

Saeima supports in the third reading the amendments to the Law on the Prevention of Money Laundering and Terrorism Financing

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On Thursday 13 June, the Members of the Parliament supported in the third reading the [amendments](#) to the Law on the Prevention of Money Laundering and Terrorism Financing. The changes were needed to ensure consistency between the laws of Latvia and the legal norms of the European Union, as well as to address the shortcomings identified in the Moneyval 2018 report.

In the light of new trends regarding money laundering and terrorism financing, a more effective anti-money laundering system is essential to ensure the fight against crime, as well as to improve the reputation of the financial sector and the country at international level, as explained in the annotation of the draft law.

In future, the title of the law will be the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing.

99 The amendments extend the scope of persons to whom the rules apply. It shall also include insolvency practitioners, outsourced accountants, sworn auditors, commercial companies of sworn auditors and tax consultants, as well as any other person who undertakes to assist in tax matters or acts as an intermediary when providing such assistance.

In addition, the rules of law will be binding on persons engaged in the circulation of art and antiques, including persons carrying out the activities in antique shops, auction houses or ports, where the total amount of the transaction or several allegedly related transactions is EUR 10 000 or more. In addition, it is foreseen that the relevant rules will also be binding in the course of insolvency or liquidation proceedings.

The name of the Office for Prevention of Laundering of Proceeds Derived from Criminal Activity has been changed to the Financial Intelligence Service. It has been specified how the reports on suspicious transactions are to be submitted to the Service in the future.

Legal entities, supervisory and control authorities will have the right to request and receive information on-line from the registers of the Enterprise Register. Other provisions related to the need to assess and report suspicious transactions have also been specified.

☞ According to amendments, if a credit institution or financial institution terminates a business relationship with a client because it has faced unmanageable risks of money laundering and terrorism financing, it will be able to pay the client, in cash, an amount not exceeding EUR 7200.

The annotation of the draft law states that the proposed solution will help to organise the management of the risks of money laundering and terrorism financing, since persons with high funds of dubious origin will no longer be able to receive them all in cash. It is also prohibited for credit institutions and financial institutions to open and maintain anonymous individual safety boxes.

In order to avoid cases where employees who have reported suspected money laundering have been subjected to threats or hostile activities, it is prohibited to punish or otherwise, directly or indirectly, cause adverse effects on these persons.

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