

Kariņš: The overhaul of Latvia's financial sector supervision has been a resounding success – we have re-established the reputation of our country and created a strong and robust anti money laundering system"

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Prime Minister



Following the successful implementation of a new financial crime prevention system, Latvia will not be subject to 'enhanced surveillance' or included in the so-called 'grey list', concluded the Financial Action Task Force (FATF) at its plenary session in Paris on 21 February. Latvia is the first "Moneyval" member state that has successfully implemented all FATF recommendations.

Prime Minister Krišjānis Kariņš: "The FATF announcement proves that we have succeeded with the overhaul of Latvia's financial sector. A year ago, we set an ambitious target to rebuild Latvia's AML/CTF system and restore our country's reputation, and this goal has been met. This does not mean that we will stop striving towards further growth and progress. I extend my personal thanks to all the experts, institutions and organisations involved for their tremendous work and dedication. By working together, we can achieve anything."

Head of the Financial Intelligence Unit, Head of the Moneyval and FATF delegation Ilze Znotiņa: "The ability to establish an effective control and surveillance mechanism that prevents from exploiting our own financial system for criminal activity is the responsibility of every state, including Latvia. It is a matter of national reputation, self-respect and honour. We have established a stable and secure system that prevents terrorist and proliferation financiers from manipulating the Latvian financial system for criminal gain, achieved a high level of transparency of legal entities, and significantly strengthened the capacity and knowledge of Latvian law enforcement agencies. On the other hand, the legislator has understood and recognised the threats already caused, or likely to be caused, by economic crimes if the state does not have the will and proper legal regulation to combat them. Today, we are able to showcase to the world a set of results that were unimaginable until a couple of years ago."

Minister of Finance Jānis Reirs: "The ambitious work on the regulation of the financial sector and on supervision and control has paid off. The decision not to be subject to increased supervision will serve as a motivation for continuing work focused on economic development and support for business. Credit institutions have all the preconditions for further work, with clear

knowledge of the risks specific to Latvia, and contribute to the growth of our country.”

As reported, according to the assessment carried out by the Council of Europe’s Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism “Moneyval”, Latvia has improved its score for the implementation of 11 recommendations, thus it has largely complied with the requirements of all 40 FATF recommendations, of which seven recommendations are fully compliant with the FATF international standard, but 33 — mostly met.

Further monitoring of Latvia’s progress will be conducted by Moneyval, the FATF regional body, under existing procedures.

About FATF

FATF is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

Currently there are 39 FATF members and one observing country. The FATF decision-making body meets three times a year in a plenary session.

For Media attention:

On Monday, 24 February, at 10 am, at the Cabinet of Ministers, Prime Minister Krišjānis Kariņš convenes a meeting of the Financial Sector Development Council, where Head of the Moneyval and FATF delegation, as well as the Financial Intelligence Unit Ilze Znotiņa will report on the decision of FATF plenary session on Latvia.

Media options: photo, video at the beginning of the meeting, after the meeting — answers of Prime Minister Krišjānis Kariņš and Head of the Financial Intelligence Unit Ilze Znotiņa to the questions of journalists.

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<https://www.mk.gov.lv/en/article/karins-overhaul-latvias-financial-sector-supervision-has-been-resounding-success-we-have-re-established-reputation-our-country-and-created-strong-and-robust-anti-money-laundering-system>