3. **Criterion 25.2** - Article 3/1 point 4 of the AML/CFT Law defines the trustee as the person responsible for the implementation of the obligations of legal arrangements deriving from the AML/CFT Law. Art. 4/1 "Due diligence measures" letter "dh" of the AML/CFT Law requires legal

arrangements, to identify the founder, beneficiaries, trustee or person with effective control over them. Furthermore, the CDD information collected by REs should be up-to-date relevant and appropriate (Letter (f) Art. 4/1 of the AML/CFT Law).

4. **Criterion 25.3** - Trustees are required to disclose their status to the reporting entities when establishing a business relationship or when conducting occasional transactions (Art. 3/1, para. 1 AML/CFT Law).

5. **Criterion 25.4** - There appear to be no provisions in law or enforceable means which would prevent trustees from providing information to the competent authorities.

6. **Criterion 25.5** - As mentioned both natural person and legal entity trustees are obliged under Art. 4/1 (c) of the AML/CFT Law to identify the BO and take reasonable measures to verify the identity from reliable sources. In addition to this, legal entity trustees are obliged to provide BO information to Beneficiary Owners' Register. Both types of trustees for reference use the same BO definition. In case of legal arrangement customers, the REs are obliged to identify the founder, the beneficiary, the trustee or the person exercising factual control over them (including the residence of the trustee) under Art. 5, letter "dh" of the AML/CFT law. The residence address of trustees is maintained also in BO register as required by Art. 4, clause 3.2.1 of the Law on the Register of Beneficial Owners.

7. The GDPML has wide powers to access any information held with the REs, in the databases and any information managed by the state institutions, as well as in any other public registry (please see also c.29.3). Adequate powers of LEAs to obtain information are set under Art. 151 of the CPC and Art. 129 of Law 108/2014, for ASP (please see also c.31.1). Art. 24, para. 2 of the AML/CFT Law allows supervisory authorities to request data but does not give them a power to place a specific deadline for data to be provided (please see also c.27.3 and c.28.4(a)). Additionally, the GDPML, the prosecutor's office, the ASP and the FSA are among competent authorities who have direct access to the BO register.

8. **Criterion 25.6** -The GDPML has wide powers to access information held with the REs, and can exchange it with foreign counterparts spontaneously or upon request. The competent authorities can provide a wide range of MLA in relation to ML, associated predicate offences and TF investigations, prosecutions and related proceedings. However, certain limitations described under R. 37, 40 apply.

9. **Criterion 25.7** - REs will be subject to sanctions for failing to comply with CDD and record-keeping requirements in the AML/CFT Law (See also R.35). For trust related obligations under Art. 3/1 REs will be subject to proportionate and dissuasive sanctions foreseen under Art. 27.3 (c). In particular, in cases when they do not comply with the obligations provided for in Art. 3/1, legal arrangements are fined from Lek 1 500 000 (one million five hundred thousand) to 10 000 000 (ten million) (equivalent to approximately from EUR 13,500 to 89,500). Additionally, the Law on BO Register provides for sanctions for non-compliance (depending on the non-compliance fines differ from LEK 50,000 to 600,000 (approximately from EUR 450 to 5400)). Considering that there is no law governing the formation and no other law reflecting on operation of trusts or other legal arrangements in Albania, there are no further provisions in place on liability for failure to perform duties or proportionate or dissuasive sanctions.

10. **Criterion 25.8** - Should the information on a trust be held by the RE, the latter is required to make it available upon the request of the responsible authority within 10 calendar days and without delay (Para 1, Art. 21/1 of the AML/CFT Law). Failure to comply with these provisions would be punished by fine (Para 3, letter (b), Art. 27 of the AML/CFT Law). Failure to provide access to information to LEAs, which can be treated an obstruction of justice and punished for by a fine or up to 3 years of imprisonment (Art. 301 of the CC). There is no provision covering other than the aforementioned situations.

Weighting and Conclusion

11. While there is no law governing the formation and operation of trusts or other legal arrangements in the country, these are mostly subject to the AML/CFT provisions. However, certain limitations described under R. 37 and 40 apply to c.25.6. There is no timeline for the REs to provide information upon the request of supervisory authorities to obtain information held by the entities. **R. 25. is re-rated as LC.**

Recommendation 28 – Regulation and supervision of DNFBPs

	Year	Rating and subsequent re-rating
MER	2018	[PC]
FUR1	2019	[PC (no upgrade requested)]
FUR2	2021	[PC (upgrade requested)]
FUR3	2022	[PC (upgrade requested)]

1. Albania was rated PC in the previous evaluation round on R24. Several deficiencies were identified. With regard to the requirements concerning casinos, the evaluators found that the measures to prevent criminals from holding a significant interest were not comprehensive. The legal authority designating DNFBP supervisors was assessed as ineffective and required clarity. Sanctions were not applied in a proportionate manner and the results of GDPML inspections, and the sanctions applied were susceptible to challenge given the limited supervisory authority of the GDPML. The FATF criteria relating to this recommendation have not changed. Albania has introduced some amendments to the AML/CFT law and sectorial laws in relation to casinos, notaries, real estate agents which addressed some of these deficiencies. Albania requested an upgrade on R. 28 in the context of the 2nd and 3rd FURs due to certain changes in legislation. However, no sufficient progress has been made to justify an upgrade of the rating.

2. **Criterion 28.1** - Casinos are subject to AML/CFT regulation and supervision (Art. 3, point g of the AML/CFT Law).

(a) The Law on Gambling prohibits entities not licenced by the GSA to run gambling activity; (Art. 17(2, 3)). Online gaming companies are prohibited in Albania.

(b) All AML/CFT supervisors (including the GSA) are obliged to take the necessary measures to prevent an ineligible person from owning, controlling and directly or indirectly participating in the management, administration or operation of an entity (Art. 24 (4) (/b) of the AML/CFT Law). The term “ineligible person” is not defined in the AML/CFT Law. Law no. 155/2015 (Art.36(6)) "on Gambling Games" states that companies applying for licensing in the casino category must fulfil a set of criteria and conditions, including criminal record certification demonstrating that the applicants/administrators and shareholders/associates are not under judicial process and have not been convicted. The provisions do not clearly include indirect shareholders/ BOs. Art. 40 (e) of the Law obligates the licensee to ensure staff employed at the casino should not be previously convicted of criminal offenses that can be punished with imprisonment.

(c) There are legal grounds set for supervision of game of chance for the compliance with the obligations under the AML/CFT Law (Art. 24(2) AML/CFT Law). The licensing and supervision of casinos is carried out by the GSA subordinate to the Minister of Finance (Art. 24(1), point c AML/CFT Law; Art. 4(1) Law on Gambling).

3. **Criterion 28.2** - The GDPML has supervisory authority for AML/CFT compliance over all REs, including DNFBPs (Art. 22, point ç AML/CFT Law).

4. Furthermore, other authorities responsible for AML/CFT supervision of DNFBPs are designated by the AML/CFT Law (Art. 24(1)) and CoM Decision No. 343. The respective supervisory authorities according to these sources are as follows:

- The NCA for lawyers
- The MoJ for notaries
- The MOJ for real estate agents

- The POB for accountants
- The BoA for DPMS

5. The AML/CFT Law also includes as subjects any other natural or legal person that is not already covered (i.e. as lawyer, notary, or accountant) who engages in the administration of third parties' assets, managing the activities related to them, and foundation, registration, administration, functioning of legal persons and legal arrangements (i.e. TCSPs). For these entities, there is no other supervisory authority designated by law other than the GDPML's general authority.

6. **Criterion 28.3** - In practice, BoA does not exert supervision over DPMS. At the same time, it must be noted that, technically, DPMS in Albania do not fall under the FATF standards as they cannot engage in any cash transactions over the threshold of R.22. Furthermore, the MOJ does not in practice exert AML/CFT supervision over real estate agents. While there is evidence that the MoJ covers AML/CFT requirements (or at least reporting obligations) in its inspections of notaries to some extent, the Chamber of Advocacy and the POB do not appear to have systems in place to monitor compliance with AML/CFT requirements.

7. This notwithstanding, the GDPML, having a general duty and function to supervise all REs for AML/CFT compliance, has a department responsible for supervision and has a manual in place setting out its supervisory approach, which also applies to DNFBPs.

8. **Criterion 28.4** -

(a) Art. 24 of the AML/CFT Law states that the supervisory authorities supervise, through inspections, the compliance of the activity of the subjects with the obligations set down in various Articles of this Law. The Law also authorises supervisory authorities the power to demand from a subject the production of or access to information or documents related to that subject's compliance with the AML/CFT Law. There are sectoral laws in place relating to supervisors of accountants and notaries that further define their powers to perform their functions, including powers to monitor compliance. The GDPML has the power to conduct inspections, alone or in cooperation with the other supervising authorities, in order to supervise the AML/CFT compliance of all REs (Art. 22 AML/CFT Law).

(b) Art. 24 (4/b) of the AML/CFT stipulates that the supervising authorities shall take the necessary measures to prevent an ineligible person from possessing, controlling, and directly or indirectly participating in the management, administration or operation of an entity. However, ineligible person is not defined in the law and the measures to be taken are not further regulated.

Notaries: The Law on Notaries does not allow individuals convicted of criminal offense to obtain or maintain notary licence (Art. 5 the Law on Notaries). There is no ground for refusal of a licence due to other indications of criminal activity or association. However, although not explicitly regulated by law, once a licence is granted, MoJ is informed by prosecuting authorities when criminal proceedings against a notary start, and can decide whether the significance of the offense for which the proceeding has been initiated is such that it requires the non-exercise of the activity by the notary until the end of the proceedings and therefore suspension of the licence (based on Art. 56, 57 and 58 of the Law on Notaries that gives the MoJ the possibility to temporarily restrict a licence – although for up to 2 years). Moreover, the law provides that if a notary has inappropriate contacts with a criminal element, he or she will be under enhanced monitoring procedures. These procedures provide for the obligation of the notary to undergo regular inspection no less than once per year, whereas the normal monitoring procedure provides that a notary undergoes a regular inspection no less than once in four years.

Auditors/accountants: According to Articles 8 and 9 of the Regulation “On the organisation and functioning of the registration committee and the public register update” auditors are checked against criminal background. In addition, applicants are required to submit a self-declaration which covers BO of audit firms and individual auditors in relation to criminal background and association. This approach has been confirmed by a case example. Like in case of auditors, similar provisions can be found in the Regulation n.9 “On regulation and supervision of the functioning of professional organisations and the profession of certified accountant”, including submission of a self-declaration.

Lawyers: According to the NCA Statute applicants are required to submit certification from the prosecutor’s office and the court regarding any ongoing criminal case. In the framework of background checks, NCA requests from all applicants a copy of the certificate of judicial status, as well as certificates from the court and prosecution’s office in order to ascertain that the relevant individuals are not subject to a judicial process or investigation.

Real estate agents: Law No. 9/2022 “On profession of real estate broker” which entered in force on 9 March 2022 provides for a number of strict conditions that applicants must meet in order to obtain a license to practice the profession of real estate broker (Art. 3, point 4), including the verification of judicial status/criminal offences and their associates (Art. 8, point 3). However, the scope of the criminal behaviour against which the candidate is checked is limited to ML, TF or PF of the weapons of mass destruction.

- (c) Art. 27 of AML/CFT law defines the administrative sanctions that can be applied by the GDPML to all REs, including the DNFBPs. Art. 26 of the AML/CFT Law does authorise the GDPML to request licensing authorities to restrain, suspend or revoke the licence of an entity for having failed to repeatedly comply with AML/CFT requirements. Art. 26(2) then instructs the supervisory authorities to review such request and decide on it in accordance with the AML/CFT Law and with the sectoral laws.

Auditors/accountants: POB is empowered to impose sanctions, including termination of practicing for accountants (Article 24 of Regulation “On investigation and procedures for taking disciplinary measures”) and for auditors (Article 19 of Regulation “On investigation and procedures for taking disciplinary measures”).

Lawyers: Law No. 55/2018 enables the NCA to issue sanctions/disciplinary measures (including revocation of licences) to lawyers for non-compliance with the AML/CFT obligations; however, Law No. 55/2018 mentions exclusively the reporting obligations according to the AML/CFT legislation (as “Duties of a lawyer”). Furthermore, it is still not clear which sanctions can be applied to which failures, and accordingly it is not clear whether the sanctions are proportionate and dissuasive.

Real estate agents: Article 22 of the law “On the profession of real estate intermediary” includes the disciplinary measures for violations of the provisions regulating practicing the profession and their activity, which covers AML/CFT breaches, as well. DPMS: based on Article 27 of the Law No.9917 the GDPML applies a range of “administrative contraventions” based on the breaches founds during the inspections. Notaries: The Law on Notaries foresees legal liability for the infringements of legal and sublegal provisions. The Minister of Justice shall issue an order on revoking the license of a notary upon a number of grounds, inter alia if previously the notary has been given a disciplinary measure of admonition with a warning for revocation of the license (Art. 21(1e)) In the meantime, the license of a notary may be revoked s/he has been sentenced after receiving the license with a final court decision for a criminal offence committed intentionally or for a criminal

offence committed through negligence, which damages the image and the integrity of the profession of the notary. In addition, it is possible to suspend a notary from duty when he/she has a connection with the commission of a criminal offence (Art. 56 a).

9. **Criterion 28.5 -**

- (a) The GDPML Compliance Manual includes reference to a RBA to supervision which is used to determine the level and frequency of supervisory activities for the DNFBP sectors or entities supervised. Notaries, gambling operators and accountants are believed to form the category of DNFBPs with the highest vulnerability for ML (per NRA) and indeed most of the GDPML's supervisory resources in recent years have been focused on those sectors. Casinos/gaming service providers: The exposure of the gambling operators on AML risks is examined in the NRA and the Gambling Supervisory Authority adjusts the supervisory measures accordingly, and therefore these measures are reflected in the supervisory controls. Notaries: The MoJ determines the frequency and intensity of AML/CFT inspections on the basis of a risk (Order No. 408). In addition, when drafting the annual inspection plan the MoJ (Order No. 181) also considers the characteristics of notaries. Lawyers: Detailed evidence has been provided by the Albanian authorities regarding the supervision performed by the NCA on a risk sensitive basis. Real estate agents: The Risk-based Methodology dated 2022/05 establishes a requirement for the supervisors on conducting risk assessment which must be documented. However, there is no specific requirement on determining the frequency of supervision. Other DNFBPs: The oversight of certified accountants is based on risk factors, including in terms of determining the frequency thereof (POB manual on supervising subjects for the prevention of ML and TF).
- (b) Casinos/gaming service providers: The National Risk-Assessment for the gambling sector is a key document to understand the full scope of ML/TF risks in the country. However, there are some deficiencies in relation to the following documents: individual risk ratings are developed by the Supervisory Authority for the operators on the basis of the NRA, supervisory inspections of the operators are based on the NRA, and lack of operator's own risk assessment and the related risk-based customer due diligence, including the risk rating of the customers. Notaries: Under the methodology of inspection of notaries when assessing the adequacy of the AML/CFT internal controls, policies and procedures the risk-profile of entities should be taken into account. Real estate agents: The Risk-based Methodology dated 2022/05 inter alia provides for the entity's internal control system and procedures as factors for the selection of a reporting entity subject to inspections. Supervision of other DNFBPs does not seem to consider the ML/TF risk profile when assessing the adequacy of the AML/CFT internal controls, policies, and procedures.

Weighting and Conclusion

10. All DNFBPs as defined by FATF have a designated supervisor for AML/CFT compliance. Measures to prevent criminals from controlling a DNFBP are in place for DNFBPs, with some deficiencies in relation to indirect shareholders/BOs of casinos and limitations in relation to real estate agents. Sanctions are available to supervisors for the breaches of AML/CFT legislation. However, lawyers can be held responsible only for non-compliance with reporting obligation. The GDPML and sectorial supervisors has made efforts to apply a RBA to supervision of DNFBPs. However, AML/CFT internal controls, policies, and procedures are taken into account in the context of risk-based supervision only in relation to notaries and real estate agents. Therefore, **R.28 is re-rated as LC**.

Annex B: Remaining deficiencies underlying the rating

Recommendations	Rating	Factor(s) underlying the rating ⁹
25. Transparency and beneficial ownership of legal arrangements	LC	<ul style="list-style-type: none"> • There is no timeline for the REs to provide information upon the request of supervisory authorities (c.25.5); • The limitations described under R.37, 40 apply to c.25.6.
28. Regulation and supervision of DNFBPs	LC	<ul style="list-style-type: none"> • Criminal records are not explicitly required for indirect shareholders/BOs of casinos (c.28.1(b)); • In relation to lawyers: lawyers can be held liable only for non-compliance with the reporting obligation. It is still not clear which sanctions can be applied to which failures, and accordingly it is not clear whether the sanctions are proportionate and dissuasive. (c.28.4 (c)); • No specific requirement on determining the frequency of supervision over real estate agents. (c.28.5(a)); • Internal controls, policies and procedures are taken into account only in relation to supervision over notaries and real estate agents (c.28.5(b)).

⁹ Deficiencies listed are those identified in the MER unless marked as having been identified in a subsequent FUR.

TABLE OF ACRONYMS

AML	Anti-money laundering
ASP	Albanian State Police
BO	Beneficial ownership
BoA	Bank of Albania
CC	Criminal Code
CDD	Customer due diligence
CFT	Countering the financing of terrorism
COM	Council of Ministers
CPC	Criminal Procedure Code
DNFBPs	Designated non-financial businesses and professions
DPMS	Dealers in precious metals and stones
FSA	Financial Supervisory Authority
GDPMML	General Directorate for the Prevention of Money Laundering
GSA	Gambling Supervision Authority
LEA	Law enforcement entities
MOJ	Ministry of Justice
NCA	National Chamber of Advocacy
NRA	National risk assessment
POB	Public Oversight Board
RBA	Risk-based approach
TCSP	Trust and company service providers

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May 2023

Anti-money laundering and counter-terrorist financing measures -

Albania

4th Enhanced Follow-up Report

This report analyses Albania's progress in addressing the technical compliance deficiencies identified in the FSRB assessment of their measures to combat money laundering and terrorist financing of July 2018 and subsequent Follow-up Reports.

Follow-up report