

**Financial Intelligence Unit
of the Slovak Republic**

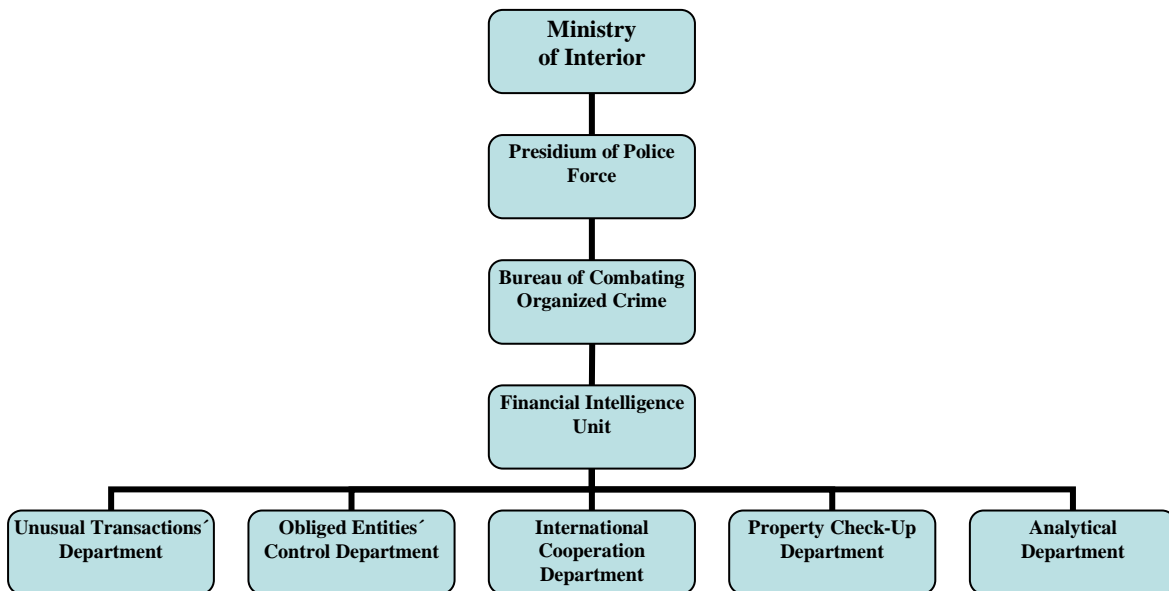
TABLE OF CONTENTS

Chapter I	Organizational structure of Financial Intelligence Unit	3
Chapter II	Legal framework	4
Chapter III	Activity of Financial Intelligence Unit	4
III.1.	Receiving of UTRs	7
III.1.1.	Postponement of UT and consequent seizure of funds	7
III.1.2.	Number of UTs and structure of obliged entities	9
III.1.3.	Total statistical data on efficiency of UTRs	12
III.1.4.	Statistical data concerning the type of recorded UTs	15
III.1.5.	Completion of statistical data published in Annual report 2009	16
III.2.	Control activity of the Financial Intelligence Unit	17
III.3.	International cooperation	22
III.4.	Financial verification	25
III.5.	Analytical activity	27
III.6.	Methods of money laundering	28
III.7.	Terrorist financing	32
III.8.	Publishing of information	33
Chapter IV	Summarized statistical data for the Slovak Republic	34
IV.1.	Statistical data related to criminal offence of money laundering	35
IV.2.	Statistical data related to all criminal offences	39
IV.3.	Statistical data related to transport of funds in cash	39
Chapter V	Control activity performed by the National Bank of Slovakia and Ministry of Finance of the Slovak Republic	40
Chapter VI	Interagency coordination activity in the field of combating crime	41
Chapter VII	Conclusion	42
	List of abbreviations	45

Chapter I

Organizational structure of Financial Intelligence Unit

Financial Intelligence Unit of the Slovak Republic (hereinafter referred to as „the Slovak FIU“) being a part of financial police was established on 1 November 1996 and was organizationally incorporated under Bureau of the Financial Police (hereinafter referred to as „BFP“). BFP as a special service of Police Force was taken out from organizational structure of Presidium of Police Force and it was incorporated directly under Ministry of Interior of the Slovak Republic. Its status changed within organizational changes at the end of 1998 and BFP became a part of Presidium of Police Force and a newly established administration of the criminal and financial police. BFP was cancelled on 31.12.2003 and as of 1.1.2004 the Slovak FIU became a part of Bureau of Combating Organized Crime of Presidium of Police Force (hereinafter referred to as „BCOC“) organizationally as one of its central unit. The Slovak FIU currently consists of the following departments: Unusual Transactions´ Department, Obligated Entities´ Control Department, International Cooperation Department, Property Check-up Department (ARO) and Analytical Department.



Graph No. 1: Organizational structure of the Slovak FIU

Chapter II

Legal framework

Act No. 297/2008 Coll. on the Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing and on Amendments and Supplements to certain acts as amended by Act No. 445/2008 Coll. and 186/2009 Coll. (hereinafter referred to as „AML/CFT Law“) came into force on 1.9.2008 as a basic preventive legislation adjusting powers and obligations of legal persons and natural persons in the prevention and detection of money laundering and terrorist financing. AML/CFT Law solves problem of definition of several terms, for example legalisation of proceeds of criminal activity (money laundering), terrorist financing and unusual transaction (hereinafter referred to as “UT”). Hereby, AML/CFT Law enumerates obliged entities and for the purpose of AML/CFT Law defines politically exposed person, customer due diligence, simplified and enhanced due diligence and stipulates position and powers of the Slovak FIU. As it is stipulated by AML/CFT Law, the Slovak FIU serves as a national unit for the area of the prevention and detection of money laundering and terrorist financing.

As far as employees of the Slovak FIU are police officers, they follow powers and obligations stipulated in Act No. 171/1993 Coll. on the Police Force (hereinafter referred to as „Act on Police Force“). Under Section 4 of the act, the Slovak FIU is incorporated under the service of the financial police. Tasks of Police Force are stipulated in Section 2 of Act on Police Force and the service of the financial police performs the following tasks: detect criminal acts and identify their perpetrators, co-operate in detection of tax evasions, illicit financial transactions, money laundering and terrorist financing. Powers while disclosing tax evasions or illicit financial transactions or money laundering where a substantial damage is presumed are stipulated in Section 29a of Act on Police Force. Under the Section 29a, the police officer of the service of the financial police has power to:

- enter any place of business or business premises as well as conveyances used for business purposes, inspect record-keeping, accounting written documents, papers and other documents,
- request in writing from banks and foreign bank branches the reports on their clients matters or foreign bank branches even if being subject to bank secrecy.

III.

Activity of Financial Intelligence Unit

The Slovak FIU is a police type of FIU and this fact assumes effective use of police experience in gathering and analysis of financial intelligence related to suspicions of particularly economic crimes and related money laundering. Under AML/CFT Law the Slovak FIU serves as a national unit which receives, analyzes UTs from obliged entities and after checks, verifications and evaluation provides information from reports completed with own results to competent law enforcement authority (hereinafter referred to as „LEA“) performing tasks under Act on Police Force, to tax administrator or to foreign FIUs. As well, the Slovak FIU performs control of compliance to obligations of obliged entities, cooperates with the respective authorities of the Member States and international organizations, serves as a national authority responsible for detection and identification of property derived from criminal activity. The Slovak FIU also has a consulting and preventive function towards state authorities in the area of money laundering and terrorist financing. Another very important

function of the Slovak FIU is its performance in the area of educating obliged entities and competent units of Police Force.

Police officers of the Slovak FIU performed in total 16 trainings for obliged entities and their professional organisations in 2010 in order to eliminate shortcomings identified upon application of provisions of AML/CFT Law and in order to explain the importance of preventive character of AML/CFT Law as far as obliged entities perform important functions in the system of combating money laundering and terrorist financing under AML/CFT Law. During trainings special emphasis was put to the scope of activity of the obliged entities, their individual form and technique of possible money laundering and terrorist financing and ways of recognition of UTs.

Obliged entity	Number of trainings/number of persons
Credit institution - bank	1/8
Bank Association	2
Insurance companies	3/150
Slovak Insurance Association	1/40
Accountant and tax advisor	2/60
National Advisory Company	1/6
Real estate agency	4/160
Post office	1/40
Car dealers	1/10
Summary	16

Chart No. 1: Number and structure of trainings performed at obliged entities in 2010.

In 2010, there were 6 trainings at the police units performed by police officers of the Slovak FIU with the purpose to provide police officers dealing with detection and investigation of crime with complex information on money laundering, its phases, methods and case studies. For the purpose of statistical data, the part of the trainings was also related to Order of the President of Police Force related to provision of statistical data in the area of money laundering from police units directly to the Slovak FIU.

Within educating activities of police officers of the Slovak FIU, during 2010 there were 18 internal trainings aimed at the following topics: 2 trainings related to the application of particular provisions of AML/CFT Law with new forms of money laundering, 6 trainings related to receiving, analyzing and evaluating of UTRs, 4 special trainings related to the use of provisions of law on control activity with the reference to particular shortcomings in performance of controls, 1 training related to financial verification, 1 training related to checks of property, 1 training related to Special FATF Recommendation IX, 2 trainings related to the use of analytical software, 1 training related to processing of criminal intelligence analysis.

In 2010, representatives of the Slovak FIU took part in three meetings with representatives of General Prosecutor's Office concerning joint action performed by LEA and the Slovak FIU

within investigation of criminal offences money laundering and sharing in connection with predicate criminal offences committed abroad. It concerns a frequent phenomenon when proceeds of criminal activity are placed away from the territory where crime was committed. The reason for such activity is to disguise their criminal origin, to hinder investigation and frustrate seizure of things coming from criminal activity for the purposes of criminal proceedings. The proceeds are subsequently transferred to the third country by ways which make it impossible to find out connection between perpetrator of predicate criminal offence and receiver of proceeds in a foreign country. The Slovak FIU pays attention to these trends and methods and tries to combat them effectively. For the reason of effectively action internal procedures were elaborated for employees of the Slovak FIU. The problems were discussed during the meetings with the Slovak Bank Association within working groups responsible for prevention of money laundering and terrorist financing and computer crime and also with specialists in the area of computer crime from Presidium of Police Force. As well, special trainings were realized for employees of credit institutions and obliged entities carrying out electronic money transfers based on valid licence. Despite active measures taken by the Slovak FIU - especially for obliged entities, publishing guidelines on the website of the Slovak FIU, consistent use of business conditions and application of provisions of AML/CFT Law related to enhanced due diligence, postponement of UT and submission of a case to LEA, the desired result was not always reached – commencement of criminal proceedings and subsequent seizure of thing coming from criminal activity or funds on account based on discrepancy in legal opinion of competent LEAs. It does not concern cases of phishing and its modifications only but various kinds of internet fraud where this way is used for disguise of financial flows in connection with tax fraud, fraud with securities, corruption and others. It also concerns cases where the Slovak FIU acts based on a request from a foreign FIU or its own information.

For the above mentioned reason the representatives of the Slovak FIU participate regularly in meetings organized by Director of Criminal Unit of General Prosecutor's Office of the Slovak Republic. The aim of the meetings is to provide information related to new trends of money laundering, evidential situation, steps taken by the Slovak FIU and international co-operation. The result of this joint effort are procedures and guidelines with the aim to unify procedures performed by prosecutors and police investigators on regional levels so that seizure of income from criminal activity for the purposes of criminal proceedings is not hampered. These guidelines are applicable for other cases when proceeds and things coming from criminal activity, for example also for terrorist financing, are placed in the Slovak Republic. Co-operation with prosecutor's office is important in connection with Strategy of combating money laundering and terrorist financing in the Slovak Republic which is being prepared. The competent authority responsible for elaboration of the Strategy is the Slovak FIU.

Within development of international co-operation with the Czech FIU, the police officers of the Slovak FIU took part in the seminar "Prevention of financial crime" organized by the Czech Bank Association where the Slovak FIU presented measures used in combating money laundering and terrorist financing in the Slovak Republic and current trends. Participants of the seminar were: representatives of bank and financial sector, police officers from the Czech Republic, representatives of control unit of the National Bank of the Czech Republic and Ministry of Finance of the Czech Republic. The aim of the seminar was to exchange experiences and compare active measures realized by different types of FIUs.

III.1. Receiving of UTRs

The Unusual Transactions' Department is responsible for this area, its task is to receive, analyze, evaluate and process reports of unusual transaction (hereinafter referred to as „UTRs“). Obligated entities specified in Section 5 of AML/CFT Law are obliged to report unusual transactions by submitting of UTRs in the manner and scope as stated under Section 17 of AML/CFT Law. For the purpose of correct application of Section 17 of AML/CFT Law and elimination of repeated shortcomings in UTRs, the Slovak FIU elaborated and published recommended general form of UTRs for obliged entities and special forms of UTRs for banks, insurance companies, real estate agencies on its website <http://www.minv.sk/?financna-policia>. Nevertheless, AML/CFT Law does not stipulated detailed form of UTRs. The Slovak FIU may utter that that the use the forms by obliged entities simplifies processing of UTRs and eliminates shortcomings in reporting obligation performed by obliged entities.

The Slovak FIU published contact details for performance of reporting obligation compliant with law on its website. It is possible to report by person, in writing, electronically, by telephone with condition to report by person, in writing or electronically within 3 days. The Slovak FIU has electronic exchange of information with 12 credit institutions via encrypted network.

After assessment of content of the report and in case of shortcomings the police officers of the department consult them with obliged entities and request to complete relevant information and related documents. Thereafter the UTRs are analyzed, evaluated and verified so that in case of reasonable suspicion of commission of a criminal offence or the use of information for tax proceedings the information from UTRs or information received from own activities are disseminated to competent authorities under Sections 26 and 28 of AML/CFT Law, as follows:

- competent units of Police Force performing their tasks under Act on Police Force,
- competent LEA in case of reasonable suspicion of committing a criminal offence or in cases when performance of UT may lead to commission of a criminal offence or seizure of proceeds from criminal activity may be hampered for the purposes of criminal proceedings
- tax administrator if such information substantiates the commencement of tax proceedings or is essential for the ongoing tax proceedings, namely Tax Directorate of the Slovak Republic or Customs Directorate of the Slovak Republic,
- foreign FIUs and international organizations involved in the area of the prevention and detection of money laundering and terrorist financing.

III.1.1. Postponement of UT and consequent seizure of funds

If obliged entity evaluates a transaction as unusual and there is danger that its execution may hamper or substantially impede seizure of proceeds of criminal activity or funds intended to finance terrorism, obliged entities are obliged to postpone the transaction

for at maximum 48 hours under Section 16 (2) of AML/CFT Law and inform the Slovak FIU immediately. Under Section 16 (2), the Slovak FIU has power to request obliged entity to postpone UT for at maximum 48 hours. During this time (the period of postponement of the UT excludes Saturdays and days of rest) the police officers of the Slovak FIU verify the UT and in case of reasonable suspicion of commission of a criminal offence they provide the information completed with their own finding to LEA under Section 26 (2) (b) of AML/CFT Law. The Slovak FIU informs the obliged entity immediately that the case was submitted to LEA and orders obliged entity to postpone UT for at maximum another 24 hours under Section 16 (2) of AML/CFT Law. Total maximum time for postponement of UT is 72 hours. The aim of postponement of UT is to prevent from potential damages and allow time limit for LEA to commence criminal proceedings and seize things coming from criminal activity or funds on account for the purpose of criminal proceedings. In case the proposal to commence criminal proceedings was submitted to LEA, the Slovak FIU informs the competent prosecutor's office about the fact and sends the proposal in copy. This way stipulated also in Regulation of Penal Department of General Prosecutor's Office of the Slovak Republic prevents problems within proceedings and the Slovak FIU provides to LEA necessary assistance upon seizure of thing or funds on account.

In case of postponement of UT, LEA should decide before expiration of the time-limit about the matter that if there is no reason to submit it to competent authority for dealing with misdemeanours or another administrative minor offence, delivering to another authority for disciplinary proceedings, superseding of a case or its dismissal under Section 197(1) of Code of Criminal Procedure, LEA commences criminal proceedings under Section 199 (1) of Code of Criminal Procedure. After criminal proceedings is commenced, LEA should seize thing important for criminal proceedings under Sections 89 or 91 of Code of Criminal Procedure, seize funds under Section 95 of Code of Criminal Procedure, seize booked securities under Section 96 of Code of Criminal Procedure.

In 2010, 68 UTs were postponed by obliged entities under Section 16 (2) of AML/CFT Law and information were submitted by the Slovak FIU to competent LEA for further proceedings performing under Code of Criminal Procedure.

Number of UTs postponed under Section 16 of AML/CFT Law	68
Amount of funds postponed	2,542,789 EUR
Predicate criminal offence	<ul style="list-style-type: none"> - fraud, Section 221 of the Slovak Penal Code - failure to pay tax and insurance, Section 277 of the Slovak Penal Code - unlawful production and use of payment means, electronic money or another payment card, Section 219 of the Slovak Penal Code - establishing, contriving and supporting a terrorist group, Section 296 of the Slovak Penal Code - smuggling of migrants, Section 356 of the Slovak Penal Code
Number of cases where criminal proceedings was commenced by investigators of Police Force,	16

Section 199 of Code of Criminal Procedure	
Number of cases where indictment was imposed by investigators of Police Force, Section 206 of Code of Criminal Procedure	1
Number cases where fund were seized by prosecutors, Section 95 of Code of Criminal Procedure	10
Total number of seized funds by prosecutors	294,704 EUR

Chart No. 2: Statistic data on postponement of UTs and seized funds in 2010

The activity of police officers does not cover only processing of received UTRs but includes also giving advice and guidelines to obliged entities in particular concrete detected cases of unusualness or about ways of recognizing unusualness of UT. In case of conformity of subjects from several UTRs or modus operandi of crime forwarded by several obliged entities, the obliged entities are consequently informed about the forms and ways of commission of crime and recognition of UT. In such a way the Slovak FIU performs prevention task because publishing of such information ensured that other obliged entities refused to conclude business relationship or when business relation had already been concluded, the obliged entity reported that case as UTR to the Slovak FIU. Such information is provided to obliged entity electronically in encrypted form. In 2010, there were 52 information about ways how to recognize UTs and warnings about particular commission of crime.

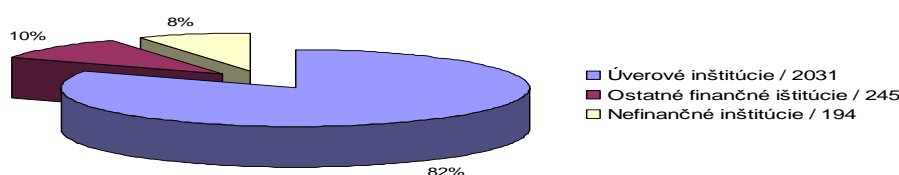
For the purpose of unambiguous procedure when receiving, analyzing, evaluating and processing UTRs the internal regulation was amended and came into force as 1 January 2011. This internal regulation stipulates procedures followed by police officers of the UTs' department and Analytical Department who ensure activities related to UTRs. Ways of application of provisions of AML/CFT Law are stipulated in this regulation, it provides contentual and formal essentials of the ways of receiving UTRs, its registering, analyzing, evaluating and decision-making on further disposal of the reports and its verifying with the use of appropriate methods, forms and tools of operational activity, keeping and providing statistical data to obliged entities and competent authorities. In the internal regulation obligations of police officers of Bureau of Organized Crime who verify and investigate information sent by the Slovak FIU are stipulated. The internal regulation also stipulates time-limits and procedures upon registration, verification, analysis, execution and keeping of statistical data about UTRs and puts emphasis on protection of information and keeping secret.

III.1.2.

Number of UTs and structure of obliged entities

Obliged entities defined in Section 5 under AML/CFT Law are divided into three groups – credit institutions, other financial institutions and non-financial institutions. Obligation for obliged entities to report UT or its attempt to the Slovak FIU is stipulated in Section 17 of AML/CFT Law. In 2010, the Slovak FIU received in total **2470** UTRs. Out of this number, **2031** UTRs were received from credit institution (chart No. 3), **245** UTRs were received from other financial institutions (chart No. 4) and **194** were received from non-financial institutions (chart No. 5). Based on the above mentioned information, the Slovak FIU received the most

UTRs from credit institutions carrying out the largest number of operations in terms of quantity. As far as the Slovak FIU considers other financial institutions and especially non-financial institutions in terms of risk feasible to be misused for commission of criminal activity, the Slovak FIU focuses on organization of training for those obliged entities. The trainings are oriented to the scope of business activities of such obliged entities and specific forms and ways of money laundering and terrorist financing and ways of recognition of UTs.



Graph No. 2: Total number of UTRs in 2010.

In 2010, out of total number **2031** of received UTRs **55** UTRs were classified as UTRs with possible connection to terrorist financing. **1976** UTRs were classified as UTRs with connection to money laundering.

Credit institutions	
Obliged entity	Number
Domestic credit institution	1993
Foreign credit institution	38
total	2031

Chart No. 3: Number of UTRs received from credit institutions in 2010.

In Chart No. 3, under reference “foreign credit institution”, there are total statistical data submitted by obliged entities stipulated in Section 5 (2) of AML/CFT Law which are branches, organisational units or representations of foreign credit institutions operating in the territory of the Slovak Republic.

Other financial institution	
Obliged entity	Number
the National Bank of Slovakia	46
the Export-Import Bank of the Slovak Republic	0

the Central Securities Depository	1
Stock exchange	0
Commodity exchange	0
Asset management company	16
Depository	0
Securities dealer	13
Financial agent	0
Financial advisor	0
Foreign collective investment entity	0
Insurance company	85
Reinsurance company	0
Pension asset management company	0
Supplementary pension insurance company	0
Exchange office	0
Provider of foreign exchange services	27
Legal entity or a natural person authorized to trade in receivables	10
Legal entity or a natural person authorized to carry out auctions out of distraintments	0
Finance lease	47
Service provider of loan from own sources	0
Total	245

Chart No. 4: Number of UTRs received from other financial institutions in 2010.

Non-financial institutions	
Obligated entity	Number
Betting company	26
Casino	7
Postal undertaking	102
Court distrainer	1
Administrator who manages activity within bankruptcy	0
Auditor	1
Accountant	2
Tax Advisor	2
Real Estate Agency	2
Advocate	1
Notary	1
Service provider of property management or a company service provider	5
Organizational and economic advisor	0
Provider of the services of public carriers	0

Forwarding services	1
Legal entity or a natural person authorized to operate an auction hall	0
Legal entity or a natural person authorized to trade in works of art, collector's items, antiques, cultural monuments, items of cultural heritage, precious metals or gemstones	0
Car dealers	43
Total	194

Chart No. 5: Number of UTRs received from non-financial institutions in 2010.

III.1.3.

Total statistical data on efficiency of UTRs

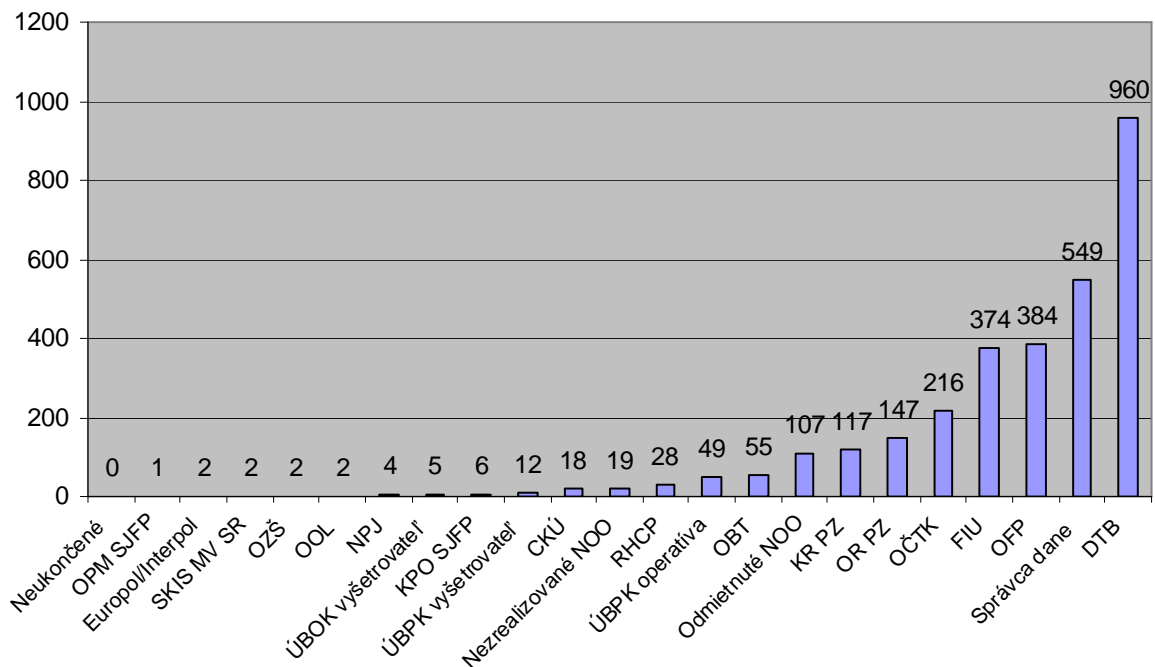
Obligated entities divided into three groups – credit institutions, other financial institutions and non-financial institutions as mentioned above reported **2470** UTRs to the Slovak FIU in 2010. Out of this number, **2031** UTRs were received from credit institution, **245** UTRs were received from other financial institutions and **194** were received from non-financial institutions. Chart No. 6 and graph No. 3 show total statistical data of efficiency of UTRs with identification of units of Police Force where the Slovak FIU submitted information received from obliged entities based on their reporting obligation.

In 2010, out of total number **2470** of received UTRs **55** UTRs were classified as UTRs with possible connection to terrorist financing and all information were disseminated to Anti-Terrorist Unit. All **55** UTRs with possible connection to terrorist financing were reported to the Slovak FIU by credit institutions. In 2010, the Slovak FIU sent 16 requests related to cases involving terrorist financing to foreign FIUs.

Unit	Credit institutions	Other financial institutions	Non-financial institutions	Total
PCHD	1	0	0	1
Europol/Interpol	1	1	0	2
DCIS	2	0	0	2
DCR	2	0	0	2
UTHB	2	0	0	2
OECD	5	1	0	6
ADS	4	0	0	4
Investigator of BCOC	5	0	0	5
Customs authority	18	0	0	18
DBAP	28	0	0	28
ATU	55	0	0	55
BOCC operational units	47	1	1	49
BOCC investigator	12	0	0	12

LEA	190	23	3	216
District Unit of Police Force	133	13	1	147
County Unit of Police Force	73	42	2	117
FIU	358	11	5	374
Tax authority	537	8	4	549
Unit of the Financial Police	344	37	3	384
FIU database	625	161	174	960
Non-realized UTRs	18	0	1	19
Refused UTRs	98	6	3	107

Chart No. 6: Total statistical data of efficiency of UTRs received from all obliged entities in 2010

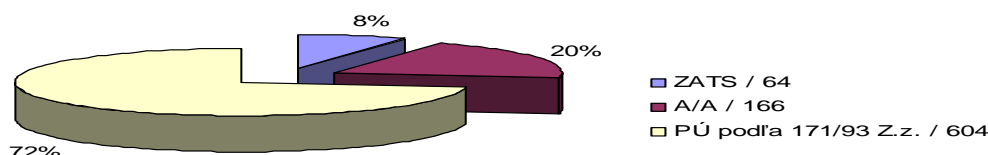


Graph No. 3: Total statistical data of efficiency of UTRs received from all obliged entities in 2010.

Units of Police Force which were provided with information from the Slovak FIU, made use of the information within their activities for performance of Act on Police Force and Code of Criminal Procedure. Those units provided the Slovak FIU with information about efficiency of such information. Chart No. 7 and graph No. 4 show statistical data disseminated to units incorporated under Presidium of Police Force and Ministry of Interior of the Slovak Republic. Notice „PÚ“ under Act on Police Force means that based on the forwarded information it was not possible to proceed according to provisions of Code of Criminal Procedure but at first it was necessary to verify the provided information according to provision of Act on Police Force and consequently after its verification to make decision in the matter.

Conclusion drawn by Presidium of Police Force/Ministry of Interior	Credit Institutions	Financial Institutions	Non-financial institution	Total
Commencement of criminal proceedings	61	3	0	64
a/a	160	5	1	166
PÚ under Act on Police Force	571	27	6	604
Total	792	35	7	834

Chart No. 7: The ways of completion of UTRs within Police Force units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic in 2010 received from all obliged entities.



Graph No. 4: The ways of completion of UTRs within Police Force units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic in 2010 received from all obliged entities.

In 2010, the Slovak FIU disseminated **834** information received from obliged entities upon reporting obligations to competent LEAs. Investigator of Police Force commenced criminal proceedings in 65 cases under Section 199 of Code of Criminal Procedure. In 5 cases investigator of Police Force imposed indictment against particular person under Section 206 of Code of Criminal Procedure.

Total number of information sent to competent LEAs	834		
	A	B	
Information submitted to units of Police Force	PÚ under Act on Police Force	Investigators	Total
Number of submitted information	618	216	834
Number of proposals to commence criminal proceedings	46	-	-
Number of cases of commenced criminal proceedings by investigators of Police Force, Section 199 of Code of Criminal Procedure	15	50	65

Number of cases of indictments by investigators of Police Force, Section 206 of Code of Criminal Procedure	3	2	5
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Chart No.8: Statistical data related to efficiency of UTRs in 2010.

- A.** Units of Police Force performing their tasks under Act on Police Force disseminated information from the Slovak FIU after its verification with completed information on their own findings to investigators or authorized police officers as proposals for commencement of criminal proceedings in 46 cases. Thereafter, in 15 cases decision under Section 119 of Code of Criminal Procedure was applied and in 3 cases under Section 206 of Criminal Code Procedure. The Slovak FIU disseminates information to those units under Section 26 (2) (a) of AML/CFT Law.
- B.** Investigators of Police Force together with authorized police officers of Police Force are law enforcement authorities under Penal Code. The Slovak FIU disseminates information to those units under Section 26 (2) (a) of AML/CFT Law.

In 2010, the Slovak FIU under Section 26 (2) (j) of AML/CFT Law provided tax authority with 549 information which were received from obliged entities upon their reporting obligations. Based on the provided information tax authorities performed 130 tax controls and 327 local verifications under the Act No. 511/1992 Coll. on Administration of Taxes and Charges. There was in total 10 tax controls with findings in amount of 1,297,951 EUR. Based on the provided information by the Slovak FIU there was 1 fine imposed in amount of 3.000,- EUR in connection with incorrect bookkeeping and 6 registrations of VAT were cancelled.

III.1.4.

Statistical data concerning the type of recorded UTs

In 2010, the Slovak FIU received 1 UTR from an obliged entity concerning PEPs defined under Section 6 of AML/CFT Law. Based on risk approach there were 10 UTRs concerning domestically PERs submitted to the Slovak FIU. Despite of the fact that domestic PEPs are not defined under AML/CFT Law, the Slovak FIU keeps statistical data related to this category of persons.

Chart No. 9 illustrates statistical data concerning the type of recorded UTRs analyzed and evaluated by the Slovak FIU. In terms of money laundering and terrorist financing cash operations, operations realized via off-shore zones, refused UTs and operations with possible connection to terrorism appear to be operations with increased risk.

Recorded type of UTRs	Number of operations	Amount (EUR)	Proportion in percents
Wire transfers	1,610	1,589,358,160	27.45%
Cash	1,669	460,439,079	7.95%
Foreign wire transfer	613	1,239,861,249	21.41%
Off-shore	89	407,617,800	7.04%
Refused UTs by obliged entity	107	1,301,376,876	22.47%
Unrealized UTs	19	786,031,713	13.57%
Terrorism / Sanctions	30	5,412,739	0.09%
Total	4,137	5,790,097,616	100%

Amount of all received UTRs		4,669,938,328	
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Chart No. 9: Statistical data concerning type of recorded UTs.

Column “Amount (EUR)” illustrates particular type of UTs. This number does not correspond with total amount of all received UTRs because particular operations are combined with each other (e.g. wire transfer and cash withdrawal).

III.1.5. Completion of statistical data published in Annual report 2009

1. Page 18, Chart No. 4, selected statistical data of efficiency of UTRs in 2009

As far as documentation and investigation of economic criminal offences, money laundering and terrorist financing is difficult and long-term process it is not possible to provide complete results of activity of the Slovak FIU and other LEAs in annual report for the previous calendar year. Based on the above mentioned reason it is necessary to complete statistical data from 2009 which were not published in Annual report 2009.

In 2009, the Slovak FIU provided units of Police Force with **861** information. Investigators of Police Force initiated criminal proceedings in **159** cases under Section 199 of Code of Criminal Procedure. In **71** cases investigator of Police Force imposed indictment against particular person under Section 206 of Code of Criminal Procedure.

Total number of information sent to competent LEAs	861		
	A PÚ under Act on Police Force	B Investigators	Total
Information submitted to units of Police Force			
Number of submitted information	768	93	861
Number of cases of commenced criminal proceedings by investigators of Police Force, Section 199 of Code of Criminal Procedure	66	93	159
Number of cases of indictments by investigators of Police Force, Section 206 of Code of Criminal Procedure	15	56	71

Chart No. 10: Statistical data related to efficiency of UTRs in 2009.

- A.** Units of Police Force performing their tasks under Act on Police Force disseminated information provided by the Slovak FIU after its verification with completed information on their own findings to investigators or authorized police officers as proposals for commencement of criminal proceedings. Thereafter, in 66 cases decision under Section 119 of Code of Criminal Procedure was applied and in 15 cases under Section 206 of Criminal Code Procedure. The Slovak FIU disseminates information to those units under Section 26 (2) (a) of AML/CFT Law.

B. Investigators of Police Force together with authorized police officers of Police Force are law enforcement authorities under Penal Code. The Slovak FIU disseminates information to those units under Section 26 (2) (a) of AML/CFT Law.

2. Page 12, selected statistical data of postponement of UTs in 2009

In 2009, there were 69 UTs postponed by obliged entities under Section 16 (2) of AML/CFT Law and information were submitted by the Slovak FIU to competent LEA for further proceedings and decision under Code of Criminal Procedure.

Number of UTs postponed under Section 16 of AML/CFT Law	69
Amount of funds postponed	11,508,280 EUR
Predicate criminal offence	- fraud, Section 221 of the Slovak Penal Code - failure to pay tax and insurance, Section 277 of the Slovak Penal Code - unlawful production and use of payment means, electronic money or another payment card, Section 219 of the Slovak Penal Code - establishing, contriving and supporting a terrorist group, Section 296 of the Slovak Penal Code
Number of cases where criminal proceedings was commenced by investigators of Police Force, Section 199 of Code of Criminal Procedure	17
Number of cases where indictment was imposed by investigators of Police Force, Section 206 of Code of Criminal Procedure	16
Number cases where fund were seized by prosecutors, Section 95 of Code of Criminal Procedure	14
Total number of seized funds by prosecutors	2,211,26 EUR

Chart No. 11: Statistic data of postponement of UTs and seizure of funds in 2009

III.2.

Control activity of the Slovak FIU

This area is covered by Obligated Entities' Control Department and its main task is to control compliance to obligations of obliged entities stipulated by AML/CFT Law. The law requires obliged entities to prepare in writing its own activity programme aimed at prevention of money laundering and terrorist financing (hereinafter referred to as „programme“) where the primary task is to elaborate and stipulate performance of obligations governed by law with regard to its own conditions, especially with respect to its scope of business activity (conclusion of businesses or business relationships) as well as with respect to organizational

structure (existence of more branches, subdivisions, etc.). The contentual structure of the programme is prescribed by the law which must be followed by obliged entities upon its creation. The contents of its particular parts must be conformed to the above mentioned facts so that persons following the programme, especially employees, are able to proceed in accordance with this programme on a daily basis. When performing control, police officers of the Obligated Entities' Control Department focus especially on the control of the programme, its elaboration and accuracy of its particular parts as well as the way of its application within prevention of money laundering and terrorist financing, control of compliance to other obligations resulting from the act, especially the way of evaluation of transactions, application of risk approach to clients and thereto related particular levels of customer due diligence. For the purpose of control activity, obliged entity is obliged to provide the Slovak FIU with all necessary cooperation, especially to provide documentation and information related to the controlled business relations and cases including information about persons participating in those businesses. The Slovak FIU may impose a fine or file an initiative to impose a fine to the competent authority or file initiative with the authority authorized to decide on the revocation of a license for the conduct of business or other independent profitable activity for failure to comply with obligations stipulated by AML/CFT Law. When determining the amount of fine, seriousness, duration and consequences of unlawful activity of obliged entity or repeated failure or breach to obligations stipulated by AML/CFT Law is considered. In legitimate cases also amount of the controlled transaction with identified shortcomings (e.g. not evaluated, not reported, not postponed) or other facts resulting from the control findings are considered.

The Slovak FIU is authorized to impose fine for the following administrative offences under AML/CFT Law:

- under Section 32 for breach of obligation to keep secret as referred to in Section 18 up to 3,319 EUR,
- under Section 33 (1) (a) for detected administrative offence resulting from breach of some of provisions of Section 10 (1) to (4), (6) to (11), Section 11 (3), Section 12, Section 14 to 17 and Section 20 up to 165,970 EUR,
- under Section 33 (1) (b) for detected administrative offence resulting from breach of some of provisions of Section 18 (1), Section 19 (2) to (4), Section 21, Section 24 (1) to (4), Section 30 (1) and (2) up to 99,582 EUR,
- fine up to 66,388 EUR is possible to impose to obliged entity for failure to comply with or breach of obligation stipulated by AML/CFT Law if not stated in Section 33 (1) (a) and (b),
- the Slovak FIU may impose fine under Section 33 (2) up to 331,565 EUR for any other serious breach of AML/CFT Law, e.g. for repeated breach of obligation for which a fine has been imposed in three years preceding.

The Slovak FIU may, under Section 34 of AML/CFT Law, file an initiative with the authority authorized to decide on the revocation of a license for the conduct of business or other independent profitable activity if detected that obliged entity does not comply with or breaches obligations stipulated by AML/CFT Law for more than 12 consecutive months or repeatedly.

Except for the above mentioned sanctions for failure to comply with obligations in the field of prevention of money laundering and terrorist financing it is possible to consider conduct of particular persons also from the view of criminal liability under Penal Code. In

case that a person vested with obligation resulting from his occupation, employment, position or function fails to report facts indicating that criminal offence of money laundering under Section 233 of Penal Code was committed or UT was performed, he might be liable to commit criminal offence of money laundering under 234 of Penal Code and in case of conviction there is threat of imprisonment of 2 to 8 years.

Because of unification of procedure when performing controls, internal regulation on control activity was elaborated for police officers of the department which regulates methodically procedures of police officers when performing controls. The particular ways of application of some provisions of AML/CFT Law, procedure upon performance of controls, imposing sanctions and dealing with misdemeanours are stipulated in this regulation.

Obligated Entities' Control Department performs its activity based on the yearly plan of controls. The plan is elaborated for the period of one calendar year. In average three controls are performed in one month. Based on the preceding analysis also categories of obliged entities specified on the preset criteria are included into the yearly plan. These criteria are determined by outcomes of controls from the previous years, with the number of received reports on UTs from various categories of obliged entities as well as the intention of the Slovak FIU in relation to increase of awareness of obliged entities and elimination of the most frequent shortcomings in the activity of obliged entities. Based on initiatives from particular units of the financial police or other information obtained by means of operational or service activity, controls are performed also beyond the plan if such controls are legitimate and well-grounded with the particular obliged entity. As far as control findings suggest insufficient level of awareness of obliged entities, with exception of credit institutions, controls are aimed at detection of shortcomings, way of compliance to obligations of obliged entities and repression within imposing fines but also at elimination of shortcomings when performing on-site visits by means of advice, interpretation of law and looking for optimal solutions by means of control of problems identified, especially in relation to elaboration of programme of own activity and way of performance of obligations in line with law.

Head of Obligated Entities' Control Department and also police officers of the department regularly attend working meetings where they solve problems arisen in connection with administrative proceedings in connection with imposing fines to obliged entities. Such meetings are realized with officers of Public Administration Department of Ministry of Interior of the Slovak Republic in relation to performance of administrative proceedings and legislative questions as well as with officers of Economic Department of Ministry of Interior of the Slovak Republic in relation to unpaid fines, instalment calendar and fine records. Then the meetings are realized also with other authorities, such as officers of the National Bank of Slovakia, Ministry of Finance of the Slovak Republic, Tax Directorate and tax offices, especially related to the exchange of experience and knowledge acquired upon controls already performed and ensuring cooperation within joint controls. Thirdly, there is cooperation with representatives of professional organizations, associations and associations of obliged entities, such as chambers of executors, bar association, corporations etc. aimed at especially elimination of shortcomings identified or ensuring the performance of duties with multiple obliged entities associated within an organization.

Within cooperation with obliged entities and guidance given to them upon performance of their duties arisen from the law, Obligated Entities' Control Department provides guidance and advice on particular application problems. Guidance, advice and guidelines are published based on the request of obliged entity, professional organizations and association of obliged

entities or based on the own initiative when there are shortcomings within the application of the law in practice. In 2010, there were 15 advice and positions provided, especially for some credit institutions, also financial institutional, e.g. the Central Securities Depository, securities dealer, association of housing co-operatives, association of insurance companies, health care insurance company, postal undertaking, also based on request of the National Bank of Slovakia and Ministry of Finance of the Slovak Republic. Advice mostly related to ambiguous definitions in the law and opacity within the practical application of particular obligation of obliged entities. Head and police officers of Obligated Entities' Control Department participated also in trainings of employees of obliged entity or members of its professional organization in the form of presentation or discussion.

Obligated Entities' Control Department also publishes guidelines and interpretation of law on the website of the Slovak FIU as a form of assistance for obliged entities. This kind of activity will be even intensified and the increase if awareness of obliged entities will be strengthened by means of our webpage and meetings with representatives of professional organizations of obliged entities.

Because some controls initiated in 2009 were terminated in the course of 2010, there are statistical data for year 2009 displayed in chart No. 12. All the controls initiated in 2009 have been terminated. Police officers of the department initiated in total 36 controls of obliged entities in 2010, please, see chart No. 12

Obligated entity	2009	2010	Control findings in 2009 and 2010
Exchange offices	4	3	- incorrect programme - no programme - shortcomings in customer due diligence
Gambling game operator	0	2	- no shortcomings - formal shortcomings
Leasing, factoring	4	4	- no programme - incorrect programme - lack of trainings
Monetary services	1	0	- incorrect programme
Real-estate agency	3	3	- no programme - no shortcomings
Companies carrying out transaction in amount of 15,000 EUR at least	3	1	- incorrect programme
Auction company	1	1	- incorrect programme - no shortcomings
Non-banking loans	1	1	- lack of documents submitted - incorrect programme
Tax advisor, accountant	0	6	- no shortcomings - incorrect programme - lack of trainings
Pension asset management company	0	1	- incorrect programme
Supplementary pension insurance company	0	1	- no shortcomings
Pawnshop	0	2	- incorrect programme

Trader in precious stones	0	1	- no programme
Court executor	0	2	- no shortcomings - formal shortcomings in programme and customer due diligence
Notary	0	1	- no shortcomings
Trader in receivables	0	1	- shortcomings in programme and customer due diligence
Trader in precious metals	0	1	- shortcomings in programme
Financial agent	0	1	- incorrect programme
Credit institution	0	1	- no shortcomings
Foundations	0	2	- no shortcomings
Branch of a foreign insurance company	1	1	- incorrect programme - formal shortcomings
Foreign bank branch	1	0	- no shortcomings
Securities dealer	2	0	- no shortcomings
Total:	21	36	

Chart No. 12: Statistical data about controls performed in 2009 and 2010.

Within the performed controls of obliged entities in 2009, 14 decisions were issued to impose a fine, amount of which reached 58,100 EUR. Compared to the previous year, number of controls decreased as far as new AML/CFT Law - Act No. 297/2008 Coll. by its entering into force broadened the scope of obligations of obliged entities, especially in the field of customer due diligence (customer due diligence, simplified due diligence, enhanced due diligence), as well as the scope of activities performed within procedures from detection of UT until its reporting to the Slovak FIU which resulted in increased time severity when performing control. This trend was also influenced by work done on already initiated control files during the previous period and by the fact that in certain period there was a parallel control of compliance to obligations under provisions of Act No. 297/2008 Coll. and Act No. 367/2000 Coll.

There were 16 decisions on fine issued within the controls of obliged entities performed in 2009, the amount of fines was 59,150 EUR. There were 15 decision on fine issued within the controls of obliged entities in 2010, the amount of fines was 18,050 EUR.

Year	No. of controls	Way of completion		Amount of sanction in EUR	Paid-up in EUR	Recovery by legal means
		Without sanctions	Sanction			
2009	21	5	16	59.150	57.150	2.000
2010	36	21	15	18.050	18.050	0

Chart No. 13: Number and amount of sanctions imposed by the Slovak FIU in 2009 and 2010.

III.3.

International cooperation

This area is covered by International Cooperation Department and its task is to make use of international cooperation in order to achieve effective information exchange necessary for own activity of the Slovak FIU. Another task is to receive information and experience from foreign FIUs in order to use them in the performance of the Slovak FIU and legislative issues.

Police officers of the department cooperate with foreign FIUs within information exchange in order to verify, detect or prevent money laundering and terrorist financing. Information exchange includes especially information from UTRs but the department represents also an important support for local Financial Police Departments of BCOC as far as it ensures international cooperation within cases verified for possible money laundering under the competence of BCOC.

Information exchange is secured by means of encrypted electronic security network ESW (Egmont Secure Web) created within the international organization Egmont Group and project FIU.NET in accordance with Section 28 of AML/CFT Law and Section 77a of Act on Police Force. International cooperation at the level of FIUs associated in Egmont Group was realized by the Slovak FIU with 57 foreign partner FIUs out of total 121 member countries of Egmont Group. The most frequent cooperation was realized with the FIU of the Czech Republic, Hungary, USA, Austria, Germany, Italy and the United Kingdom.

Within FIU.NET which is used by member states of the European Union, out of total 22 connected FIUs, the most frequent and intense cooperation in 2010 was realized with FIU Poland, Germany, France, Italy, Luxembourg, Spain, the United Kingdom and Slovenia.

FIU	Own request for information	Information/ Foreign request for information	Number of spontaneous information disseminated abroad	Feedback on the use of information	Consent granted to foreign third parties
Armenia	0	0	1	1	1
Australia	0	0	0	0	1
Bahrain	0	1	0	0	0
Belgium	1	4	1	2	0
Belarus	0	1	1	0	1
Bosnia – Herzegovina	1	1	1	1	0
Bulgaria	1	0	1	0	1
Cyprus	4	2	5	2	2
The Czech Republic	11	15	71	2	4
Montenegro	0	1	0	0	0
Egypt	0	0	1	0	0
Estonia	0	1	0	0	0
Philippines	0	2	0	0	0
Finland	1	4	1	0	1
France	2	0	2	0	1
Greece	0	1	2	0	0
Georgia	0	0	1	0	0
Guernsey	1	1	0	0	0
The Netherlands	2	0	2	0	0
Hong Kong	2	0	0	0	0
Croatia	1	3	1	0	0

Indonesia	1	0	0	0	0
Ireland	4	1	2	0	1
Isle of Man	1	0	0	0	0
Israel	0	0	3	1	1
Jersey	4	2	0	0	0
JAR	1	0	0	0	1
Canada	0	0	2	0	0
Korea	0	0	1	0	0
Liechtenstein	2	1	0	0	1
Lithuania	0	2	2	0	2
Luxembourg	1	0	0	0	0
Latvia	0	2	1	0	1
Macedonia	0	1	0	0	0
Hungary	7	12	151	10	21
Malta	0	1	0	0	0
Moldavia	0	0	3	0	0
Monaco	1	0	0	0	0
Germany	46	5	12	7	32
Nigeria	1	0	0	0	0
Norway	0	1	0	0	0
Paraguay	0	0	1	0	0
Poland	2	2	6	0	0
Austria	8	10	23	9	8
Romania	0	0	9	2	1
Russian Federation	5	3	3	2	1
Slovenia	1	2	2	3	1
United Arab Emirates	1	0	0	0	0
Serbia	0	1	1	0	0
Spain	3	0	0	0	0
Sweden	2	0	0	0	0
Switzerland	1	2	4	0	1
Italy	15	3	22	4	19
Ukraine	8	1	10	6	3
USA	10	4	11	8	7
Venezuela	0	3	0	0	0
United Kingdom	8	10	14	1	2
Total	160	106	374	61	115

Chart No. 14: Selected indicators of international cooperation in 2010.

Interpretative notes to particular columns in chart No. 14:

- own requests for information, requests from the Slovak FIU related to own cases addressed to foreign FIUs,
- information /request from abroad, information from foreign FIUs for the Slovak FIU or requests for verification of Slovak subjects addressed from another FIU,
- number of information disseminated from UTs, information obtained by the Slovak FIU from obliged entities sent to foreign FIUs after its verification,
- information on UTs – feedback, foreign FIUs sent information on utilization of the provided information to the Slovak FIU, after verification the information were inserted in the database of the foreign FIU,
- consent to disseminate the provided information on UTs to the third party, foreign FIUs requested the Slovak FIU for consent to disseminate the provided information for needs of a foreign third party (LEA, tax and customs authorities).

Out of 374 information provided to foreign FIUs, there were 115 information used for operational (intelligence) purposes of foreign LEAs.

Two representatives of the Slovak FIU are nominated as contact points of CARIN network (Camden Asset Recovery Inter-Agency Network) on behalf of the Slovak Republic which

was established at the launch conference held in the Hague on 22 – 23 September 2004. It is informal network of practitioners and experts and its aim is to improve knowledge on methods and techniques in the area of cross-border identification, freezing, seizure and confiscation of proceeds of criminal activity or other property derived from criminal activity. Plenary meetings of CARIN are held annually and attended by representatives of member states and observer countries, currently it is 57 countries worldwide. The aim of the meetings is to enhance international cooperation in the field of identification of assets derived from criminal activity and its subsequent seizure and confiscation at the international level and Exchange of practical experience. Annual reports evaluating cooperation of the countries are published within this network as well.

Police officers of International Cooperation Department cooperate very closely with Property Check-up Department when performing tasks resulting to the Slovak FIU from Council Decision 2007/845/JHA of 6 December 2007 concerning cooperation between Asset Recovery Offices of the Member States in the field of tracing and identification of proceeds from, or other property relate to, crime.

International Cooperation Department is also responsible for performance of tasks resulting from membership of the Slovak Republic in Analytical Work File called AWF SUSTRANS. The file has been established as one of 16 analytical files administered by Europol and it focuses on suspicious transactions. Europol provides support to Member States of the European Union into investigations of money laundering and terrorist financing by means of analysis of information. The Slovak FIU provided 9 reports into AWF SUSTRANS in 2010.

Police officers of International Cooperation Department also regularly attend meetings of working groups and committees of the European Commission, Council of Europe etc., as follows:

- Committee on the Prevention of Money Laundering and Terrorist Financing which is a sub-committee of the European Commission, DG Internal Market and Services,
- FIU platform which is a sub-committee of the European Commission, DG Justice, Freedom and Security, it gathers financial intelligence units of member states of the European Union,
- ARO platform which is a sub-committee of the European Commission, DG Home Affairs and it gathers Asset Recovery Offices,
- Meeting of the Conference of the parties of Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism No. 198 of 2005
- Committee of experts of Council of Europe on the evaluation of anti-money laundering measures and financing of terrorism - MONEYVAL

4th round of evaluation of the Slovak Republic by Committee of experts of Council of Europe MONEYVAL

Based on the schedule of committee of experts of Council of Europe for legislative and institutional framework of combating money laundering and terrorist financing called MONEYVAL, on-site visit was held between 2 and 9 October 2010 in Bratislava. The objective of the visit was to consider and evaluate measures in the field of enforcement of rules in combating money laundering and terrorist financing in the Slovak Republic within the fourth round of evaluation.

This committee monitors member states of Council of Europe in the field of basic rules in combating money laundering and terrorist financing and evaluates its members on the basis of international standards coming from so-called „basic reference framework“. The framework is constituted by 40+9 FATF (Financial Action Task Force) Recommendations which the Slovak Republic as one of founder members committed to implement into the national legal system.

Evaluation mission was held as the second part of the fourth round of monitoring of the Slovak Republic by MONEYVAL Committee of Council of Europe and its primary objective was to evaluate progress achieved in the field of combating money laundering and terrorist financing in the Slovak Republic especially from the view of effectiveness since the third round held in 2005. Negotiations were held as meetings with representatives of particular authorities which participated in elaboration of questionnaire and their activity directly or indirectly relates to combating money laundering and terrorist financing, as well as with representatives of commercial sector, especially from financial field and Professional associations.

Interlocutory findings of evaluators after the evaluation mission show that in comparison to the third round of evaluation the Slovak Republic adopted several important legislative and practical measures ensuring elimination of shortcomings, especially in the field of prevention. Evaluators elaborated interlocutory report related to key findings for particular evaluated segments: legal part, financial part and law enforcement part (SLOVAKIA 4TH ROUND ON-SITE VISIT – KEY FINDINGS).

Interlocutory report observes that the most important change in the field of prevention was adoption of the new preventive AML/CFT Law (Act No. 297/2008 Coll.) effective as of 1 September 2008. The Slovak FIU is the authority entitled to explain its provisions. Representatives of the Slovak FIU explained in detail the legislative and institutional framework of prevention of money laundering and terrorist financing. The Slovak FIU is a part of it and is responsible for the prevention and detection of that kind of criminal activity within the police structure.

III.4.

Financial verification

Property Check-up Department is responsible for this area and ensures performance of Council Decision 2007/845/JHA of 6 December 2007.12.2007 concerning cooperation between Asset Recovery Offices (hereinafter referred to as “ARO”) of the Member States in the field of tracing and identification of proceeds from, or other property relate to, crime. Based on this Decision the Slovak FIU was designated as a national ARO responsible for tracing and identification of property derived from crime. Cooperation between national AROs is realized in accordance with the procedures and time limits provided for in Council Framework Decision 2006/960/JHA on simplifying the exchange of information and intelligence between law enforcement authorities of the Member States of the European Union. Information exchange is also realized via informal network of experts CARIN (The Camden Asset Recovery Inter-Agency Network), the Slovak Republic has been its member since 2004.

In 2010 we received 21 requests for financial verification from foreign services – AROs or CARIN members: 10 x the Czech Republic, 6 x United Kingdom, 2 x Belgium, 1 x Hungary, 1 x USA, 1 x Germany. ARO of the Slovak Republic elaborated 4 requests for financial verification sent abroad - 1 x the Czech Republic, 1 x Hungary, 1 x Poland, 1 x Spain. ARO of the Slovak Republic performed 3 financial verifications based on the requests of units of the Police Force within the Slovak Republic.

Information related to bank accounts, movables and immovables as well as information concerning criminal records of persons are required within those requests. When performing financial verification, police officers of the department follow provisions defined in Act on Police Force and internal regulation stipulating procedures when detecting financial status of persons and for the purpose of custodial acts of LEAs aimed at detection, seizure and recovery of proceeds of criminal activity. This regulation stipulates the scope and way of financial verification as well as the scope of additional information being detected. The Slovak FIU also elaborated methodological guidelines describing in detail kinds of securities and showing pictures of safe deposit boxes keys for their immediate identification once being seized within acts of Code of Criminal Procedure.

On 4.3.2010 Act No. 101/2010 Coll. on the Proof of Origin of Property was adopted which became effective as of 1.1.2011. The purpose of the act is to stipulate conditions and procedures of public authorities in forfeiture of immovable property, movable assets, apartments and non-housing premises, other property rights and other asset values, funds in cash in euros and foreign currency, deposits in banks and foreign bank branches in euros and foreign currency and deposits in banks residing abroad to a natural person and legal person about which the court in proceedings under this act declared that they have acquired the property from illegal income. Service of the financial police performs the proceedings from the receipt of notification until submission of suggestion to a competent prosecutor's Office.

In order to coordinate procedure of police officers of the financial police upon receipt, analysis and verification of notifications under Act No. 101/2010 Coll., the Slovak FIU elaborated internal regulation which methodologically stipulates procedure of police officers ensuring the activity in the field of proof of origin of property. In December 2010 there was a training for all police officers of the financial police devoted for performance of tasks related to proving the origin of property under Act No. 101/2010 Coll. and internal regulation.

As far as pre-trial proceedings under Act No. 101/2010 Coll. is performed by prosecutor's offices as well as the financial police, representatives of the Slovak FIU and General Prosecutor's Office of the Slovak Republic met at 3 common sessions where anticipated application shortcomings of the act were discussed. Common procedure was agreed and both parties designated contact persons for coordination.

Ministry of Interior of the Slovak Republic increased of staff of the financial police and in case there is significant increase of received notifications, the staff will be reinforced again.

III.5.

Analytical activities

Analytical Department was established on 1.4.2009 as there was need to perform new legal duties related to collection, registering and analysis of data defined in Section 27 of AML/CFT Law for the purpose of publishing summarized statistical data in the annual report of the Slovak FIU. Analytical Department also ensures feedback information on effectiveness of UTs for obliged entities reporting UTs so that the obliged entity may see the review of the reports and its efficiency. As far as the obliged entity considers certain abnormalities being apparently beyond the common framework or the character of transactions of a certain type or of a certain client with regards to its complexity, contents or singularity and from its point of view the transaction is evaluated as unusual, for the needs of the obliged entity feedback from the Slovak FIU is essential. The Slovak FIU provides information about efficiency of reports once in 3 months for credit institutions and once in 6 months for other obliged entities. The provided feedback shows the obliged entity the review of efficiency of UTRs. The Slovak FIU provides reference number of the Slovak FIU and the obliged entity, information about person involved in the report, name of state authority where the information was disseminated, legal qualification of the disseminated information, where unit of the Police Force occurs also way of finalization of the disseminated information, with information on case number and acts performed within Code of Criminal Procedure or Act on Police Force and legal qualification of the case. Because of the length of the proceedings overlapping one calendar year, information about acts performed by unit of the Police Force are published on page 15 (for year 2010) and on page 17 (for year 2009) and the data about acts performed under Code of Criminal Procedure or Act on Police Force for year 2011 will be updated in the following annual reports.

The department also publishes information about forms and ways of money laundering and terrorist financing and about ways of recognizing UTs for needs of obliged entities. In the course of 2010 the Slovak FIU published 8 guidelines related to recorded ways of money laundering and their recognizing and 1 guideline related to financing terrorism on its website <http://www.minv.sk/?financna-policia>. The Slovak FIU published general and specific ways of recognizing UTs related to the following areas: banking, insurance, leasing, auditor and accountancy, executor, service of public messengers, real estate activity. The Slovak FIU also published 1 notification for obliged entities related to content shortcomings in UTRs.

Guidelines published by the Slovak FIU in the course of 2010:

1. Guidelines for credit institutions related to procedure upon the case of phishing or pharming and their modifications.
2. Guidelines for advocates related to the misuse of client account for the purpose of declaring contractual relationship and image of real business.
3. Guidelines for credit institutions related to tax criminal offences with impact to the state budget of a Member state of the European Union and legalization of such values, their placement and disguise.

4. Guidelines for leasing companies for the reason of prevention of high damage for leasing companies in connection with fraudulent activities and subsequent legalization and concealment of such income.
5. Guidelines for credit institutions related to the misuse of EFT POS terminals in connection with performance of pre-authorizations, fictitious cancellations with damage for credit institution and subsequent legalization and concealment of such income.
6. Guidelines for credit institutions related to false identification documents and their misuse for criminal activities for the purpose of money laundering and terrorist financing.
7. Guidelines for companies performing business activity of gambling game operators, online bets in connection with purpose credits on game account and its misuse for the purpose of declaring income.
8. Warning and guidelines for entrepreneurs being obliged entity because of performance of transaction in amount of 15.000 EUR or more.
9. Guidelines for credit institutions related to potential way of terrorist financing with description of possible indicators of higher risk from the view of terrorist financing or indicating transactions having relation with activities of extremism or terrorist groups.

III.6. Methods of money laundering

Since new AML/CFT Law (Act No. 297/2008 Coll.) became effective as of 1 September 2008, the Slovak FIU received information which were analyzed and verified and showing higher risk of money laundering. The Slovak FIU paid great deal of attention to such cases and after its dissemination to LEAs continues to cooperate on them.

1.

The most often used methods of money laundering recorded by the Slovak FIU in 2010.

1. The use of intermediary and money transfer service in cases of phishing and its modifications.
2. Placement of proceeds of criminal activity – internet fraud – into a country different from a country where the injured party lives and subsequent disconnection of the chain by cash withdrawal and transfer of cash by front persons. The use of free movement of people within the Schengen area.
3. Merge of legal income with illegal income derived especially from serious tax and other economic crime.

4. Disguise of financial flows by means of fictitious business relationships of front companies. Misuse of off shore companies.
5. Opening of „sleeping“ accounts and their later use for transfer of funds.
6. Failure to declare the account for business activity.
7. Transfer of a part of system of payment in border-line areas to the territory of a neighbouring country.
8. Method of back loan.
9. Misuse of family members and front persons, also foreigners.
10. Misuse of falsified documents.
11. Investments into real-estate.
12. Concealment of proceeds of criminal activity on accounts and safe deposit boxes abroad.
13. Deposition of proceeds of criminal activity on life insurance accounts.
14. Misuse of gambling accounts in online bets.
15. Withdrawal of funds from European Communities budget and their subsequent legalization by declaring fictitious business relationships, especially consulting services.

Money laundering case

Misuse of payment terminals

Four Italian nationals with permission to stay in the territory of the Slovak Republic for business purposes established a Slovak company (limited liability company) seated in Bratislava in August 2008. Each of the foreigners had a quarter property share in the company and one of them was a proxy of the company as well.

When arranging permissions for stay and registration of the company, the foreigners also searched possibilities in Slovak banks to open personal and company accounts, provision with payment terminal and payment system with payment terminal. After this search the foreigners opened 45 personal accounts in 12 Slovak banks and 2 business accounts for the company in 2 Slovak banks. Payment cards were issued to all the accounts. The banks concluded contracts about free-of-charge use of mobile payment terminals to business accounts. Then the foreigners deposited amount of 10.000,- EUR to every single personal account opened in the banks. In order to create image of good standing the foreigners performed a few transactions in smaller amounts on their personal accounts. Transactions of a small value were performed via payment terminals at first. Then in December 2008 the persons performed by payment cards transactions called pre-authorizations from their personal accounts via payment terminals of the company.

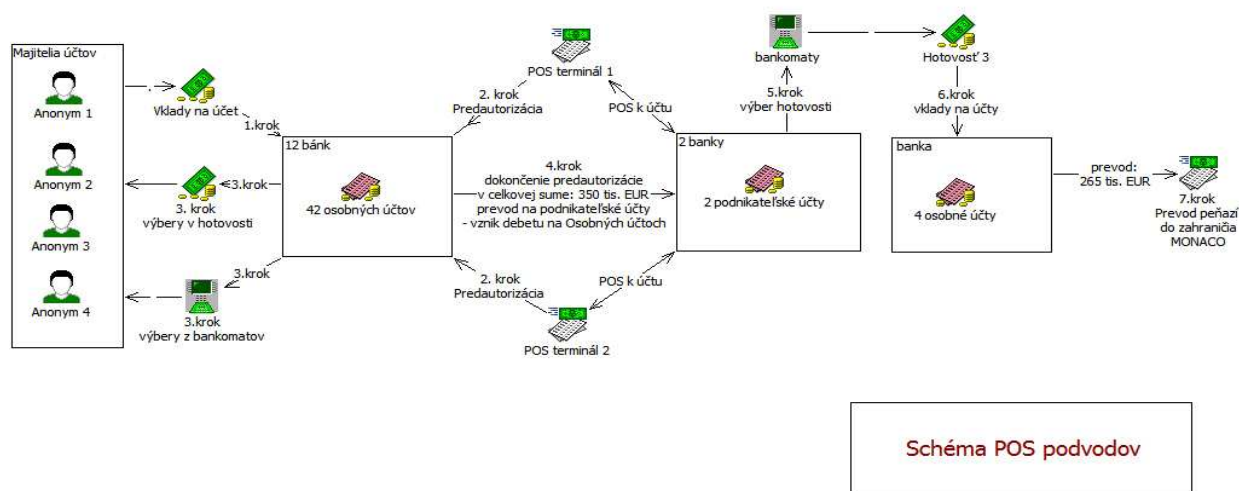
Pre-authorization payments consist of two steps – setting of pre-authorization and completion of pre-authorization which may be placed within a few minutes up to a few days, according to the trader’s needs doing the payment. Upon setting of pre-authorization the trader verifies whether the client submitting a payment card has enough funds on his account and in case he does, the trader inserts his claim for clearing for the future when the payment card is submitted again. Pre-authorization remains inserted in the system of processing of payments and in case the trader sets pre-authorization code in the future, pre-authorization is

completed and the payment is cleared from the client's account. Upon setting of pre-authorization the balance of the account is checked on the client's account for processing of the payment but the payment is not directly cleared or blocked. Upon completion of pre-authorization the balance of the account already is not checked for performance of the payment and the payment is cleared.

In our case there was verification of balance of the accounts on personal accounts opened in 12 banks seated in the Slovak Republic upon pre-authorization. After completion of pre-authorization, before final clearance of the transactions from personal accounts, the foreigners withdrew all the funds from their personal accounts using their payment cards. Then at the end of December 2008, in time when the banks and their employees paid attention to smooth technical assurance of national currency transition to EUR, the foreigner submitted orders to complete pre-authorizations for benefit of the company. This way they assured that the accounts of the company were credited with funds to be deducted from personal accounts of the foreigners. Because the funds had already been withdrawn, debits on the personal accounts in total amount of 350,000,- EUR emerged. Funds in the same amount were credited to the accounts of the company and immediately withdrawn via payment cards from ATM machines in cash. Part of the cash was deposited to their personal accounts in one Slovak bank and immediately transferred to a personal account of one of the foreigners conducted in Monaco, in total amount of 265,000,- EUR and 4 payments in amount of 15,000,- EUR each transferred to Italy to personal accounts of the foreigners. The remaining funds were left to be used by the foreigners.

This case was extraordinary from the view of precise and long-term preparation to commit a criminal offence, investment of own funds, well-chosen line of business of the company – trading with textiles, sophisticated modus operandi requiring thorough knowledge of banking system and its operation and also timing of pre-authorization in time of transition to a new currency.

Investigator of the Police Force initiated criminal proceedings in the case under Section 199 (1) of Code of Criminal Procedure for serious crime of fraud under Section 221 (1), (4) (a) of Penal Code together with serious crime of money laundering under 233 (1) (a), (4) (a) of Penal Code with possible charge up to 20 years of imprisonment.



2. New methods that about to occur and anticipated trends for the coming period

1. Misuse of payment institution, its establishment for the purpose of disguise of financial flows and ML.
2. Expansion of foreign payment institutions in the territory of the Slovak Republic for the purpose of establishment of its own controlled system of payment.
3. Establishment of specialized companies and experts performing concealment and placement of proceeds of criminal activity and their legalization made-to-order.
4. Investments of foreign subjects committing criminal activity in the territory of the Slovak Republic and vice versa. It concerns especially investments into real estate, companies, securities and high value goods.
5. Boom of the use of domestic and foreign accounts for on-line bets.
6. Efforts to expand high gambling into the territory of the Slovak Republic.
7. Progressive transition of trafficking in human beings and drugs from natural persons to companies with ambition to introduce proceeds of such activity into the legal system as well as to facilitate system of payment.
8. Progressive and unconscious involvement of non-financial sector into the process of ML by advocates, auditors, accountants and real estate agents.
9. Misuse of cash couriers and postal offices.
10. Increase in number of establishments of non-profit organizations and increased number of foreign financial transactions performed through those organizations, misuse of foundations and sports clubs.
11. Persisting effort to perform conversion of bank notes of the previous Slovak currency to euros through front persons, especially in case of illegal profits coming from corruption and organized crime.

12. Placement of proceeds of criminal activity to accounts of life insurance and other alternative forms of saving products, not in credit institutions.

III.7.

Terrorist Financing

Penal Code effective as of 1.1.2010 includes amended Section 419 related to terrorism where there is a new legal qualification of criminal offence of terrorist financing in paragraph 2 letter a) in compliance with Special FATF Recommendation I. related to criminalization of terrorist financing. The said provision stipulates that any person shall be punished for collection or provision of funds designated for terrorism. Preventive law defines terrorist financing in Section 3 of AML/CFT Law which became effective as of 1.9.2008.

The Slovak FIU as a unit responsible for prevention of terrorist financing under AML/CFT Law puts emphasis on prevention and informs obliged entities about new forms and ways of terrorist financing in its trainings. In 2010 the Slovak FIU received 55 UTRs from credit institutions classified as reports with possible relation with terrorist financing. Those were disseminated to Anti-Terrorist Unit of Bureau of Combating Organized Crime after analysis and verification. As far as the Slovak FIU and Anti-Terrorist Unit are central units in the organizational structure of Bureau of Combating Organized Crime, activity of the both is linked. Their joint cooperation does not limit only to one-way flow of information from the Slovak FIU towards Anti-Terrorist Unit. The Slovak FIU also ensures verification of information obtained from its own activity or activity of Anti-Terrorist Unit using foreign intelligence units. In 2010 the Slovak FIU disseminated 16 requests related to terrorist financing to foreign FIUs.

The Slovak FIU received UTRs on terrorist financing from credit institutions only. That is why the Slovak FIU shall focus on terrorist financing in its trainings for other financial institutions and non-financial institutions, especially risk groups: non-profit organizations, advocates, notaries, real estate agencies, casinos.

The Slovak FIU perceives national legislation on non-profit organizations as insufficient so the Slovak FIU shall propose amendment. The amendment should include restriction for non-profit organizations to accept anonymous deposits, limitations for cash deposits, ensure thorough identification of donors and detailed record keeping of domestic and foreign payments. Overall activity of non-profit organizations should be properly controlled with the aim to prevent their misuse for disguise or concealment of funds designated for terrorist financing.

All reported UTs classified as reports with possible links to terrorist financing related to:

- persons coming from countries with higher security risk,
- persons with stay in countries with higher security risk,
- persons with historical relation to countries with higher security risk (born in the country, currently living in the European Union or citizen of the European Union),
- business relations with such countries,
- persons where obliged entity detected a match with a person listed on the list of sanctioned persons, after analysis and evaluation by the Slovak FIU, Anti-Terrorist Unit

and additional identification data about sanctioned persons it was detected that the reported subjects are not identical with persons on the list of sanctioned persons.

Analysis of received UTRs by the Slovak FIU revealed that the Slovak Republic is just a transit country in recorded financial transactions. Funds are resent for benefit of foreign bank accounts including intense use of transfers via off-shore zones. In the cases the bank accounts are established by persons with no relation to the Slovak Republic.

With regard to potential risk of possible terrorist financing the Slovak FIU shall pay more attention to the following areas:

- the Slovak FIU shall focus on training activities of risk categories of obliged entities such as: non-profit organizations, advocates, notaries, accountants, real estate agencies, casinos, traders in luxury goods, antiques, precious metals, providers of postal services, providers of monetary services, securities dealers, traders with receivables, with the aim to raise awareness of the mentioned obliged entities about new methods of terrorist financing
- non-profit organizations, from the point of the Slovak FIU legislation framework is ensured insufficiently, the Slovak FIU analyses it and shall propose to authorities performing supervision over non-profit organizations to amend legislation in order to be compliant with Special FATF Recommendation VIII.,
- front companies,
- persons trying to obtain visa to the Slovak Republic for fictitious reason, e.g. studies, participation at a conference, sports activities and they make use of falsified documents with the aim to settle in countries of the European Union and to enlarge community which might be potentially misused for support of terrorist activities,
- trading with arms.

III.8.

Publishing of information

The Slovak FIU within its active cooperation with obliged entities ensures publishing information about new forms and ways of ML and identification of UTs in the form of guidelines and notifications via its website <http://www.minv.sk/?financna-policia>. The Slovak FIU also publishes guidelines on the application of provisions of AML/CFT Law No. 297/2008 Coll. and FATF and Moneyval statements and recommendations. For the use by police the Slovak published information related to identification of proceeds of criminal activity.

In order to apply Section 17 of AML/CFT Law correctly in relation with provision of obligatory information by obliged entities when reporting UTs and to eliminate repeated shortcomings in reports, The Slovak FIU elaborated and published recommended forms of UTRs for banks, insurance companies, real estate agencies and a general form for other obliged entities on its website <http://www.minv.sk/?financna-policia>. Despite the fact the law does not prescribe exact form of UTRs, the majority of obliged entities accepted the

recommended forms what simplifies further processing of UTRs and eliminates faults done by obliged entity upon performance of reporting obligation.

The Slovak FIU published contact details for performance of reporting obligation compliant with law on its website. It states that UTR is possible to report by person to the place where the Slovak FIU's premises are, in writing, electronically to email sjfpao@minv.sk, by telephone with condition to report by person, in writing or electronically in 3 days.

There are guidelines and notifications important for obliged entities published on the website of the Slovak FIU, in the part „for application of law“. In the course of 2010 the Slovak FIU published 4 guidelines related to selected provisions of AML/CFT Law on its website <http://www.minv.sk/?financna-policia>.

As well, in the course of 2010 the Slovak FIU published 8 guidelines related to recorded ways of legalization and their recognizing in the part „for application of law“ for the following fields: banking, insurance, leasing, auditor and accountancy, executor, services of public messengers, real estate activity and 1 guideline related to terrorist financing. There is also 1 notification for obliged entities related to content shortcomings in UTRs.

Summarized statistical data about activity of the Slovak FIU and all state authorities combating money laundering and terrorist financing are published in the part „annual report“ where there is annual report of the Slovak FIU for year 2009 in Slovak and English version.

In the part „ARO“ the Slovak FIU published information related to identification of proceeds of criminal activity for needs of police units in connection with competence of the Slovak FIU in the field of detection and identification of property derived of criminal activity.

IV.

Summarized statistical data for the Slovak Republic

Summarized statistical data presented in parts IV.1. and IV.2. were provided by all state authorities in the Slovak Republic performing tasks given by law in the field. The information were obtained from activity of units of the Police Force under Act on Police Force, LEAs and courts under the competence of Ministry of Interior of the Slovak Republic, Ministry of Finance of the Slovak Republic, General Prosecutor's Office of the Slovak Republic and Ministry of Justice of the Slovak Republic. Summarized review of statistical data is divided into three parts as follows: IV.1. statistical data related to criminal offence of money laundering, IV. 2. related to all criminal offences and IV.3. related to import, export and transit of funds in cash or other equivalent means of payment through the customs territory of the European Union.

IV.1.

Statistical data related to criminal offence of money laundering

As far as in 2010 courts were bringing decisions also based on provisions of Sections 252 and 252a of the old Penal Code No. 140/1961 Coll. as amended and also based provisions of Sections 233 and 234 of Penal Code No. 300/2005 Coll. being in force as of 1 January 2001, the statistical data in the part Ministry of Justice of the Slovak Republic are displayed together. In chart No. 17 there are complete statistical data related to criminal offence of ML which were obtained by the Slovak FIU from state authorities: Ministry of Interior of the Slovak Republic (MI), General Prosecutor's Office (GPO) and Ministry of Justice of the Slovak Republic (MJ).

No.	Provision of Code of Criminal Procedure	Description	MI			GP		MJ		
			No. of cases	No. of persons	Damage	No. of cases	No. of persons	No. of cases	No. of persons	Damage
1.		Suggestion for criminal criminal proceedings submitted by operative units of PF	43	72	41.262.004					
2.	Section 199	Commencement of criminal proceedings	70		3.476.727					
3.	Section 206	Exhibit of charge	15	29	1.246.209					
4.	Section 209	Termination of investigation with proposal of accusation	10	16	4.700.575					
5.	Section 215	Discontinuation of criminal proceedings	1	0	0	0	0			
6.	Section 228 (1)	Suspension of criminal proceedings	15	2	751.890	0	0			
7.	Section 216	Conditional suspension of criminal proceedings by prosecutor				1	1			
8.	Section 228 (5)	Continuation of criminal proceedings	2	1	5.663	0	0			
9.	Section 234	Indictment					16			
10.	Section 284	Judgement							7	147.147
11.	Section 331	Agreement of guilt and punishment				6	6		1	

Chart No. 15: Statistical data related to criminal offence of money laundering, value in EUR.

IV.2.

Statistical data related to all criminal offences

As far as it is essential to prove proceeds from crime and funds for commitment of crime, their placement, nature, state and price under Section 119 (1) (f) of Code of Criminal Procedure within criminal proceedings, the following statistical data related to evidence within criminal proceedings in connection with seized property were obtained from police units.

No.	Provisions of Code of Criminal Procedure	Description	Section 10 o(7), (8) (a), (b) and (c) of Code of Criminal Procedure	
			Number of cases	Value in EUR
1.	Section 89	Obligation to surrender a thing	3365	12,416,219
2.	Section 91	Dispossession of a thing	59	370,406
3.	Section 92	Takeover of a seized thing	1.306	1,300,442
4.	Section 95	Freezing of funds	22	732,033
5.	Section 96	Seizure of booked securities	1	3,000
6.	Section 97	Return of a thing	2,218	2,120,459
7.	Section 550	Surrender of a thing (international legal assistance)	13	4,738
8.	Section 551	Seizure of property (international legal assistance)	5	1,381,638

Chart No. 16: Acts of criminal proceedings realized by authorities defined in Section 10 o(7), (8) (a), (b) and (c) of Code of Criminal Procedure

IV.3.

Statistical data related to transit of funds in cash

Under Section 4 (1) of Act No. 199/2004 Coll. Customs Act and on amendments and supplements to certain acts, funds in cash entering the territory of the Slovak Republic from the third country or leaving the territory of the Slovak Republic to the third country are subject to customs supervision. Funds in cash mean marketable financial bearer instruments including monetary bearer instruments such as travel checks, marketable instruments – checks, own bills, postal notes in the form of bearer security without restriction drawn on a fictitious payee or in such form that the legal claim is transferable to another person by its delivery as well as incomplete instruments including checks, own bills and signed postal notes without the name of receiver and all banknotes and coins circulating as a tool of exchange.

Reporting obligation accrues under Section 4 (2) of Act No. 199/2004 Coll. for natural entity transporting funds in cash in amount at least 10.000 EUR. The natural entity is obliged to report this fact in writing to the customs office in place where the transport is realized, on a form. The customs office is under the above mentioned act obliged to send the filled-in forms on reporting obligation as well as announcements on breach of customs regulations under Section 72 (1) (n) to the Slovak FIU in five days of the calendar month following the month when the transport was realized.

In 2010, the Slovak FIU received 36 reports on transport of funds in total amount of 1,241,178 EUR from Customs Directorate of the Slovak Republic related to transport of funds through the external of the European Union between the Slovak Republic and Ukraine and at M. R. Štefánik airport in Bratislava.

Customs Directorate of the Slovak Republic stated that upon performance of controls at the external border of the Slovak Republic in 2010 there were no cases of illegal transport of funds in cash detected. All reported cases relate to reporting obligation under Section 4 (2) of Act No. 199/2004 Coll.

In 2010, the Slovak FIU received no information from a foreign FIU related to transport of funds entering the territory of the European Union from the third country or leaving the territory of the European Union to the third country.

V.

Control activity of the National Bank of the Slovak Republic and Ministry of Finance of the Slovak Republic

Except for the Slovak FIU, also the National Bank of Slovakia (hereinafter referred to as „NBS“) and Ministry of Finance of the Slovak Republic (hereinafter referred to as „MF“) have power to supervise financial market under Section 29 of AML/CFT Law. Current supervision of obliged entities is risk-oriented and one of its objectives is to enforcement of elimination of risks at supervised entities in the field of prevention of money laundering and terrorist financing. The Slovak FIU actively cooperates with bodies of NBS and MF upon enforcement of AML/CFT Law. Under Section 29 (4) of AML/CFT Law NBS and MF are obliged to inform the Slovak FIU before the control about name, place of business or seat, identification number and type of obliged entity where the control shall be performed and after its finalization also about measures taken.

Because of exchange of experience, knowledge and harmonization of common procedure upon performance of control activity, the Slovak FIU regularly holds interagency working meetings with supervision bodies – NBS and MF. In 2010 there were 24 such working meeting where concrete procedures of control activity were discussed, new forms and ways of money laundering and terrorist financing and ways of recognition of new forms of UTs were observed.

Control activity of the National Bank of the Slovak Republic

Under Section 29 (3) of AML/CFT Law NBS has power to perform control of performance of and compliance to duties stipulated by this law at obliged entities subject to supervision of NBS. Under Act No. 566/1992 Coll. on NBS as amended, NBS has competence to perform supervision over: banking system, securities dealers, capital market, insurance system, pension savings, payment institutions and institutions of electronic money, financial mediation and financial consultancy.

In 2010 control bodies of NBS performed 5 controls of compliance to duties at obliged entities, as follows: 4 controls in insurance companies and 1 control in credit institution. There were no breaches of AML/CFT Law in credit institution, in insurance companies there were 3 shortcomings identified which were immediately eliminated by insurance companies and in one case insurance company did not have a designated person responsible for prevention of money laundering and terrorist financing.

Control activity of Ministry of Finance of the Slovak Republic

Under Section 29 (3) of AML/CFT Law MF power to perform control of performance of and compliance to duties stipulated by this law at obliged entities subject to supervision of MF. In 2010 control bodies of MF performed 4 controls of compliance to duties at obliged entities operating gambling under Act No. 171/2005 Coll. on Gambling. Control activity revealed no breach of AML/CFT Law at controlled legal entities.

VI.

Interagency coordination activity in the field of combating crime

Interagency Expert Coordination Body for Combating Crime (hereinafter referred to as „the coordination body“) was established on 3 July 2001 in compliance with Pre-Accession Pact on Organized Crime between member states of the European Union and candidate countries of the Central and Eastern Europe and Cyprus. For this reason the coordination body performs tasks of the national coordination body for combating crime, contact body for cooperation with foreign countries and establishes multidisciplinary integrated groups of experts for problem solving related to current problems with crime.

Head of the coordination body is executed by Minister of Interior of the Slovak Republic, deputy heads are Attorney General of the Slovak Republic and Head of the Slovak Information Service. Other members are President of the Police Force, Director General of Prison and Judicial Guard, Head of the Military Police, Head of the Military Intelligence, Director General of Customs Directorate, Head of Tax Directorate and Director General of Penal Law Department of Ministry of Justice of the Slovak Republic.

The coordination body acts on improving the effectiveness of combating crime. It coordinates particular activities in combating crime including its organized forms with all involved subjects resulting from documents on combating crime, governmental declaration, international legal acts and agreements bound for the Slovak Republic, it ensures equivalency

and continuation of those measures and activities from time, subject and space view and from the view of ways of their performance and it evaluates their efficiency.

The coordination body establishes multidisciplinary integrated groups of experts.

One of them is Multidisciplinary Integrated Group of Experts for Elimination of Money Laundering and Terrorist Financing (hereinafter referred to as „MISO“), the head of the group is head of the Slovak FIU. Activity of MISO is aimed at performance of tasks resulting from tasks of the coordination body for combating crime but also other tasks for elimination of money laundering and terrorist financing from the view of legislation, institutional framework, prevention and repression were defined.

Members of MISO (representatives of Ministry of Finance of the Slovak Republic, General Prosecutor's Office of the Slovak Republic, Ministry of Justice of the Slovak Republic, the Slovak Information Service, Tax Directorate of the Slovak Republic, Customs Directorate, the National Bank of Slovakia, units of the Police Force - Anti-Terrorist Unit, Anti-Drug Squad, Bureau of Judicial and Criminal Police, the Slovak FIU) met at a common session once in 2010, on 18.02.2010.

VII.

Conclusion

The Slovak FIU strengthened its position of a central national unit for prevention and detection of money laundering and terrorist financing in 2010. Thanks to the new enactment of AML/CFT Law it became the leading authority in this field. But we realize that the Slovak FIU is just one element in the chain and would not be able to function without the others. More intense cooperation was seen with state authorities, obliged entities and their professional associations.

Within prevention we intensified flow of information for obliged entities about new trends of money laundering and terrorist financing, ways of recognition of UTs, but also for experts and laics about the system of prevention of money laundering and terrorist financing. Information flow is ensured by regular updating of the Slovak FIU's website, trainings of obliged entities focused on non-financial sector especially, also presentations and workshops for police officers of the Police Force and law enforcement bodies.

In 2010 the Slovak FIU put emphasis on feedback to obliged entities and introduced model of extra informing of obliged entities about the use of UTs and procedures following their receipt. The system of informing was introduced within the police structures as well. Obligated entities positively received such arrangements and it is fully utilizable in practice.

Upon performance of repressive measures, the Slovak FIU continued to cooperate with competent law enforcement bodies especially by means of performance of postponement of UT with the aim to identify and seize property derived from criminal activity for the purpose of criminal proceedings. In many cases such arrangements prevented the threat of damage and the injured party's claim was ensured.

Detection and identification of property derived from criminal activity for needs of domestic and foreign law enforcement bodies is one of important activities of the Slovak FIU which is in close relation with combating money laundering and terrorist financing. The Slovak FIU identified lots of values and property within and before criminal proceedings and so accelerated criminal proceedings and enabled law enforcement bodies to seize property where there was suspicion it is derived from illegal sources or linked with criminal activity and that way to prevent its further disposal and efforts to legalize such income.

As regards the international cooperation, in 2010 the Slovak FIU was one of the most active FIUs especially in the field of dissemination of spontaneous information to foreign FIUs and number of processed requests. Analysis and replies to requests sent by foreign FIUs were provided in the shortest possible time and contained detailed information utilizable by the foreign partners.

The Slovak FIU actively and expertly performs its duties resulting from its membership in international organizations. Activities of the Slovak FIU in Egmont Group, CARIN and within cooperation with AROs were important for the Slovak FIU itself and other authorities acting in enforcement as the result of the Slovak FIU's efforts are information relevant for law enforcement bodies detecting criminal activity and its perpetrators.

Year 2010 was important from the view of 4th round of MONEYVAL evaluations when the Slovak FIU together with other institutions responsible for prevention of money laundering and terrorist financing were evaluated by experts of Council of Europe for prevention of money laundering and terrorist financing during on-site visit held between 2 and 9 October 2010.

In 2010 the Slovak FIU prepared proposal of the project for complex solution of receiving, registering, analysis and statistical processing of information so that it is possible to process them in adequate quality with respect to increasing number of UTRs. Software tools were created to enhance and simplify the way of registering and statistical processing of information with its high protection.

Year 2011 shall be very demanding for the Slovak FIU from the view of the necessity to exactly identify risks resulting from money laundering and terrorist financing and shortcomings in the field of legislative and institutional framework of the system of combating money laundering and terrorist financing. That is why the Slovak FIU started to analyze the current state and prepares complex solutions which are described in the strategy of combating money laundering and terrorist financing for years 2012 – 2016. Attention of the Slovak FIU will still be focused on intensifying of cooperation with so-called non-financial sector of obliged entities and these activities are expected to increase number and quality of UTRs from that kind of obliged entities representing higher risk of money laundering and especially terrorist financing. The Slovak FIU will pay attention to trainings for employees of institutions being a part of system of prevention of money laundering and terrorist financing and police officers of the Slovak FIU as well.

In order to reach the objectives defined for the future period, joint cooperation of all subjects active in institutional framework of prevention of money laundering and terrorist financing on the national and international level is necessary. That is the only way how to prevent from consequences of the most serious forms of criminal activity and international terrorism.

List of abbreviations

the Slovak FIU	Financial Intelligence Unit of Bureau of Combating Organized Crime of Presidium of Police Force
BCOC	Bureau of Combating Organized Crime, Presidium of Police Force
PPF	Presidium of Police Force
MI	Ministry of Interior of the Slovak Republic
MF	Ministry of Finance of the Slovak Republic
MJ	Ministry of Justice of the Slovak Republic
GP	General Prosecutor's Office of the Slovak Republic
NBS	the National Bank of Slovakia
BFP	Bureau of Financial Police
DFI	Department of Financial Intelligence
Act No. 297/2008 Coll.	– Act No. 297/2008 Coll. on the prevention of legalization of proceeds of criminal activity and terrorist financing and on amendments and supplements to certain acts as amended by Act No. 445/2008 Coll. and Act No. 186/2009 Coll.
UT	unusual transaction
UTR	unusual transaction report
ARO	Asset Recovery Office, national office for detection and identification of property derived from criminal activity
CARIN	The Camden Asset Recovery Inter-Agency Network, network for information exchange between AROs
LEA	law enforcement authorities
EUROPOL	the European Union Police Bureau
INTERPOL	international police cooperation organization
FIU	foreign financial intelligence unit
a/a	ad acta, suspicion not proved, inserted into archive
PCHD	Property Check-up Department of the Slovak FIU
DCIS MI SR	Department of Control and Inspection Service of Ministry of Interior of the Slovak Republic
DCR	Department of Criminal Groups of Bureau of Combating Organized Crime of Presidium of Police Force
UTHB	Unit of Trafficking in Human Beings of Bureau of Combating Organized Crime of Presidium of Police Force
OECD	Obliged Entities' Department of the Slovak FIU
ADS	Anti-Drug Squad of Bureau of Combating Organized Crime of Presidium of Police Force
DBAP	Directorate of Border and Alien Police of Ministry of Interior of the Slovak Republic
ATU	Anti-Terrorist Unit of Bureau of Combating Organized Crime of Presidium of Police Force
BOCC	Bureau of Combating Corruption of Presidium of Police Force