

Kyiv – 2024



ANNUAL  
**REPORT**  
of the State Financial  
Monitoring Service of  
Ukraine  
**for 2023**

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## APPEAL OF THE HEAD OF THE STATE FINANCIAL MONITORING SERVICE OF UKRAINE

### Mr. IGOR CHERKASKYI

#### Dear Ukrainians!

We bring to your attention the report on the implementation in 2023 by the State Financial Monitoring Service of Ukraine of the state policy in the area of prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction, which is carried out in conditions of full-scale armed aggression (bloody war) by the RF against Ukraine.

The SFMS, together with state institutions, financial monitoring entities and civil society, continued to take measures at the international and domestic levels to sanction the RF as a sponsor of terrorism.

On a daily basis, we implemented a set of practical measures to identify and block collaborators, traitors and those who contribute to the financing of Russian aggression. International cooperation has intensified and this work has yielded results.

Membership of the RF in the FATF and the Egmont group was suspended. The actions of the RF are recognized as those that run counter to the FATF principles and are a gross violation of the FATF Standards. We continue to implement measures to isolate the RF in the international fora.

In general, the SFMS carried out systematic work on monitoring the implementation of the NSDC sanctions to block Russian assets and assets of collaborators, provided financial investigations of cases of state traitors and conducted joint analytical investigations with foreign financial intelligence units.

Also, we deepened cooperation with foreign regulators on preventive measures against Russian businesses, ensured uninterrupted collection, processing and analysis of suspicious financial transactions and provided support for the legal steps on the path for Ukraine's accession to the EU in the area of "Combating money laundering".

As a result, last year, the SFMS prepared and sent more than 1,100 referrals worth over UAH 100 billion of suspicious transactions. Over UAH 4 billion were



blocked on more than 800 accounts of collaborators and other persons, more than 50 cases of suspicions of treason were investigated.

In addition, at the end of 2023, the Government approved an Action Plan developed by the SFMS to reduce the negative impact of risks that were identified as a result of the third National Risk Assessment. In the coming years, we will carry out coordination work on the implementation of this Plan.

We will continue to do everything necessary for our joint victory!

I thank all those involved in this important work and the Armed Forces of Ukraine who are defending our country from the aggressor.

**Glory to Ukraine!**  
**Glory to the Armed Forces of Ukraine!**

Respectfully,  
Igor CHERKASKYI



## THE SFMS: TO THE VICTORY OF UKRAINE TOGETHER

as of December 29, 2023 (674 days of war)

### FATF

The RF's membership in the FATF is suspended. The actions of the RF are recognized as those that run counter to the FATF principles and are a gross violation of the FATF Standards. Further measures are being taken

### MONEYVAL

The RF is excluded from the Council of Europe Committee of Experts MONEYVAL

### EUROPEAN UNION

EU sanctions have been applied to Russia's financial intelligence unit

### EGMONT GROUP

The RF FIU's membership in the EG is suspended. Additional measures are being implemented

### APG

The RF has been terminated an observer status in the APG

### CETS 198

The RF is deprived of the right to vote on conceptual issues

157,2+  
billion UAH

suspicious financial transactions have been submitted to law enforcement and intelligence agencies

12,3+  
billion UAH

financial transactions have been blocked (UAH 7 889,07 mln; EUR 50,98 mln; USD 50,91 mln, RUB 7,18 mln, 124 248 381 securities in the amount of UAH 427,35 mln)

12,3+  
billion UAH

a seizure was imposed on corporate rights based on the referrals of the SFMS

2 352 139  
reports

on financial transactions have been processed and analyzed, including 993 671 reports on transfer of funds abroad

1926  
referrals

have been submitted to law enforcement agencies

351  
cases

on suspicions of treason are being investigated

492  
collaborators and traitors

information about whom has been submitted to law enforcement agencies

2581  
accounts

of collaborators and other individuals have been blocked

2016  
requests  
for joint financial investigations

have been submitted to 147 foreign financial intelligence units

## 1. ABOUT THE SFMS

### 1.1. THE SFMS ROLE AND ACTIVITIES IN ENSURING FINANCIAL SECURITY OF THE STATE UNDER MARTIAL LAW

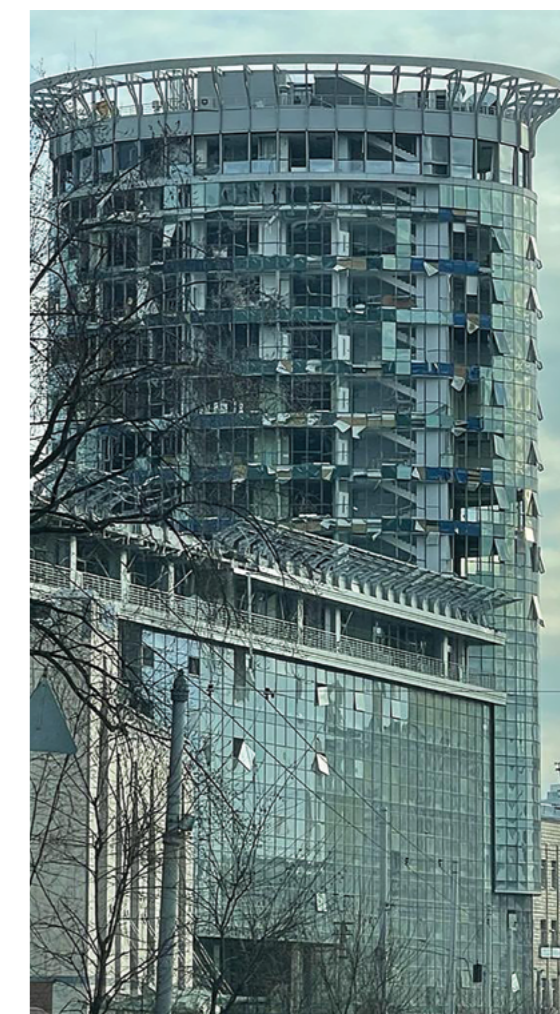
The State Financial Monitoring Service of Ukraine, as the FIU of Ukraine, under martial law, has focused its maximum attention on taking measures to bring to international responsibility a terrorist country for its crimes against peaceful humanity, including laundering "dirty" money, financing terrorism and financing weapons of mass destruction.

The SFMS, together with its national and foreign partners, directed its actions to the following priority areas:

- cooperation with the FATF in order to impose sanctions on the RF in the context of its exclusion from the FATF membership and inclusion on the FATF "black list";
- coordination of work with the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL);
- cooperation with the Egmont Group of Financial Intelligence Units in order to impose sanctions on the RF in the context of its exclusion from the EG membership;
- cooperation with other FATF-Style Regional Bodies for the purpose of the RF isolation;
- ensuring joint financial investigations with foreign FIUs and cooperation with foreign financial regulators and the relevant cryptocurrency organizations on implementing preventive measures regarding business with the RF;
- blocking accounts of collaborators, investigating cases of state traitors, processing of financial transactions reports, suspension of financial transactions, participation in the work of the «Task Force» group and submission of case referrals to law enforcement agencies;
- coordination of work with the state financial monitoring entities and preparation of methodological information for the reporting entities as well as cooperation with the public, etc.

In this regard, the SFMS has prepared a visualization "Global picture of protection of the international financial system from the AML/CFT/CPF risks generated by the RF as a result of the invasion of Ukraine" (picture 1.2).

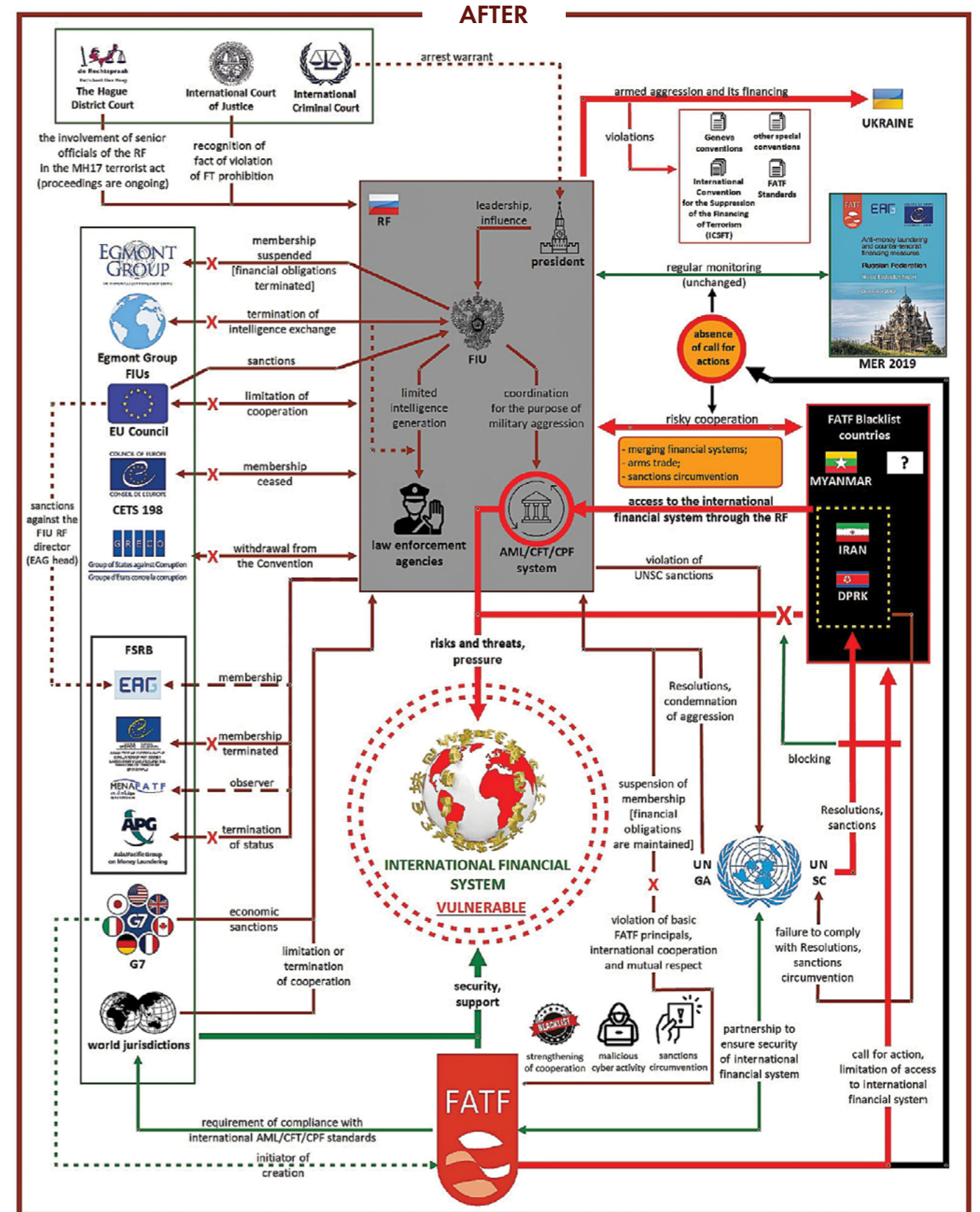
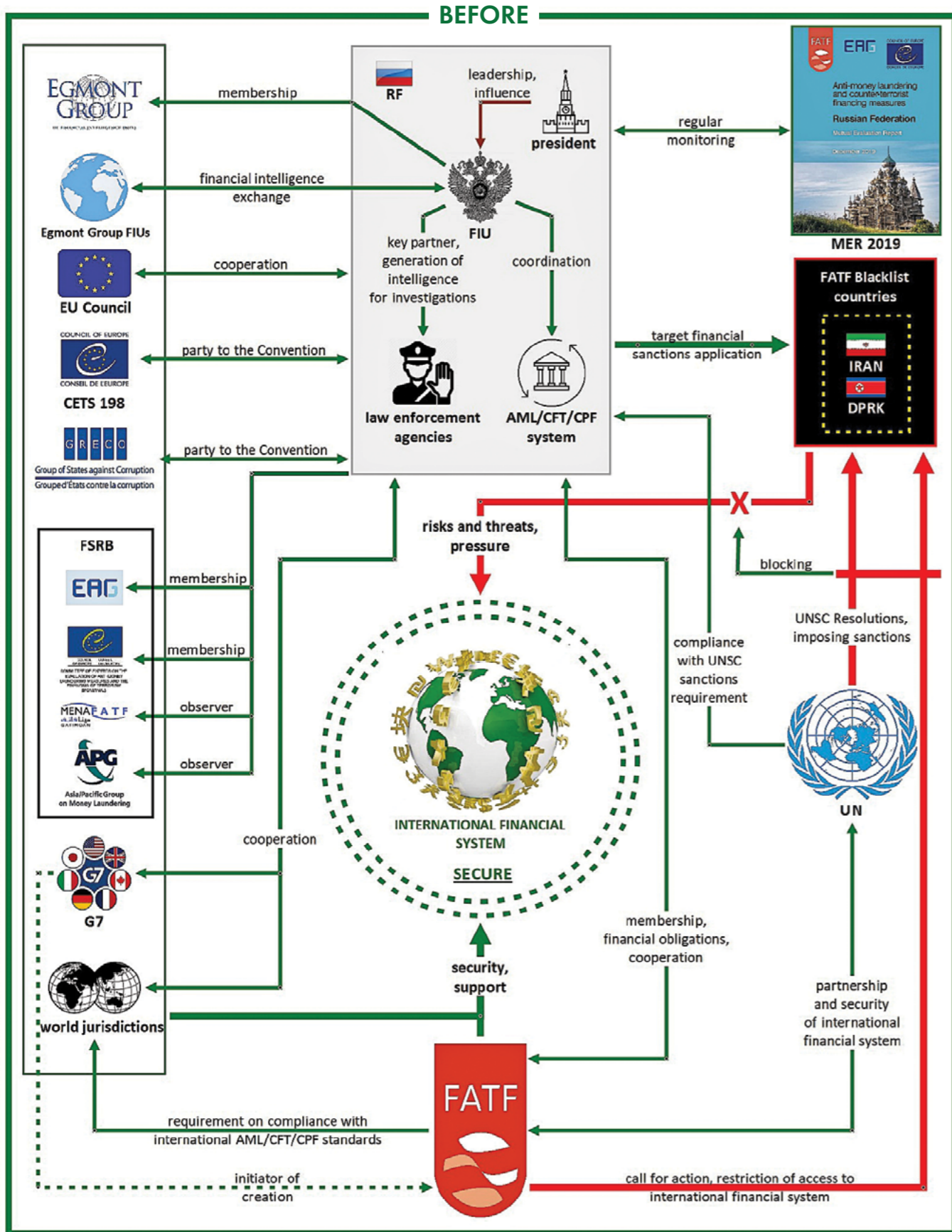
Brief description of the Global picture of protection of the international financial system from ML/TF/PF risks generated by the RF as a result of the invasion of Ukraine:



PICTURE 1.1

Picture 1.1 Kyiv, Illienka Str., a district where the SFMS located, consequences of the RF's shelling on December 29, 2023

Visualization "Global picture of protection of the international financial system from the ML/FT/PF risks generated by the RF as a result of the invasion of Ukraine"



- The graphical comparison shows the changes in the functioning of the key actors in the Global System of Countering Money Laundering (ML), Terrorist Financing (TF) and Financing the Proliferation of Weapons of Mass Destruction (PF) before and after the RF invasion of Ukraine.
- The "BEFORE" diagram displays the state of the Global System before the RF's invasion, while the "AFTER" diagram displays the state after the invasion (as of February 2024).
- After RF's invasion of Ukraine, there has been a disruption of ties between key international organizations and jurisdictions with RF, which is aimed at ensuring the integrity and stability of the Global international financial system.
- The RF is taking deliberate destructive steps to destroy the international financial system's security infrastructure, in particular by creating gateways to it for countries under sanctions of the UN Security Council and blacklisted by the FATF.
- RF's actions contradict the conclusions of the 2019 Mutual Evaluation Report and require a response from the FATF.
- The developed schemes are based on open sources of information (decisions and reports of international organizations and jurisdictions, media, statistical and analytical studies, etc.).

At the same time, in cooperation with partners from the public and private sectors, the SFMS prepared a video messages to the FATF describing the terrorist risks that the RF poses to the international financial system. These video messages were posted on the SFMS page on the social network YouTube on February 13 and June 12, 2023.

At the Plenary meeting, which took place from 20 to 24 of February, 2023, the FATF adopted a Statement according to which the FATF is deeply concerned by the reports of arms trade between the Russian Federation and United Nations sanctioned jurisdictions, and malicious cyber-activities emanating from Russia.

The FATF stated that the Russian Federation's actions unacceptably run counter to the FATF core principles aiming to promote security, safety, and the integrity of the global financial system. They also represent a gross violation of the commitment to international cooperation and mutual respect upon which FATF Members have agreed to implement and support the FATF Standards.

Considering the above, the FATF has decided to suspend the membership of the Russian Federation. The Russian Federation remains accountable for its obligation to implement the FATF Standards.

Subsequent FATF Plenary meetings have extended this decision.

In addition, on October 26 2023, the Royal United Services Institute (RUSI) published a column by the Head of the State Financial Monitoring Service of Ukraine, Igor Cherkaskyi, "We Must Go Further to Challenge Russia's Disregard for International Norms", which draws attention to the urgent problem of maintaining the security of the Global Network due to non-cooperative actions of the RF.

At the same time, on October 18, 2023, a virtual meeting of the Heads of the FIUs of the EG was held, at which, in order to maintain the EG's reputation in the global AML/CFT space, to ensure cohesion in the AML/CFT ecosystem, and to protect other EG interests and objectives, the Heads of FIUs of the EG agreed to:

- Suspend Rosfinmonitoring's membership with the EG of FIUs, for as long as it is required to protect the interests of the EG and to ensure the achievability of its objectives.
- Uphold the additional measures taken by the Heads of FIU on 13 December 2022 as far as practical in light of the suspension.

On October 19, the EG Chair issued a Statement according to which the EG remains deeply concerned by the devastating effects of the current Russian military aggression against Ukraine and the negative impact on the State Financial Monitoring Service of Ukraine (FIU of Ukraine).

In general, within the EG, in 2023, the SFMS conducted cooperation with 89 foreign financial intelligence units through the ESW.

At the same time, the Declaration of ministers and high-level delegates of MONEYVAL member states and territories (clause 3) joined in strongly condemning the continued aggression of the RF against Ukraine and confirmed their full support for Ukraine and its people.

Regarding the domestic work of the financial intelligence unit, under the martial law, key resources were aimed to counter the aggressor state and protect financial security.

The SFMS conducted analytical investigations and

provided support to the intelligence and law enforcement system by:

- establishing financial trace of the aggressor's crimes;
- identifying collaborators/traitors;
- exposing Internet agents spreading propaganda;
- identifying ways of material support to sabotage and reconnaissance groups, fire adjusters, etc.

The SFMS is a part of the operative "Task Force" group on the identification and seizure of criminal assets and assets of the enemy. Investigations related to corruption, embezzlement of budget funds and humanitarian aid were a separate direction of activities.

More detailed information on the SFMS work in this direction is presented in subsequent sections of this Report.



## 1.2. 2023 – KEY RESULTS OF WORK



### INTERNATIONAL COOPERATION

3 With the participation of the SFMS, the RF's membership in the FATF and the EG was suspended. EU sanctions were imposed on the FIU of the RF and its head.



### NATIONAL COORDINATION

The SFMS ensured the generalization of AML/CFT/CPF administrative reporting for 2022



### FINANCIAL INVESTIGATIONS

The SFMS prepared and sent 1122 referrals worth almost UAH 102,1 billion to law enforcement agencies. Over 50 cases of suspicion of treason were investigated



### LEGISLATIVE INITIATIVE

Amendments on the permanent status of politically exposed persons were made to the Basic Law



### TRAINING ACTIVITY

1 880 people were trained at the Academy of Financial Monitoring. In total, the SFMS's representatives took part in 56 educational events



### METHODICAL ACTIVITY

The SFMS has translated and published a number of manuals of AML/CFT/CPF international organizations



### NATIONAL RISK ASSESSMENT

The Government approved the Action Plan developed by the SFMS to mitigate the risks identified in the third National Risk Assessment



### TYOLOGICAL STUDIES

A typological study: "Risks and threats of legalization (laundering) of the proceeds from crime, terrorist financing in the context of armed aggression of the Russian Federation" was prepared.

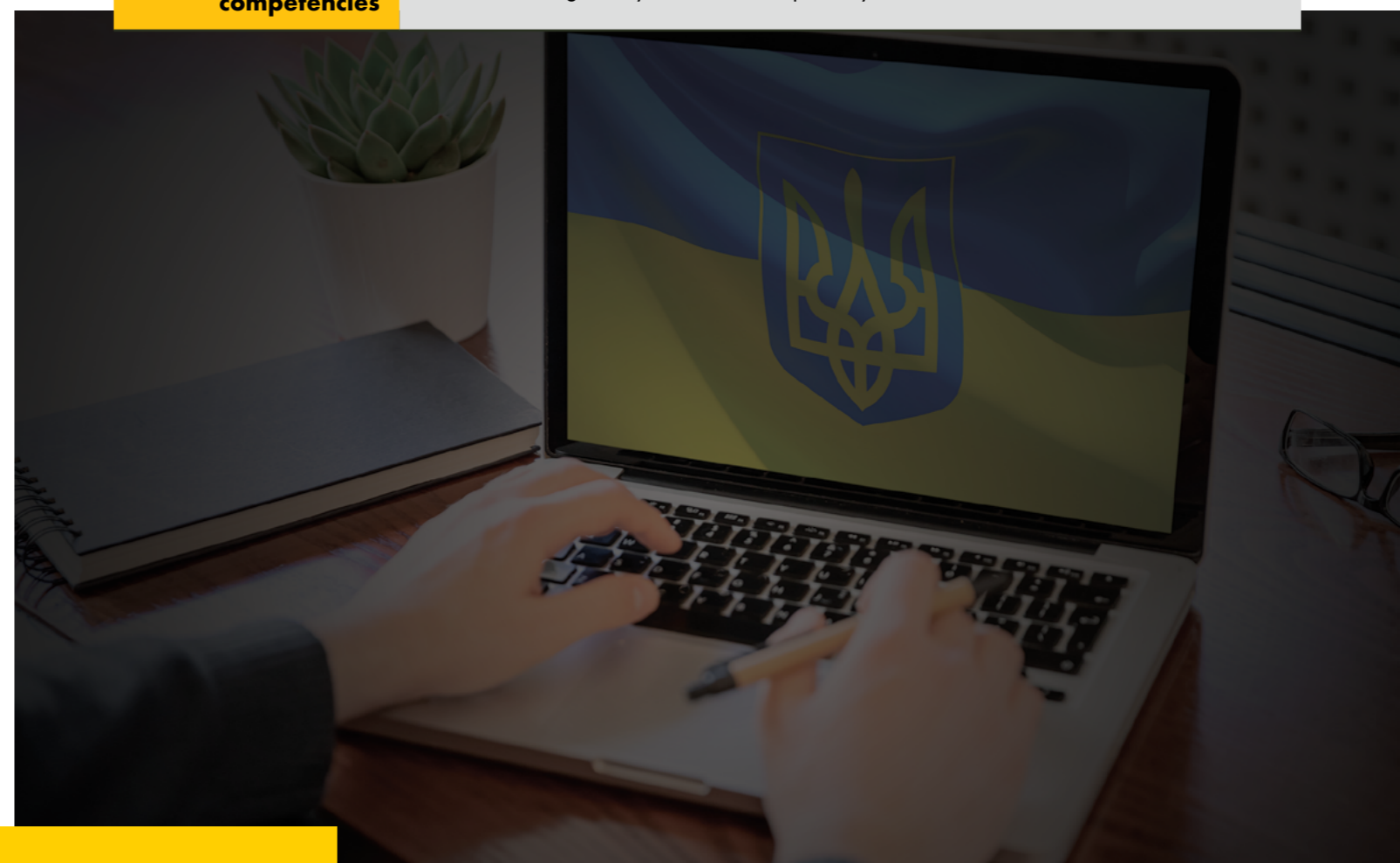
## 1.3. HUMAN RESOURCES

The human resources policy of the SFMS is implemented according to the requirements of the Constitution of Ukraine, the legislation on civil service, by ensuring principles of prevention and counteraction to corruption, other regulations under which the state creates conditions for citizens to realize the right to work, staff training and professional development according to social needs.

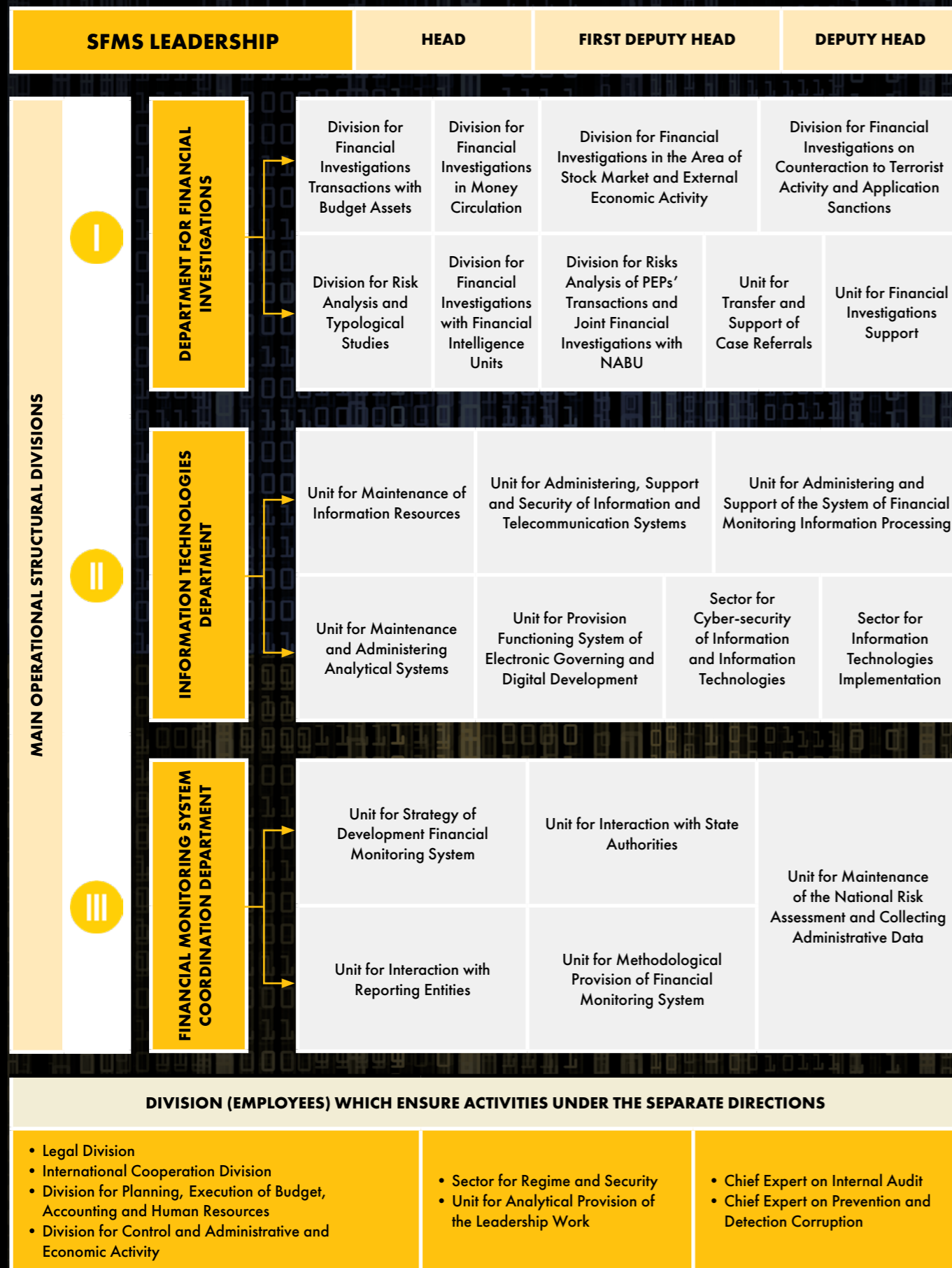
TABLE 1.1

The SFMS employee profile

<b>Age groups</b>	Under 35 years old – 68, 36 – 60 years old – 132, Over 60 years old – 6;
<b>Average age</b>	Under 45 years old
<b>Gender balance</b>	Men – 82 (39,8%), Women – 124 (60,2%)
<b>Leadership (category B)</b>	Men – 30, Women – 44
<b>Work experience</b>	5 – 10 years is an average work experience in the SFMS
<b>Experience</b>	Employees have experience in taxation, insurance, banking, law enforcement and budgetary areas.
<b>Basic abilities and competencies</b>	Flexible thinking, analytical skills, adaptability



The below mentioned Picture 1.3 provides the SFMS structure.



PICTURE 1.3

The SFMS Structure



The SFMS has 9 independent structural units that conduct financial investigations, IT work, inter-agency coordination, legal, international and other activities

The main objectives of the human resources policy of the SFMS are to involve, support and develop staff.

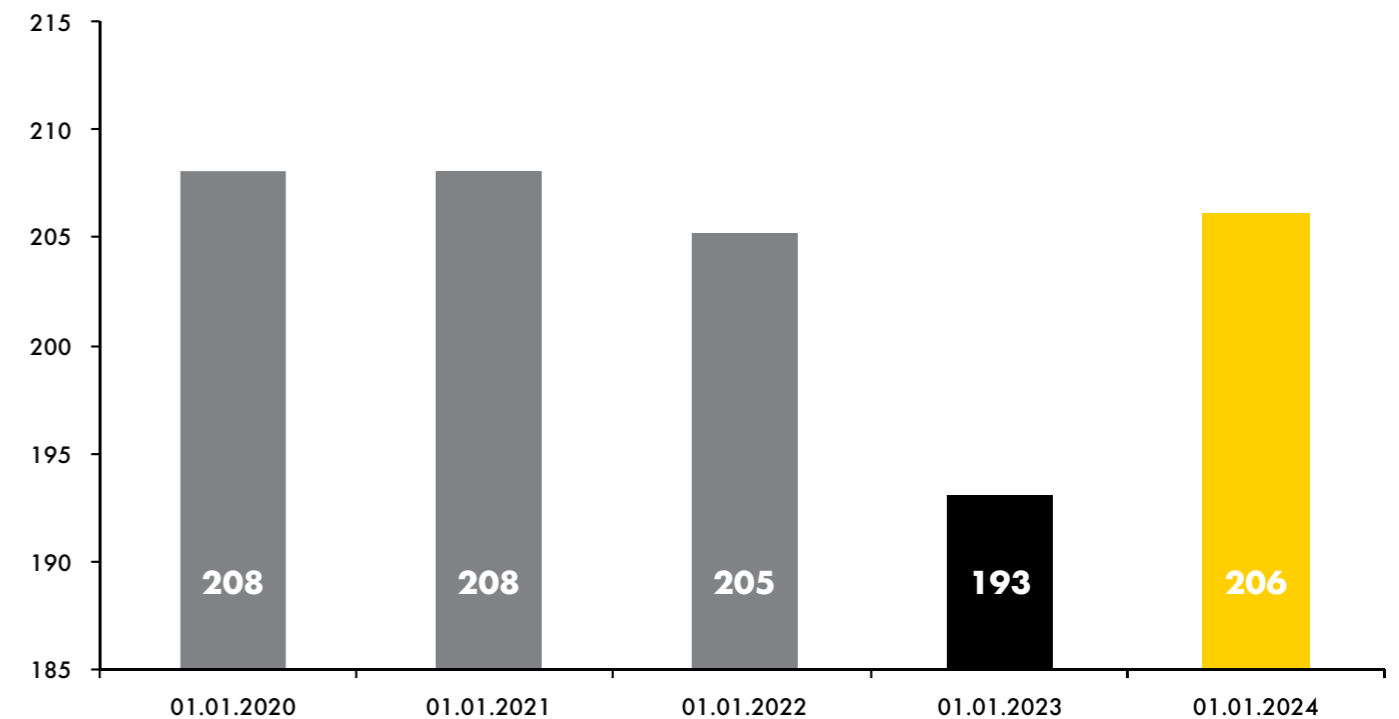
The priority areas of human resources management in the SFMS is the achievement of strategic goals and objectives of the SFMS, in particular:

- planning, selection, adaptation of staff to meet the needs of the SFMS in qualified specialists;
- organizational and professional development of staff;
- maintaining a balance between the interests of staff

and the employer through a system of evaluation and surveys.

The chart 1.1 below presents the SFMS employee profile as of 01.01.2024.

The approved number of staff of the SFMS is 237 people. As of January 1, 2024 204 employees and 2 service staff actually work in the SFMS. Dynamics of the actual number of the SFMS employees in 2020-2024 is provided on the Picture 1.4.



PICTURE 1.4

Dynamic of the actual number of the SFMS employees in 2020 – 2024



The SFMS staff consists of highly qualified specialists with complete higher education. 6 SFMS employees have a scientific degree, 2 of them have an academic degree. 8 SFMS employees have a master's degree in public administration.

In 2023, during martial law, the SFMS organized and conducted 12 selections to fill vacant civil service positions. According to the results of the selections, 43

candidates were appointed to civil service positions for the period of martial law.

The SFMS ensured the organization of professional qualification improvement of civil servants. 179 civil servants of the SFMS improved their qualifications under professional training programs, took part in seminars, webinars, trainings, which makes up 86% of the actual total number of employees.



## 1.4. FINANCING OF THE SFMS

In 2023, the SFMS received financing from the state budget of Ukraine within the budgetary allocations pursuant to the Law of Ukraine «On State Budget of Ukraine for 2023».

In 2023, in accordance with the allocations received from the state budget, the SFMS expenditures amounted to UAH 140.3 million. The structure of these expenditures is provided in the Chart 1.2.



CHART 1.2

The structure of the SFMS budgetary allocations in 2023

Expenditures	Amount in UAH thousand
Salaries and charges	116 690,4
Utility services and energy carriers expenditures	3 467,8
Other expenditures to ensure operation and maintenance of the State Information System and Information and Analytical System of the SFMS	20 117,4
<b>Total</b>	<b>140 275,6</b>

## 2. DEVELOPMENT OF THE AML/CFT/CPF LEGISLATION

During 2023, proposals for improving regulations in the AML/CFT/CPF area were developed, taking into account the content of the FATF Recommendations and the Recommendations of the European Commission, expressed on June 17, 2022 in the context of granting Ukraine the status of a candidate state.

In particular, the SFMS participated in the development of the draft law "On Amendments to the Law of Ukraine "On prevention and counteraction to legalization (laundering) of the proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction" in relation to politically exposed persons", which aimed to establish the indefinite status of PEPs. The SFMS provided proposals to bring the terminology in line with international standards in terms of bringing the terms "persons performing public functions in international organizations", "foreign PEPs" and "national PEPs" in line with the requirements of FATF Recommendation 12 and Directive (EU) 2015/849. The law was adopted on October 17, 2023, No. 3419-IX.

The SFMS also participated in the development of the draft law "On amendments to certain laws of Ukraine on adaptation Ukrainian legislation to certain standards of the Financial Action Task Force (FATF)", which clarifies the application of targeted financial sanctions regime related to FT and CPF by all individuals and legal entities. The SFMS has submitted proposals on the implementation of the FATF Recommendations 6 and 7, in terms of introducing targeted financial sanctions regime. The draft law is currently under consideration by the Verkhovna Rada of Ukraine.

At the same time, in the Report of the European Commission on the progress of Ukraine within the framework of the 2023 Enlargement Package (Brussels, 8.11.2023, SWD(2023) 699 final), the level of implementation of the EU recommendation specified in the Conclusion of the European Commission on Ukraine's application for membership in the European Union: "ensure that anti-money laundering legislation is in compliance with the standards of the Financial Action Task Force (FATF)" is assessed as completed (Step 4).

In addition, the SFMS submitted proposals to the Committee of the Verkhovna Rada of Ukraine on le-

gal policy regarding the finalization of the draft Law of Ukraine "On amendments to certain legislative acts of Ukraine on improving the regulation of notary activities" (registration No. 5644) in terms of defining the Notary Chamber of Ukraine as the sole regulator for notaries taking into account the requirements of the FATF Recommendation 28.

In general, during 2023, 2 regulations developed by the SFMS were adopted (the list is given in Annex A).

Also, the SFMS, within the scope of competence, in accordance with the procedure established by law, approved draft regulations in the AML/CFT/CPF area.

Thus, for 2023, 73 draft regulations were approved that were developed by other state authorities, of which 56 were approved without comments, and 17 - with comments.

In addition, information was prepared and sent to the Ministry of Finance of Ukraine regarding the comments provided by the SFMS to 6 draft laws developed by the People's Deputies of Ukraine, with the aim of ensuring compliance with international standards in the AML/CFT area.

At the same time, representatives of the SFMS took part in meetings chaired by the Deputy Prime Minister for European and Euro-Atlantic Integration of Ukraine, Olga Stefanishyna, on the preparation and adoption of draft laws aimed at ensuring the implementation and realisations of the provisions of international standards in the AML/CFT/CPF area, and also in the meetings of the Committees of the Verkhovna Rada of Ukraine, the subject of consideration of which were draft laws aimed at improving legislation in the specified area, including amendments to the Basic Law.

The SFMS also participated in the development of draft regulations to ensure the implementation of the Law of Ukraine No. 2571-IX of September 06, 2022 "On amendments to certain laws of Ukraine on improving the ultimate beneficial ownership and ownership structure of legal entities", namely:

- Resolution of the Cabinet of Ministers of Ukraine of June 13, 2023 No. 602 "On approval of the procedure for forming the list of foreign stock exchanges



In 2023, the SFMS processed and approved 73 draft regulations of other state authorities

(regulated markets) subject to disclosure requirements on ultimate beneficial owners";

- Order of the Ministry of Justice of June 14, 2023 No. 2211/5 "On approval of the Procedure for providing explanations and/or documents by a legal entity to confirm information on the ultimate beneficial owner and/or ownership structure of a legal entity, as well as the procedure for their consideration";
- Order of the Ministry of Justice of Ukraine No. 2542/5 of July 12, 2023 "On approval of the Procedure for notifying the holder of the Unified state register of legal entities, individual entrepreneurs and public organizations of discrepancies between the information on ultimate beneficial owners and/or ownership structure of a legal entity received by the reporting entity as a result of due diligence and the information on ultimate beneficial owners and/or ownership structure of a legal entity placed in the Unified state register of legal entities, individual entrepreneurs and public organizations";
- Order of the Ministry of Justice of Ukraine of July 10, 2023 No. 2513/5/378 "On approval of the Procedure for the transfer by the holder of the Unified state register

of legal entities, individual entrepreneurs and public organizations of information on discrepancies between information on the ultimate beneficial owners and/or ownership structure of a legal entity, received by the reporting entities as a result of due diligence of the legal entity, and the relevant information placed in the specified register, and about the reporting entity, which revealed such discrepancies, to a specially authorized body”;

- Order of the Ministry of Justice of September 13, 2023 No. 3258/5 “On establishing the Procedure for bringing legal entities to liability and the procedure for determining the amounts of fines for violations determined by part four of Article 35 of the Law of Ukraine “On state registration of legal entities, individual entrepreneurs and public organizations”;
- Order of the Ministry of Justice of Ukraine of September 14, 2023 No. 3265/5 “On establishing the Procedure for the state registrar to verify the information provided by a legal entity in the explanation and documents provided to confirm information on the ultimate beneficial owner and/or ownership structure of a legal entity”;
- joint Resolution of the Cabinet of Ministers of Ukraine and the National Bank of Ukraine of September 19, 2023 No. 1011 “On approval of the Methodology for determining the ultimate beneficial owner by a legal entity”.

It is worth noting that representatives of the SFMS were members of the working group on the development of the draft Methodology for determining the ultimate beneficial owner by a legal entity, established in accordance with the Order of the Ministry of Finance of Ukraine of April 14, 2023 No. 192 and provided relevant comments and suggestions to its text.

This Methodology is a regulatory document, which has no comprehensive analog in the world, and is aimed at establishing a unified approach at the country level to determine the real owners of companies.

The Government’s decision is one of the key indicators in the creation of a comprehensive system for verifying information about the ultimate beneficial owner (hereinafter - the UBO) (the aforementioned joint Resolution of the Cabinet of Ministers of Ukraine and the National Bank of Ukraine of September 19, 2023 No. 1011).

The verification of UBOs information will ensure that there is adequate, accurate and up-to-date information on the beneficial ownership of legal entities, to which the competent authorities will always have full and timely access.

The document establishes mechanisms for researching information on individuals exercising control and decisive influence over the activities of a legal entity.

## 3. STATISTICS ON THE REPORTS RECEIVED

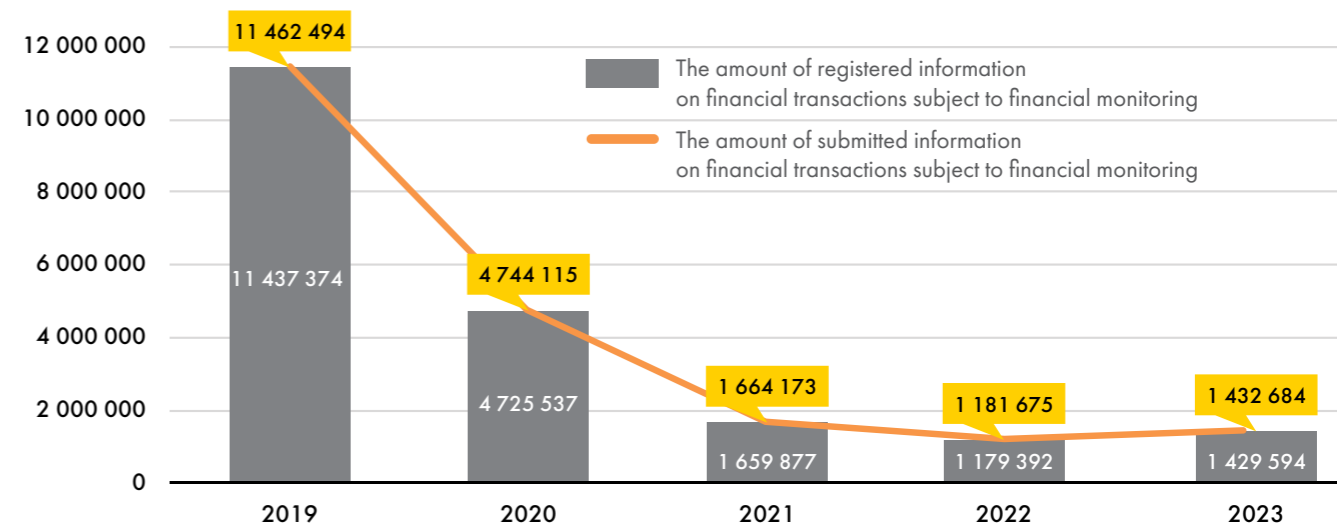
### 3.1. GENERAL DYNAMICS OF THE REPORTS RECEIVED

In accordance with the Basic Law, the reporting entities submit to the SFMS information on threshold financial transactions and suspicious financial transactions (activity).

In total, since the beginning of operation of the FMIS, **57 852 061** reports on financial transactions subject to financial monitoring have been received and processed, among which 1 432 684 reports have been received during 2023, of them 1 429 594 reports were registered (Picture 3.1.).



In the reporting year, more than 1.4 million financial transaction reports were received from the REs and processed



PICTURE 3.1

Dynamic of informing on financial transactions during 2019 - 2023

It should be mentioned that the proportion of mistakes in the reports is

0,1 % of the total number of the reports on financial transactions received by the SFMS during 2023.

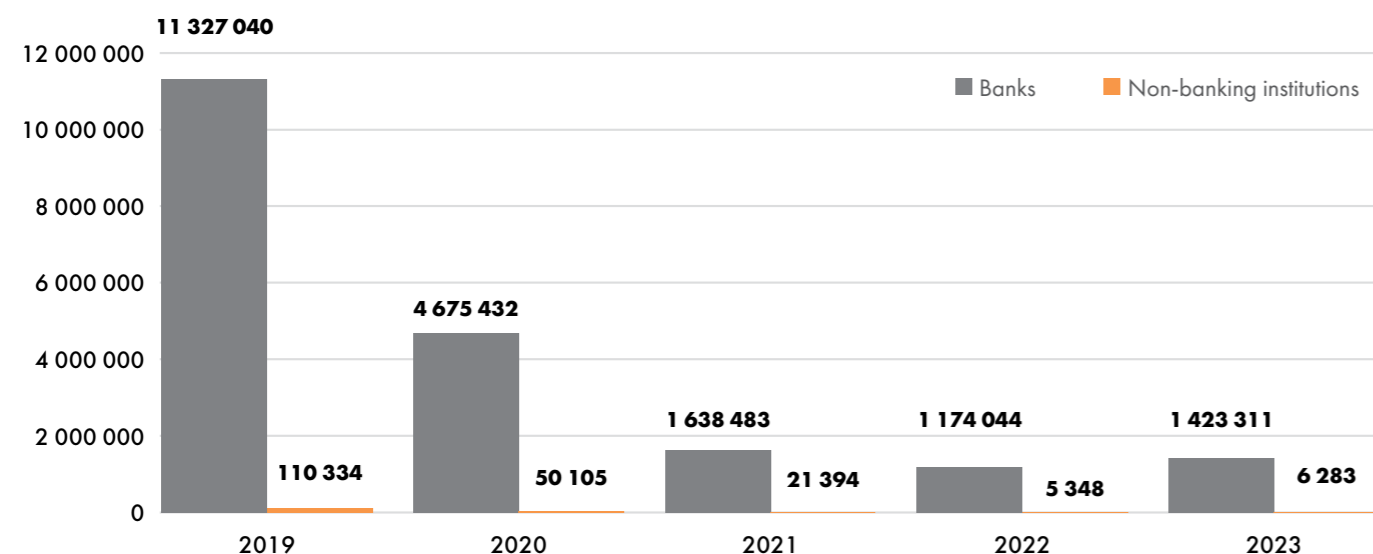
Thus, the percentage of the reports on financial transactions correctly submitted by the reporting entities to the

SFMS during 2023 was 99,9 % of the total number of the reports.

Also it should be noted that in 2023 a number of the reports on financial transactions registered by the SFMS increased by 21,2% in comparison with 2022.

## 3.2. DYNAMICS OF THE REPORTING ENTITIES' REPORTS REGISTERED BY THE SFMS

The most active reporting entities in the reporting system are banks submitting the majority of the reports on financial transactions, which are subject to financial monitoring (Picture 3.2).



PICTURE 3.2

Dynamics of reports on financial transactions registered by the SFMS received from banks and non-bank institutions during 2019-2023

During 2023, the registered SFMS registered 99,6% reports on financial transactions received from banks of a total number of the reports on financial transactions, which were subject to financial monitoring.

In 2023, the share of the reports on financial trans-

actions registered by the SFMS from non-banking institutions in electronic form amounted to 90,4% of the total number of the reports registered by the SFMS which were received from the mentioned type of the reporting entities (Chart 3.1).

CHART 3.1

Number of the reports on financial transactions registered by the SFMS in 2023 by the types of submitting

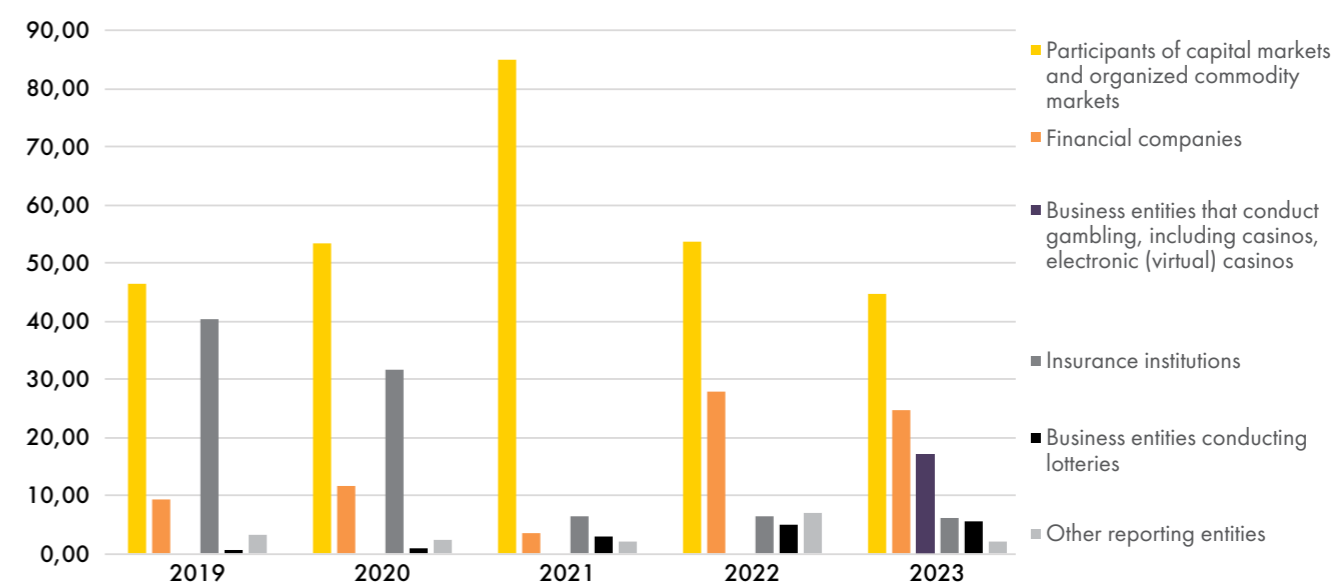
Type of institution	Number of the reports in electronic form	Number of the reports in paper form
Banks	1 423 311	-
Non-banking institutions	5 680	603

Among the non-banking institutions, the participants of capital markets and organized commodity markets are the most active in reporting. The share of such reports in the total amount of the reports registered by the SFMS which were received from non-banking sector during 2023 amounted to 44,62% (Chart 3.2, Picture 3.3).

CHART 3.2

The share of the reports in the total amount of the reports on financial transactions received from non-banking sector and registered by the SFMS in 2023

Type of institution	Number of reports	Share, %
Participants of capital markets and organized commodity markets	2 788	44,62
Financial companies	1 535	24,56
Business entities that conduct gambling, including casinos, electronic (virtual) casinos	1 075	17,20
Insurance institutions	388	6,21
Business entities conducting lotteries	338	5,41
Other reporting entities	125	2,00



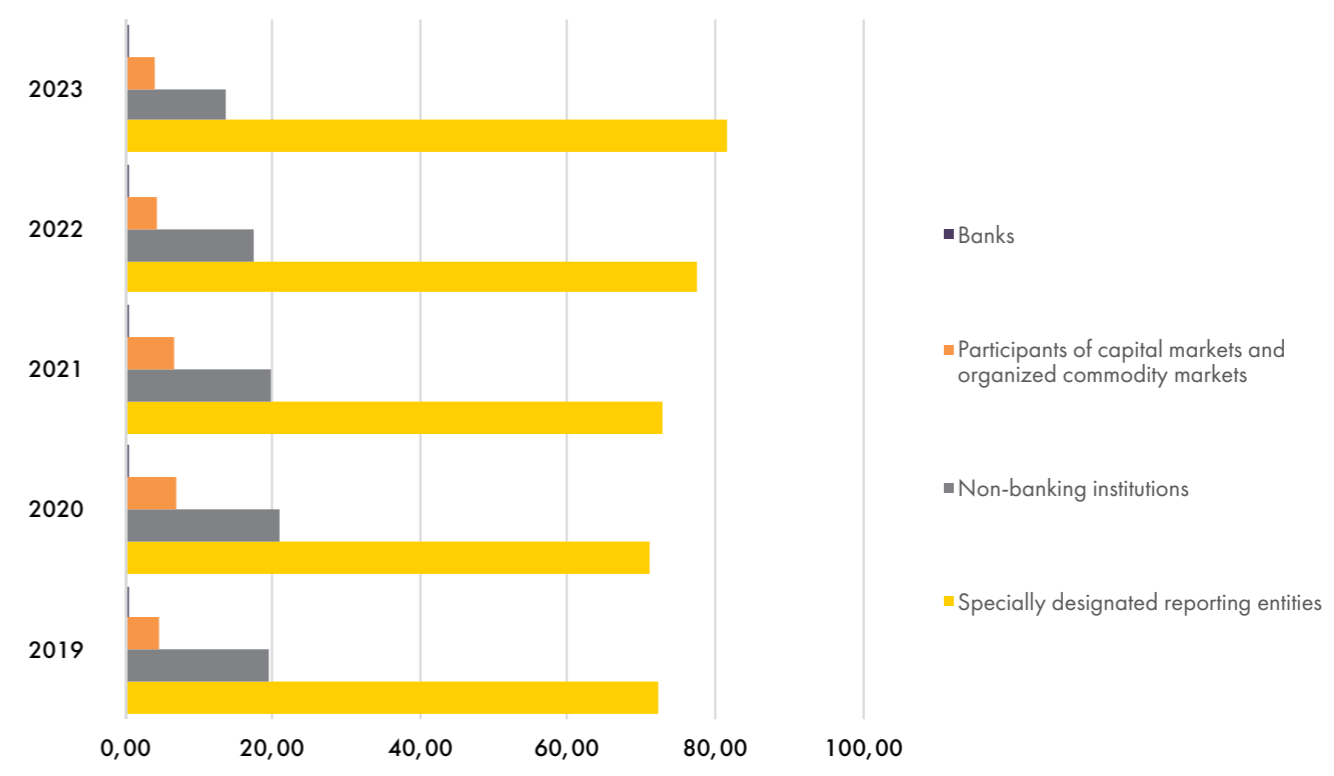
PICTURE 3.3.

Dynamics of the share of financial transactions registered by the SFMS during 2019 - 2023 by types of entities of the non-banking sector



In accordance with paragraph 1 of part two of Article 8 of the Basic Law, the reporting entities are required to be registered in the SFMS.

As of 01.01.2024, 11 445 reporting entities (including 1 081 separate subdivisions) were registered in the SFMS (Picture 3.5).



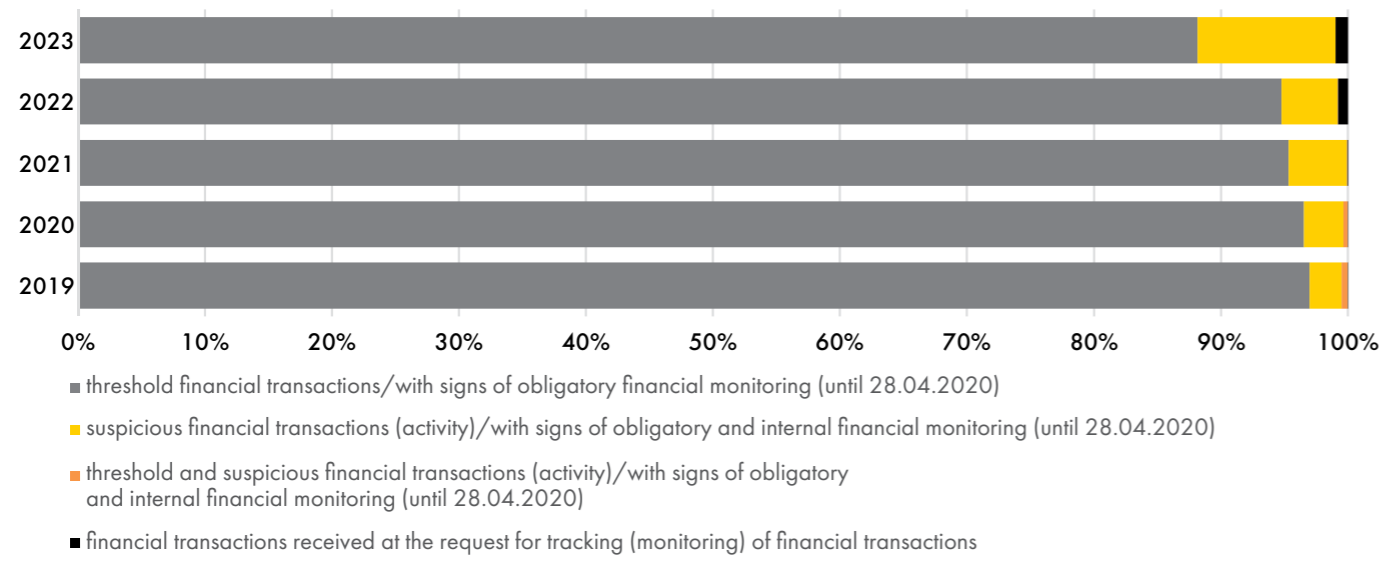
PICTURE 3.5.

Share of the reporting entities, registered in the SFMS as of 01.01.2024 by their types

The distribution of the reports registered by the SFMS in 2023 in terms of signs of financial monitoring is as follows (Picture 3.4):

- threshold financial transactions – 88,16% (1 260 269);
- suspicious financial transactions (activity) – 10,87% (155 369);

- threshold and suspicious financial transactions (activity) – 0,01% (178);
- financial transactions received on the request of tracking (monitoring) financial transactions – 0,96% (13 778).



PICTURE 3.4.

Structure of financial transactions subject to financial monitoring registered by the SFMS



## 4. ANALYTICAL ACTIVITY

### 4.1. THE PROCESS OF INFORMATION ANALYSIS

The SFMS, in accordance with its powers, on a permanent basis collects, processes and analyses information on financial transactions subject to financial monitoring, other financial transactions or information that may be related to ML/TF/PF suspicion.

Information for analysis (operational and strategic) comes from:

- Reporting entities;
- Law enforcement and intelligence agencies;
- State financial monitoring entities and other state authorities;
- Foreign FIUs.

The SFMS performs a comprehensive analysis of the received information and identifies suspicious financial transactions in the public and commercial sector of economy with the involvement of financial and non-financial intermediaries.

Initial processing and analysis of the information are carried out in the analytical segment of the FMIS.

All the reports received which get to the warehouse of the SFMS are divided by risk levels and are subject to a detailed analysis, taking into account all available information. Following the results of the analysis, dossiers are created for conducting financial investigations.

It should be noted that with the entry into force of the updated Basic Law (28.04.2020) the transition to a risk-based approach and case reporting when submitting reports on suspicious financial transactions (activities) by the reporting entities was introduced.

Thus, in 2023, the SFMS received from reporting entities 98 535 case reports on suspicious financial transactions (activities) with certain signs of suspicion. In 2022, the SFMS received from reporting entities 38 121 reports on suspicious financial transactions (activities) with certain signs of suspicion.

Based on the results of the analysis, 6 785 dossiers were created (Picture 4.1).

Dossier is analyzed to identify reasons to believe a financial transaction may be related to ML/TF/PF or the commission of other act defined by the Criminal Code of Ukraine.

The SFMS conducts an analysis of financial transactions on a risk-based approach considering the AML/CTF/CPF international experience.

In comparison with the previous 2022, a number of created dossiers increased by more than 35% or by 1 769 dossiers.

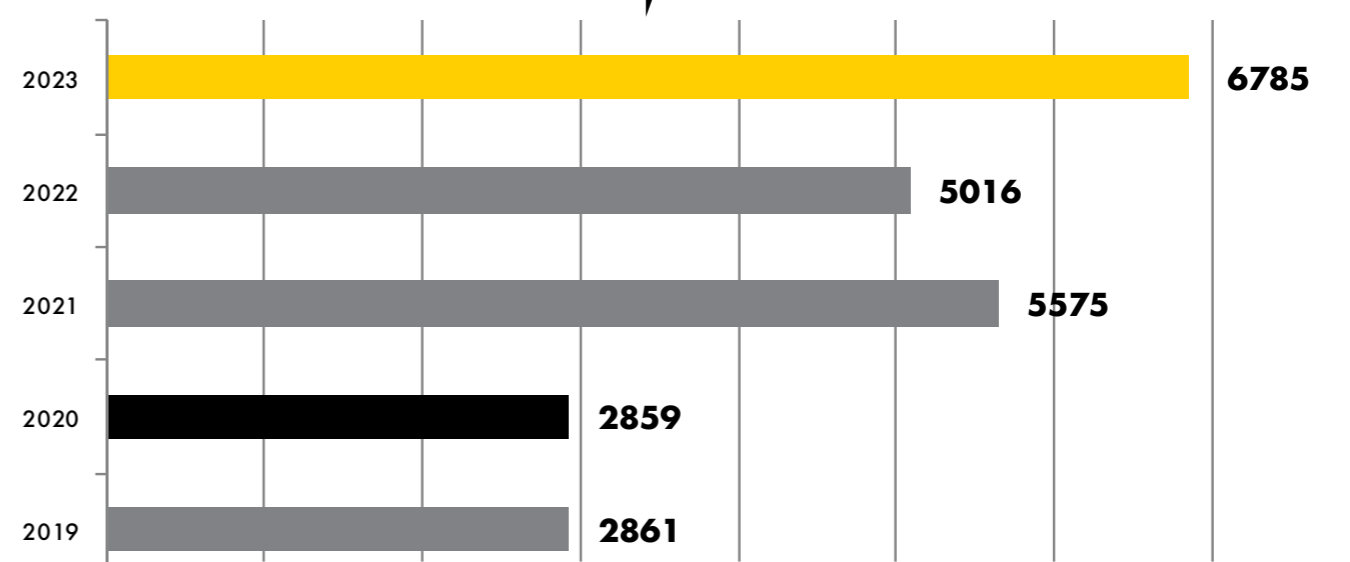
In 2023, as a result of dossiers processing, the SFMS submitted to law enforcement and intelligence authorities 1 122 referrals, including 608 case referrals and 514 additional case referrals.

The analysis of the reports received is carried out taking into account the additional information received upon the SFMS requests.

Thus, during 2023, the SFMS has sent 21 505 files-requests for additional information to 67 bank institutions.



In comparison with 2022, the number of created dossiers increased by more than 35% or by 1,769 dossiers



PICTURE 4.1 Dynamics of dossier creation in 2019 - 2023

### 4.2. SUSPENSION OF FINANCIAL TRANSACTIONS

The Basic Law authorizes the SFMS to suspend financial transactions.

In accordance with Article 23 of the Basic Law, the SFMS takes appropriate decisions and instructions to suspend financial transactions, namely:

- on further suspension of financial transaction in accordance with part two of Article 23 of the Basic Law;
- on suspension of debit transactions on the accounts of reporting entities' clients (persons) in accordance with the part three of Article 23 of the Basic Law;
- on revoking its decision on further suspension of the relevant financial transactions or suspension of debit financial transactions in accordance with part nine of Article 23 of the Basic Law;

- on entrusting reporting entity to suspend/renew or conduct or ensure monitoring of financial transactions of the relevant person in response to a request from an authorized authority of a foreign state, in accordance with part three of Article 31 of the Basic Law.

Thus, during 2023, the SFMS has suspended financial transactions of 232 persons. In 2022, the SFMS has suspended financial transactions of 475 persons.



**In 2023, the amount of financial transactions suspended and funds blocked by the SFMS is equivalent to UAH 4.1 billion**

In 2023, the amount of financial transactions suspended by the SFMS and blocked funds is equivalent to 4.1 billion hryvnias.

## 4.3. FINANCIAL INVESTIGATIONS

Russia's open, large-scale aggression against an independent, peaceful and democratic Ukraine has created new challenges for the financial monitoring system.

In order to reduce vulnerabilities related to the legalization (laundering) of proceeds from crime, terrorism financing and/or financing of proliferation of weapons of mass destruction, or the commission of another criminal offense or act, the financial system should focus on increasing the level of detection, blocking of financial transactions and activities of persons involved.



**Financial instruments for committing these crimes are becoming increasingly sophisticated and complex**

Increased activity of organized criminal groups in the conditions of war is one of the most urgent challenges of today.

Criminals continue to improve their skills in ML/TF/PF schemes. Globalization of processes continues, as there is a constant need to increase the financing of occupying forces, terrorist groups, the spread of separatist ideas and propaganda.

Financial instruments for committing these crimes are becoming increasingly sophisticated and complex.

The crimes of war and their financing, as well as related crimes, remain relevant.

All this creates conditions for a weakening of the Ukrainian economy. Thus, the task of the AML/CTF/CPF system is to prevent and counteract the commission of crimes that generate criminal proceeds.

Based on the results of the analysis and summarizing of the identified (typical and new) methods, ways, financial instruments and ML/TF/PF schemes, the following priority directions of financial investigations were defined:

- war and terrorism (separatism) financing;
- money laundering of corruption;
- theft of budget funds and state enterprises funds;
- misuse of funds allocated for humanitarian projects, social projects and the reconstruction (restoration) of critical infrastructure and housing;
- money laundering related to fraudulent seizure of funds of citizens and legal entities by deception.

Taking into account the RF aggression and the threat to the national security of Ukraine, the SFMS, using its own practice and the practice of other participants of the national financial monitoring system, and experience of international partners has prepared a typological study: "Risks and threats of legalization (laundering) of the proceeds from crime, terrorist financing in the context of armed aggression of the Russian Federation".



**To date, the SFMS has already prepared and published 19 typological studies**

In the study, the types of schemes for legalization (laundering) of criminal proceeds and financing of terrorism (separatism), which are committed in the context of military aggression of the RF has been highlighted, indicators of suspicion, methods and tools of ML/TF/PF schemes and other crimes has been revealed.

### 4.3.1. COUNTERACTING WAR AND TERRORISM (SEPARATISM) FINANCING

The SFMS (as the FIU) jointly with the law enforcement agencies takes measures aimed at preventing and counteracting financing of terrorist and collaboration activities, detecting financial transactions related to military aggression of the RF and the RB against Ukraine, counteracting PF.

In 2023, the SFMS submitted to the law enforcement authorities 267 referrals related to the financing of terrorism/separatism and military aggression of the RF and the RB against Ukraine.



Such materials are divided into the following components by areas of investigation (some materials correspond to smaller components):

- 33 referrals (23 case referrals and 10 additional case referrals) which contained information on financial transactions or their participants suspected of terrorism/separatism and its financing (including financing of illegal armed formations on the temporarily occupied territories of Ukraine).

The submitted referrals contained information of/on:

- ✓ law enforcement agencies – 16 referrals (13 case referrals and 3 additional case referrals);
- ✓ foreign FIUs – 13 referrals (6 case referrals and 7 additional case referrals);
- ✓ the revealed connections with the RF or RB – 20 referrals (10 case referrals and 10 additional case referrals);
- ✓ the suspension of debit financial transactions – 4 referrals (2 case referrals and 2 additional case referrals). As a result of the adopted decisions, the total amount of suspended financial transactions is UAH 0,58 million.
- 103 referrals (95 case referrals and 8 additional case referrals) on financial transactions or their participants that may be related to military aggression by the RF and RB against Ukraine; collaboration activities; publicly calling for violent change or overthrow of the constitutional order or seizure of state power, changes in the boundaries of the territory or state border, including with the participation of 9 non-profit organizations.

The submitted referrals contained information of/on:

- ✓ law enforcement agencies – 50 referrals (48 case referrals and 2 additional case referrals);
- ✓ foreign FIUs – 5 referrals (3 case referrals and 2 additional case referrals);
- ✓ the revealed connections with the RF and RB – 37 referrals (34 case referrals and 3 additional case referrals);
- ✓ the suspension of expenditure financial transactions – 13 referrals (10 case referrals and 3 additional case referrals). As a result of the adopted decisions, the total amount of suspended financial transactions is UAH 5,09 million.
- 163 referrals (59 case referrals and 104 additional

case referrals) regarding legal entities and individuals, or related persons, to which restrictive measures (sanctions) have been applied.

The submitted referrals contained information of/on:

- ✓ law enforcement agencies – 63 referrals (33 case referrals and 30 additional case referrals);
- ✓ foreign FIUs – 113 referrals (39 case referrals and 74 additional case referrals)
- ✓ the revealed connections with the RF and RB – 113 referrals (48 case referrals and 65 additional case referrals);
- ✓ the suspension of expenditure financial transactions – 14 referrals (10 case referrals and 4 additional case referrals). As a result of the adopted decisions, financial transactions in the total amount of UAH 915,77 million and 2 169 securities with a nominal value equal to UAH 74,54 million were suspended.

The main tools identified in the submitted referrals:

- cash use;
- electronic payment systems use;
- cash deposit to foreign accounts;
- use of e-money and instant transfer systems;
- provision/repayment of financial assistance;
- purchase and sale of precious metals;
- transactions involving persons registered in the occupied territories, including acquiring;
- entities registered in “offshore” zones;
- cryptocurrency transactions;
- underestimation/overestimation of the cost of goods/works/services;
- transit operations;
- acquisition of corporate rights;
- transferring assets to business partners;
- use of straw men;
- concealment of beneficial owners;
- formation of a fictitious tax credit;
- use of business entities with signs of fictitiousness;
- use of socially vulnerable groups of the population;
- use of shell companies (non-residents);
- transferring funds abroad;

- transfer of funds for services that are difficult to estimate;
- transferring/receiving funds to/from controlled entities;
- charitable contributions (donations);
- conducting non-commodity transactions;
- substitution (replacement) of the range of goods;
- use of fictitious contracts;
- use of business entities - intermediaries (transitors);
- use of transit and conversion groups.

## 4.3.2. MONEY LAUNDERING FROM CORRUPTION

The SFMS pays a special attention to the investigation of the facts of money laundering from corruption, embezzlement and misappropriation of public funds and property.

In 2023, the SFMS has sent 250 referrals (86 case referrals and 164 additional case referrals) to law enforcement agencies, which are related to suspicion of corruption, in particular:

- the NABU - 167 referrals (47 case referrals and 120 additional case referrals);
- the SBI - 42 referrals (18 case referrals and 24 additional case referrals);

- the SSU - 20 referrals (10 case referrals and 10 additional case referrals);
- the NPU – 11 referrals (4 case referrals and 7 additional case referrals);
- the PGO – 8 referrals (5 case referrals and 3 additional case referrals);
- the ESBU – 2 case referrals.

In these referrals, the amount of financial transactions that may be related to legalization of funds, and with the commission of a criminal offense is UAH 15.5 billion.



### 4.3.3. INVESTIGATION OF TRANSACTIONS RELATED TO BUDGET FUNDS AND OTHER STATE ASSETS



In 2023, the SFMS has sent to law enforcement agencies 88 referrals (51 case referrals and 37 additional case referrals) related to budget assets allocated for the needs of the Armed Forces of Ukraine and other paramilitary formations, including 27 case referrals - taking into account the information received from a law enforcement agency.

According to the referrals, the amount of financial transactions that may be related to legalization of funds, and the commission of a criminal offense is UAH 5,3 billion.

The amount of involved state funds is UAH 33,3 billion.

The submitted referrals are related to the theft of budget assets by:

- illegal alienation and embezzlement of state property;
- misappropriation of state assets;
- misuse of budget funds, by dispersing them between the accounts of risky, fictitious and related business entities.

Tools used:

- cashing out;
- providing and repayment of financial assistance;
- carrying out financial transactions with questionable economic feasibility;
- involvement of intermediaries in order to increase the value of the goods;
- placement by business entities of received budget funds on deposit accounts;
- repayment of loans at the expense of budget funds;
- making payments that do not correspond to the types of economic activity of clients;
- "twists".

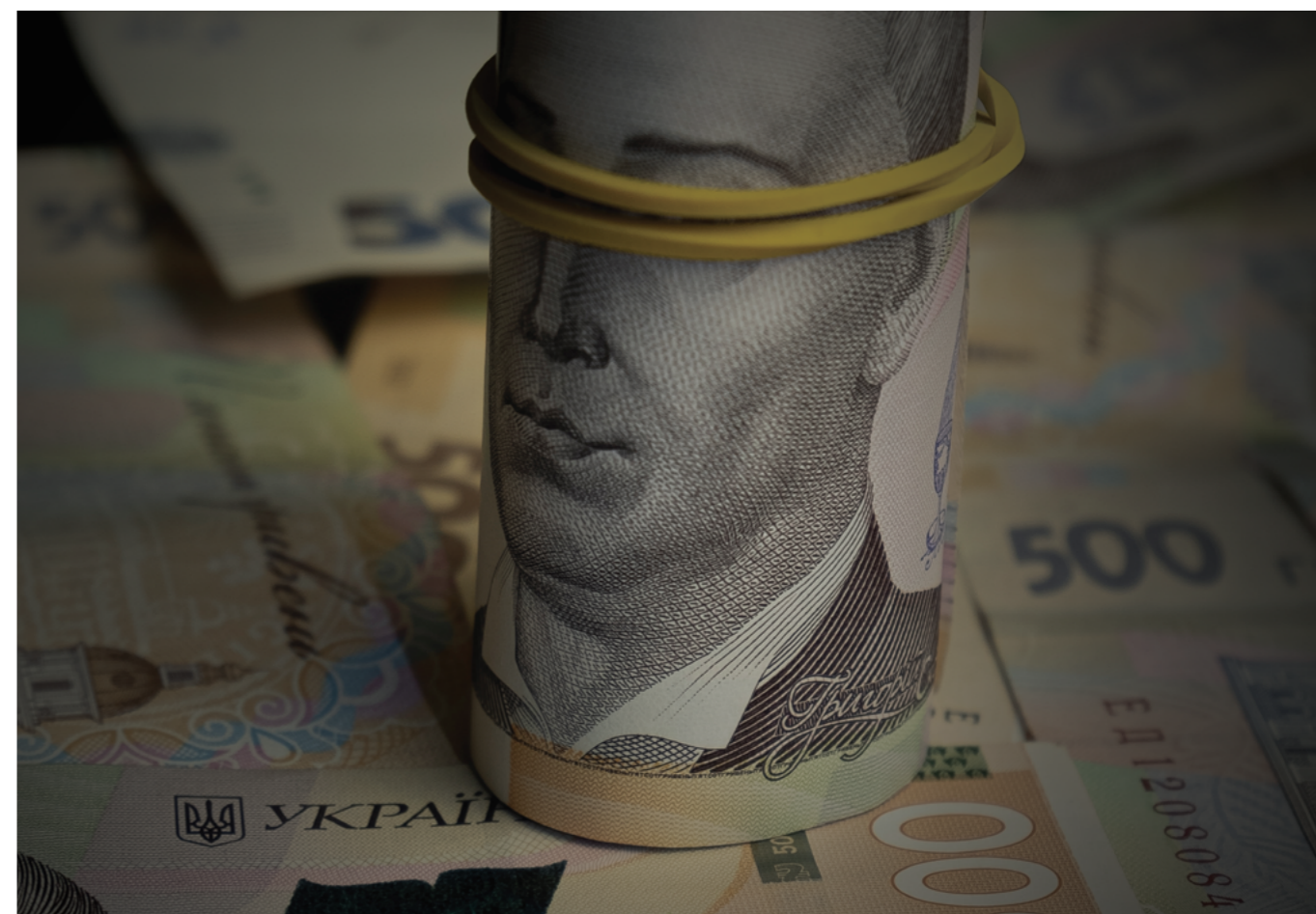
### 4.3.4. INVESTIGATION OF TRANSACTIONS RELATED TO THE MISUSE OF FUNDS ALLOCATED FOR HUMANITARIAN PROJECTS, SOCIAL PROJECTS AND RECONSTRUCTION (RESTORATION) OF CRITICAL INFRASTRUCTURE OBJECTS, HOUSING

In 2023, the SFMS sent 55 referrals (35 case referrals and 20 additional case referrals) to law enforcement agencies, related to the use of funds allocated for humanitarian projects, social projects and reconstruction (restoration) of critical infrastructure objects, housing.

In the mentioned referrals, the amount of financial

transactions that may be related to the legalization of funds and the commission of a criminal offense amounts to UAH 8.2 billion.

The amount of involved state funds amounted to UAH 4.9 billion.



## 4.3.5. LAUNDERING OF PROCEEDS FROM CRIMES RELATED TO FRAUDULENT ACQUISITION OF FUNDS OF CITIZENS AND LEGAL ENTITIES

In 2023, the SFMS sent 114 referrals (88 case referrals and 26 additional case referrals) to law enforcement agencies, which were related to suspicions of fraudulent acquisition of funds of citizens and legal entities.

In the specified referrals, the amount of financial transactions that may be related to the legalization of funds and the commission of a criminal offense amounts to UAH 0.6 billion.

Fraudulent acquisition of funds was carried out by:

- use of social engineering methods, in particular vishing (telephone fraud associated with luring bank card details or other confidential information, coercion to transfer funds to the thieves' card);
- use of electronic computing equipment, the "Internet-Client-Bank" remote account management system, the "Mobile Banking" service, and electronic payment services;
- distribution of announcements about fundraising allegedly for the needs of the Armed Forces of Ukraine using the Internet and the Telegram messenger;
- provision of employment services abroad to a wide range of persons, as well as assistance in the illegal crossing of the state border by men of military age during martial law;
- use of public/charity organizations to receive charitable assistance, including that intended for children with health disabilities and low-income families, with further directing it to one's own needs;

- illegal access to telecommunication facilities and the use of personal data of a person (by reissuing a SIM card without the owner's knowledge) to issue and obtain online loans via the Internet;
- hacking and using other people's accounts in the social network under the pretext of collecting funds for the needs of the Armed Forces of Ukraine, treatment, etc.;
- use of forged payment documents and identity documents for presentation to banking institutions in order to make illegal payments;
- purchase/sale of goods and services via the Internet, including using the OLX online classifieds platform.

Tools used:

- payments for goods (electric generators, diesel fuel) and services;
- schematic transit calculations;
- international transfers;
- charitable/humanitarian and financial assistance;
- pension payments;
- online loans;
- cash;
- payment cards.

## 5. CASE REFERRALS

Pursuant to the Basic Law and in accordance with the Procedures for the submission and review of case referrals, approved by the Orders of the Ministry of Finance of Ukraine and law enforcement agencies, the expert commission of the SFMS for the review of case referrals and additional case referrals trials, prepared for submission to law enforcement and intelligence agencies, if there are sufficient grounds, makes a decision on the submission of such referrals to law enforcement and intelligence agencies.

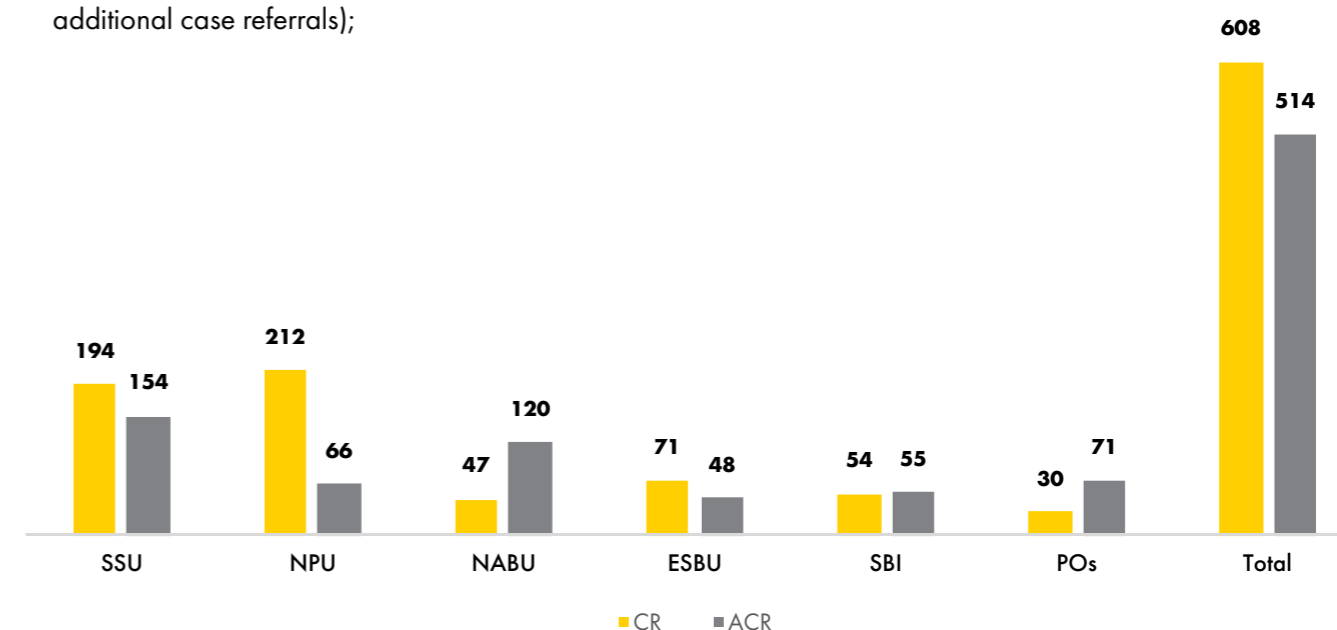
During 2023, the SFMS sent 1 122 referrals to law enforcement agencies (608 case referrals and 514 additional case referrals), in particular to (picture 5.1):

- the SSU – 348 referrals (194 case referrals and 154 additional case referrals);
- the NPU – 278 referrals (212 case referrals and 66 additional case referrals);
- the NABU – 167 referrals (47 case referrals and 120 additional case referrals);
- the ESBU – 119 referrals (71 case referrals and 48 additional case referrals);
- the SBI – 109 referrals (54 case referrals and 55 additional case referrals);
- the prosecutors' offices – 101 referrals (30 case referrals and 71 additional case referrals).

- the ESBU – 119 referrals (71 case referrals and 48 additional case referrals);
- the SBI – 109 referrals (54 case referrals and 55 additional case referrals);
- the prosecutors' offices – 101 referrals (30 case referrals and 71 additional case referrals).

These referrals contain information on financial transactions that may be related to the legalization of funds and committing a criminal offense amounting to UAH 102.1 billion, in particular to:

- legalization of funds, amounts to UAH 89.0 billion;
- committing a criminal offense, amounts to UAH 12.4 billion;
- financing of terrorism, amounts to UAH 0.7 billion.



PICTURE 5.1

The number of submitted case referrals and additional case referrals to law enforcement agencies in 2023

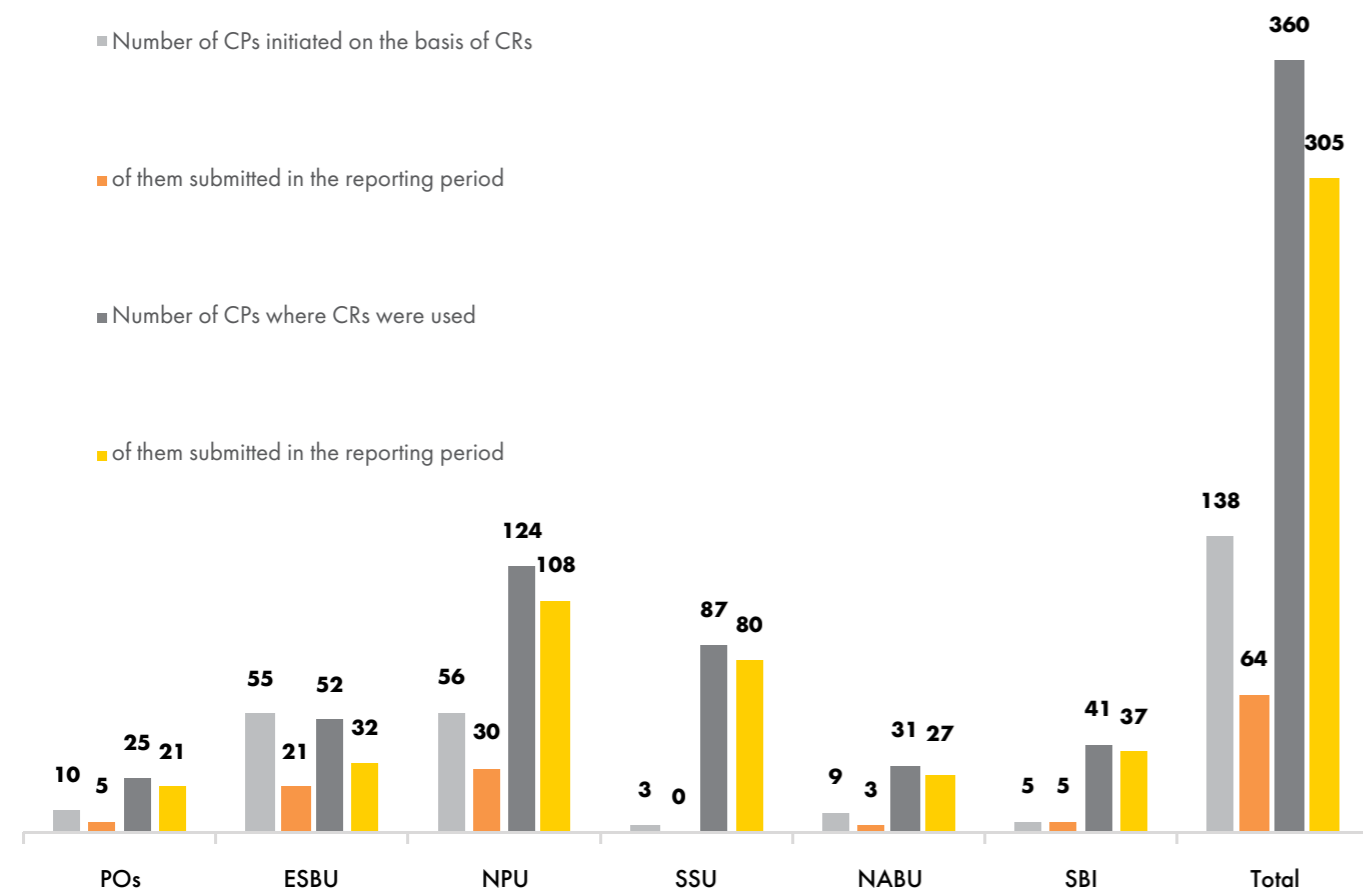
In the course of pre-trial investigations, law enforcement agencies initiated/used 518 case referrals of the SFMS (taking into account those submitted in previous years) in 498 criminal proceedings (picture 5.2), in particular:

- based on the results of the review of 136 case referrals, 138 criminal proceedings were initiated;
- 382 case referrals were used in 360 criminal proceedings.

Law enforcement units completed 52 criminal proceedings in connection with an appeal to the court with an indictment, initiated on the basis of 52 case referrals.

The courts considered 35 criminal cases initiated

based on the results of consideration of 35 case referrals, with guilty verdicts or rulings on non-exculpatory grounds.



PICTURE 5.2

Number of initiated criminal proceedings based on case referrals (used in criminal proceedings) in 2023

According to the information received by the SFMS in 2023, the total value of seized property (funds) in criminal proceedings initiated by law enforcement agencies

based on the results of the review of the case referrals of the SFMS is UAH 17.1 billion.

## 6. ENSURING FUNCTIONING AND DEVELOPMENT OF THE UNIFIED INFORMATION SYSTEM IN THE AML/CFT/CPF AREA

In accordance with the main tasks and Priorities of activity of the State Financial Monitoring Service of Ukraine for 2023, the SFMS ensured the stable functioning of the FMIS. In particular, the regular maintenance of continuous technological processes regarding the acquisition of information, its primary and analytical processing, as well as the support of the information environment for decision-making and interaction with state financial monitoring entities is ensured. Uninterrupted functioning of the FMIS hardware and software complex is ensured by 99.8%. Electronic processing of more than 99.99% of the information submitted by the reporting entities on financial transactions subject to financial monitoring is also ensured.

Most of the access services to state electronic information resources are provided with the use of API technologies, including means of the electronic interaction system - SEI SEIR "Trembita".

In accordance with the requirements of the legislation in the field of information protection, the operation of an integrated information security system (hereinafter - IISS), cyber protection and information technology security is ensured in the FMIS.

Ensuring the protection of information in the SFMS, as well as cyber security, cyber protection of FMIS was carried out taking into account the requirements of legislation and the conditions of martial law. In order to implement these requirements, the SFMS approved the Calendar Action Plan for Information Protection and Cybersecurity for 2023 and ensured the implementation of the actions provided for by it and aimed at cyber security, cyber protection and information protection of the FMIS (hereinafter – the Plan).

All current FMIS systems worked according to valid certificates of conformity of IISS. This year, on the basis of the expert opinion (Certificate of conformity of 29 December 2022 No. 187B) on IISS AP SITS this system was put into operation.

During the implementation of the Plan, interaction was ensured with the competent bodies in the field of

TIS i IISS, subjects of cyber security provision, including informing about detected cyber incidents, carrying out of the SFMS information and communication systems (hereinafter - ICS) scanning on a regular basis by the State Center for Cyber Protection of the State Service of Special Communications and analysis of their information protection status. Anti-virus protection, creation of backup copies, constant instruction of FMIS users on cyber security, cyber protection and information technology security were also provided.

This year, an assessment of the current state of cyber protection of the ISFM was carried out in accordance with the Methodological recommendations for increasing the level of cyber protection of critical information infrastructure, approved by the Order of the State Service of Special Communications Administration of 16 October 2021 No. 601. Based on this assessment, further measures were developed to increase the level of cyber protection of its own ICS in accordance with requirements of current legislation.

Within the framework of the EU Anti-Corruption Initiative in Ukraine, Phase II (EUACI), advanced training of specialists in cyber protection, cyber security, and information protection was ensured.

In accordance with the priority directions and tasks (projects) of digital transformation, approved by the Order of the Cabinet of Ministers of Ukraine of 17 February 2021 No. 365 "Certain issues of digital transformation", the SFMS continued the development of the ICS "Electronic cabinet of the financial monitoring system" (hereinafter ICS "E-Cabinet of the FMS") for the digital transformation of information exchange between the financial monitoring system entities.

Taking into account the changes to the Basic Law, draft amendments to the Order of the Ministry of Finance of Ukraine of 4 June 2021 No. 322 were developed, on the basis of which the adaptation of the ICS "E-Cabinet of the FMS" to the specified requirements was carried out. Services have been refined and their components have been updated to current versions. To verify the correct-

ness of the changes made, a test information exchange was conducted with the financial monitoring entities.

As part of the Action Plan for the implementation of the State Anti-Corruption Program for 2023-2025, the State Financial Monitoring Service of Ukraine developed and systematized a list of information, as well as developed business processes for electronic information exchange between the NABU and the SFMS. For the further implementation of the mentioned electronic information exchange, the SFMS turned to the NABU regarding the development of a corresponding project, within the framework of technical assistance project of the EU Anti-Corruption Initiative in Ukraine, Phase II (EUACI).

Within the allocated appropriations for 2023, measures were taken to implement the Digital Develop-

ment Plan of the State Financial Monitoring Service of Ukraine until 2025, which was approved by the Information Technology Management Committee in the State Finance Management System (Order of the Ministry of Finance of Ukraine of 14 October 2022 No. 330). In particular, an extension of the warranty support for the stable and productive operation of the FMIS hardware and software complex has been provided; support of the Corporate electronic document management system (CEDMS-E); systems of information protection, cyber security, cyber protection in the FMIS.

In order to improve the efficiency of the state property usage, the SFMS transferred to the Ministry of Defense of Ukraine server, network and computer equipment that was not used in the FMIS (Picture 6.1).

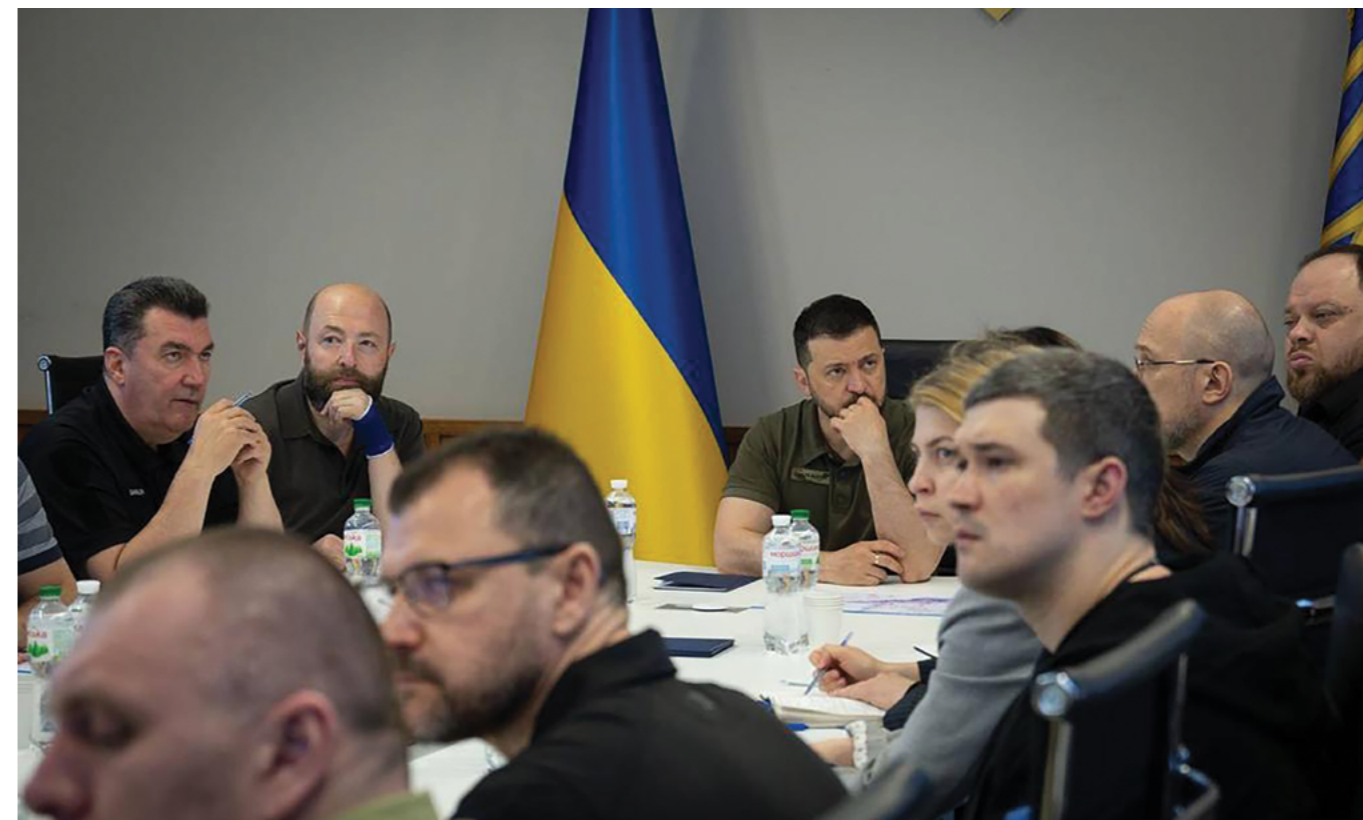


PICTURE 6.1

Equipment transferred to the Ministry of Defense of Ukraine

## 7. INTERAGENCY COOPERATION

### 7.1. RELATIONS WITH REGULATORS AND OTHER STATE AUTHORITIES



PICTURE 7.1

Participation of Igor Cherkaskyi, the Head of the SFMS, in the NSDC meeting

In 2023, under wartime, the interagency cooperation of the SFMS was focused on the measures to coordinate the financial monitoring system, in particular:

- implementation of the strategy for the development of the national financial monitoring system;
- ensuring activities of the AML/CFT/CPF Council;
- direct exchange of information with the state financial monitoring entities;
- implementation of the Strategic Development Program of the SFMS until 2024, approved by the Order of the Ministry of Finance of Ukraine of 17.01.2022 No. 16;
- implementation of the SFMS Priorities for the period of martial law agreed by the Ministry of Finance of Ukraine;
- concluding joint documents of an interagency nature with state authorities and public organizations;
- strengthening interaction with the public.

At the same time, the Head of the State Financial Monitoring Service, Igor Cherkaskyi, is an ex officio member of the National Security and Defense Council of Ukraine (Picture 7.1).



PICTURE 7.2

A representative of the SFMS is participating in the operational group "Task Force"

In addition, a representative of the SFMS participates in the operational group "Task Force" to identify and seize assets belonging to persons who organize, ensure and provoke the conduct of an aggressive war of the RF against Ukraine, both on the territory of Ukraine and outside its borders, for the purpose of their subsequent transfer to the state budget of Ukraine for the reconstruction of its destroyed infrastructure.

#### Implementation of the national financial monitoring system development strategy

In 2023, the SFMS, taking into account the requirements of martial law, actively continued to coordinate the execution of the Action Plan for the implementation of the Main directions of the development of



The SFMS organized conducting 3 National AML/CFT Risk Assessments

the AML/CFT/CPF system in Ukraine until 2023, approved by the Regulation of the Cabinet of Ministers of Ukraine of 12 May 2021, No. 435-r.

Thus, during the reporting period, the SFMS analyzed and summarized the information received from state authorities upon the execution of this Action Plan, and subsequently, it was sent to the Cabinet of Ministers of Ukraine.

At the same time, the SFMS, together with the Ministry of Finance of Ukraine and other interested bodies, developed an Action Plan aimed to prevent the occurrence and/or reduce the negative consequences of

risks identified as a result of the third NRA in the field of AML/CFT/CPF until 2026, which was approved by the Cabinet of Ministers of Ukraine on 27 December 2023.

This Plan contains a set of institutional, legislative, organizational and practical actions to improve the national AML/CFT/CPF system in accordance with international standards and the system of strategic planning in this area, aimed at:

- effective formation and implementation of state AML/CFT/CPF policy in accordance with world standards;
- bringing the national AML/CFT/CPF system into compliance with international standards;
- improvement of information technologies, effective cooperation and information exchange between state authorities, as well as with competent bodies of foreign states and international organizations in the specified field;
- constant methodological support of the reporting entities activities and feedback provision to them;
- innovative solutions for improving specialists' AML/CFT/CPF qualifications;
- deepening cooperation with the private sector and the public.

The Action Plan contains actions tentatively divided into five groups with the aim to cover all components of the national AML/CFT/CPF system, namely:

- improvement of the AML/CFT/CPF legislation and its adaptation to international standards;
- increasing the effectiveness of law enforcement and other state bodies;
- coordination of the AML/CFT/CPF system;
- interaction with the reporting entities, non-profit organizations and the public;
- international cooperation.

In each action, it is determined relevant

risks, which are identified based on the results of the third NRA, responsible for implementation, implementation deadlines, implementation indicators and expected results.

#### Activity of the AML/CFT/CPF Council

In 2023, the SFMS organized and held two meetings in video-conference format (29 June and 21 December) of the AML/CFT/CPF Council (hereinafter - the Council), which includes representatives of the main specialized state, law enforcement and judicial agencies involved in the AML/CFT/CPF system.



104 meetings of the governmental AML/CFT/CPF Council were organized and held since its creation in 2002

Important issues for the financial monitoring system were discussed at the meetings of the Council, namely:

- the results of the SFMS participation in the international events of the global AML/CFT/CPF system;
- improvement of anti-legalization legislation for the European integration of Ukraine;
- consideration and discussion of practical case submitted to the SFMS by legally defined entities (non-banking institutions);
- the results of the state financial monitoring entities AML/CFT/CPF supervision, taking into account the risk-based approach and the problems accompanying it;
- the state of development of the Cabinet of Ministers of Ukraine draft Resolution "On approval of evidentiary standards of reasonable suspicion for inclusion in/exclusion from the sanctions lists of the UN Security Council, sanctions lists of foreign countries and the list of persons connected with the conduct of terrorist activities or in respect of whom international sanctions have been applied";
- the need to create a universal structured form to submit suspicious activity reports (cases) and changes to the Order of the Ministry of Finance of Ukraine of 04.06.2021 No. 322 "On approval of the Procedure for information exchange on financial monitoring", in terms of updating and supplementing guidelines on signs of suspicious transactions (Annex 3) and types of suspicions (Annex 18);

- improvement of the mechanism for operational exchange of information between interested state authorities regarding actual transfers of goods for military purpose and dual-use (refusal of permit documents, absence in control lists, etc.);
- the results of work on identifying signs (facts) of the risk of international transfer of military and dual-use goods (other goods) in the context of AML/CFT/CPF;
- suggestions to update the personal composition of the Council;
- issues of optimization of working groups created under the Council.

#### **The direct information exchange with the state financial monitoring entities**

In 2023, the SFMS, in order to increase the efficiency of the supervision over the compliance by the reporting entities with the requirements of the AML/CFT/CPF legislation, in the framework of the signed joint orders on cooperation with the Ministry of Finance of Ukraine, the National Securities and Stock Market Commission, the Ministry of Justice of Ukraine, the Ministry of Digital Transformation of Ukraine and the National Bank of Ukraine, provided the following information to the state financial monitoring entities, in particular:

- administrative data on financial transactions subject to financial monitoring, received by the SFMS from the reporting entities;
- information on errors made by the reporting entities when submitting information about financial transactions subject to financial monitoring;
- data on the registration of the reporting entities in the SFMS;
- information on the facts detected by the SFMS that may indicate the violation of the requirements of the law by the reporting entities;
- data on the analysis of the methods and financial schemes of ML/FT/PF.

#### **Conclusion of joint documents of an inter-agency nature with state authorities and public organizations**

In order to improve the mechanisms of information in-

teraction between the participants of the financial monitoring system, as of 31 December 2023, documents on interagency cooperation of the SFMS with 4 state financial monitoring entities, 26 state authorities and 28 other institutions and organizations were concluded.

Thus, in 2023, in order to bring them in line with current legislation and improve information exchange, the SFMS made changes and signed six interagency documents.

#### **Interaction with the public**

Under martial law, the SFMS focused on cooperation with the public, which consisted, first of all, in:

- publishing on the SFMS official website of the informational messages in the area of financial monitoring and its activities;
- publishing information on the SFMS activities on its own pages in social networks Facebook, Twitter, LinkedIn, Telegram, YouTube.

Thus, in order to inform the participants of the financial monitoring system and the public, the materials of the public report of the Head of the State Financial Monitoring Service of Ukraine for 2022 were published on the official website of the SFMS in April 2023.

In addition, at the end of December 2023, the column of the Head of the State Financial Monitoring Service of Ukraine was published on the YouControl information portal, where he shared the work plans for 2024.

In this article, Igor Cherkaskyi focused his attention on topical anti-legalization themes of interest to the public and the professional community, in particular, the role of the SFMS in protecting the country's financial system, the use of a risk-oriented approach in reporting, interagency and international cooperation, etc.

An important focus of the article was the discussion of legislative changes in the field of financial monitoring in the context of our European integration efforts.

At the same time, in 2023, the SFMS, in compliance with the Resolution of the Cabinet of Ministers of Ukraine of 3 November 2010 No. 996 "On ensuring public participation in the formation and implementation of state policy", continued to support the activity of the Public Council under the SFMS.

Thus, on 29 March and 1 September 2023, the fourth and fifth meetings of the Public Council under the SFMS took place, respectively.

During the meetings, the SFMS informed the participants about the implementation of state AML/CFT/CPF policy by the SFMS in 2022 and 2023, under martial law conditions, the report on the work of the Public Council under the SFMS and other relevant issues were discussed.

Also, the members of the Public Council approved the Work Plan of the Public Council under the SFMS for 2024.

The materials of the meeting of the Public Council under the SFMS are regularly posted on the official website of the SFMS.

In addition, the SFMS approved and implemented the Indicative plan for public consultations for 2023, which was agreed with the Public Council under the SFMS and posted on the official website of the SFMS.



The SFMS organized and held 68 meetings of the Public Council, since its establishment

Also, as part of the SFMS's interaction with the public in 2023, 8 informational materials of the SFMS were posted on the Government web portal.



## 7.2. INTERACTION WITH THE REPORTING ENTITIES

In 2023, the SFMS had been conducting an ongoing analysis of the effectiveness of the reporting entities' AML/CFT/CPF activities under martial law.

During the reporting period, in the framework of cooperation with the private sector, the SFMS continued testing the exchange of information with the reporting entities by means of the Information and Telecommunication System "Electronic Cabinet of the Financial Monitoring System", which is being implemented with the support of the EU Anti-Corruption Initiative in Ukraine, Phase II (EUACI).

Thus, the SFMS has resumed testing the exchange of information with banking institutions using the report formats specified in the Resolution of the National Bank of Ukraine of 26 August 2022 No. 193.



66 meetings of the Working groups on problematic issues have been organized and conducted since their establishment

Also, in September and December 2023, the SFMS updated recommendations on the submission of information on financial transactions by banks and non-banking institutions to the SFMS. These recommendations were updated following the latest amendments to the Basic Law.

## 7.3. METHODOLOGICAL SUPPORT, TRAINING OF THE REPORTING ENTITIES

In 2023, the SFMS continued its work on methodological support of the financial monitoring system.

In order to inform the financial monitoring entities, law enforcement agencies, judicial authorities and the public, the SFMS translated and published the following publications in September 2023:

- EU Global Facility on Anti-Money Laundering and Countering the Financing of Terrorism (GF-AML/CFT) Typologies of Illicit Financial Abuse of the NPO Sector;

- RUSI Institutional Proliferation Finance Risk Assessment Guide;
- FATF Targeted Update on Implementation of the FATF Standards on Virtual Assets and Virtual Asset Service Providers;
- FATF Guidance on Beneficial Ownership of Legal Persons;
- MONEYVAL Typologies Report on Money Laundering and Terrorist Financing Risks in the World of Virtual Assets.

From 27 to 28 April, 2023, an international conference was held, organized by the SFMS with the support of the project on Strengthening Financial Monitoring System Preparedness to Fight Money Laundering and Financing of Terrorism Threats, within the framework of the Organization for Security and Cooperation in Europe (OSCE) Support Program for Ukraine and in cooperation with the EU Anti-Corruption

Initiative in Ukraine, Phase II (EUACI) on the topic: "Supranational and national AML/CFT/CPF systems: challenges and prospects" (picture 7.2).

This event was dedicated to discussion of the specifics of the anti-legalization legislation implementation, taking into account the results of the third National AML/CFT/CPF Risk Assessment, modern challenges, and defining strategic priorities for the further evolution of the response system to relevant threats, including in the context of the Russian Federation's military aggression against Ukraine.

From 7 to 8 December 2023, a forum "Financial Monitoring 2023" was held in



17,000 methodological and explanatory documents have been prepared by the SFMS since 2002

Ternopil, organized by the SFMS and the Academy of Financial Monitoring with the support of the OSCE Support Program for Ukraine, the Council of Europe and the EU Anti-Corruption Initiative in Ukraine, Phase II (EUACI) (picture 7.3).



PICTURE 7.3

Participants of the international conference, 27-28 April 2023, Lviv

This event was dedicated to discussion of the specifics of the anti-legalization legislation implementation, taking into account the results of the third National AML/CFT/CPF Risk Assessment, modern challenges, and defining

strategic priorities for the further evolution of the response system to relevant threats, including in the context of the Russian Federation's military aggression against Ukraine.

From 7 to 8 December 2023, a forum “Financial Monitoring 2023” was held in Ternopil, organized by the SFMS and the Academy of Financial Monitoring with the support of the OSCE Support Program for Ukraine, the Council of Europe and the EU Anti-Corruption Initiative in Ukraine, Phase II (EUACI) (picture 7.4).



PICTURE 7.4  
Forum participants

During the forum, issues relevant for Ukraine’s present were discussed, dedicated to the specifics of the implementation of anti-legalization legislation, taking into account modern trends in the development of Ukraine.

At the same time, during 2023, representatives of the SFMS took part in 9 educational events that were organized, in particular by the State Educational and Scientific Institution “Academy of Financial Management”.

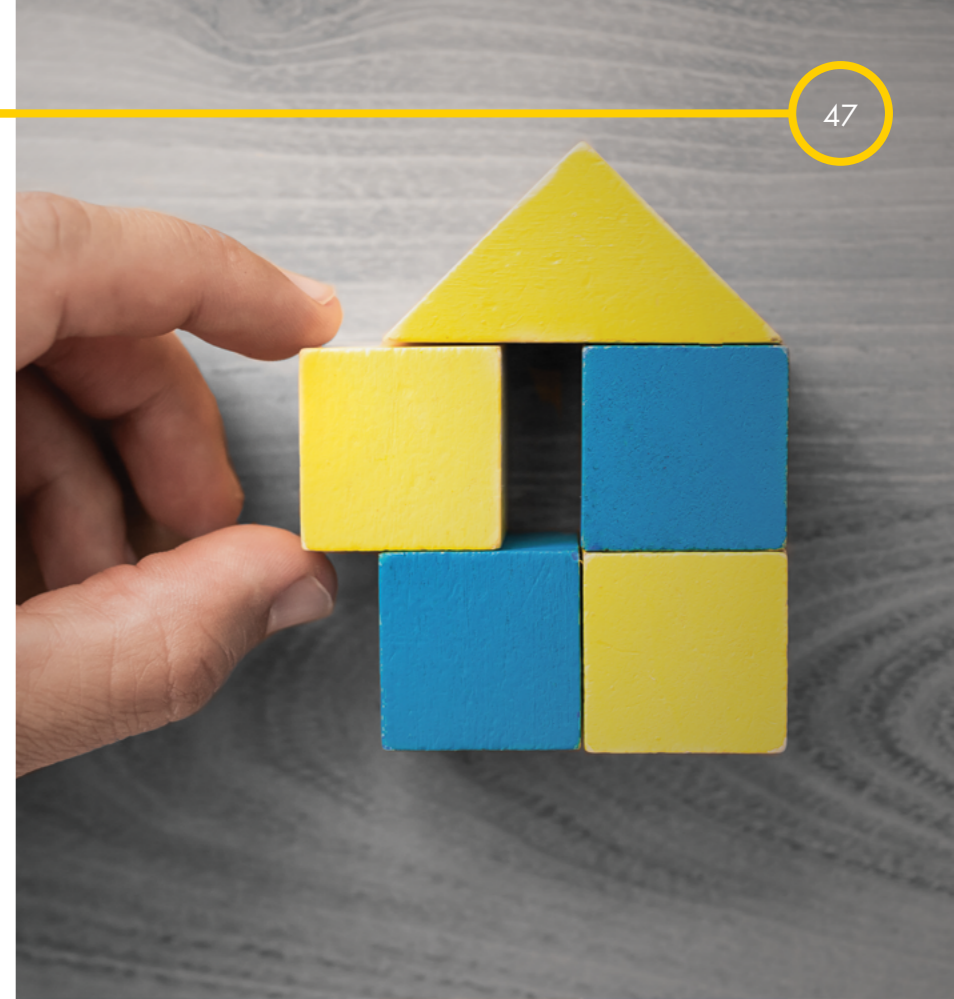
**In total, during 2023, representatives of the SFMS took part in 56 educational events held for 1 713 people**

More than 121 people - representatives of the reporting entities and the scientific environment took part in these events.

In addition, during 2023, representatives of the SFMS took part in 47 educational events organized by the Academy of Financial Monitoring, in which 1 592 listeners took part.

In general, during 2023, representatives of the SFMS took part in 56 educational events held for 1 713 people.

Also, during 2023, the SFMS prepared 109 methodological and explanatory documents, considered 109 appeals from citizens, and also considered 49 requests received in accordance with the Law of Ukraine «On access to public information».



## 7.4. COMPLEX ADMINISTRATIVE REPORTING

AML/CFT/CPF complex administrative reporting was introduced in order to monitor the effectiveness of the functioning of the national AML/CFT/CPF system and consists of the administrative reporting of the state financial monitoring entities, law enforcement and judicial authorities in AML/CFT/CPF (picture 7.5).

Complex administrative reporting includes data characterizing:

- the size and importance of various sectors that fall under the scope of AML/CFT/CPF legislation, the activities of the reporting entities, including the number of entities and persons and the economic importance of each sector;
- AML/CFT/CPF phases of reporting, investigations and court decisions, including the number of reports on suspicious transactions submitted to the SFMS, responses on the consequences of such reports and, on an annual basis, a number of investigated cases, a

**AML/CFT/CPF complex administrative reporting formed is a confirmation of Ukraine’s compliance with the requirements of the FATF Recommendation 33 «Statistics»**

- number of persons against whom criminal proceedings were initiated, a number of persons convicted of criminal offences related to money laundering or terrorist financing, types of underlying criminal offenses, if such information is available, and the value of assets frozen, seized or confiscated;
- performance indicators of the SFMS in terms of collection, processing, analysis and submission of case referrals (additional case referrals) to law enforcement and intelligence agencies;



- a number of international requests for information submitted, received, refused, and fully or partially replied by the SFMS;
- a number of requests for mutual legal assistance submitted, received, satisfied and refused;
- a number of other international AML/CFT/CPF requests in the field of prevention and counteraction;
- activity of law enforcement and judicial systems, in particular regarding freezing, seizure and confiscation of assets;
- the results of investigation of criminal offenses and consideration of legal cases in AML/CFT/CPF.

The list of indicators of complex administrative reporting was approved by the Order of the Ministry of Finance of Ukraine of 14 September 2021 No. 504.

The SFMS is defined by the Basic Law as responsible for ensuring the collection, summarization and publication of complex administrative reporting.

In 2023, SFMS provided summarizing of the AML/CFT/CPF administrative reporting of the National Bank of Ukraine, the Ministry of Finance of Ukraine, the National Securities and Stock Market Commission, the Ministry of Justice of Ukraine, the Security Service of Ukraine, the State Judicial Administration of Ukraine, the Prosecutor General's Office of Ukraine, the National Anti-Corruption Bureau of Ukraine, the State Customs Service of Ukraine, the High Anti-Corruption Court for 2022 (more than 3200 indicators, taking into account their detailing).

In compliance with the terms set by the Procedure for forming and publishing of AML/CFT/CPF complex administrative reporting, approved by the Resolution of the Cabinet of Ministers of Ukraine of 5 August 2020 No. 692, a complex administrative reporting for 2022 was published on the official website of the SFMS.

## 8. ACTIVITIES OF THE ACADEMY OF FINANCIAL MONITORING

The guarantee of the effectiveness of the functioning of any system, in particular, the AML/CFT/CPF system, directly depends on the quality professional training of the corresponding personnel resource. All fundamental international institutions in this field, in particular, FATF and MONEYVAL, emphasize the importance of providing national AML/CFT/CPF systems with highly qualified specialists.



**The Academy has trained more than 23 thousand of financial monitoring specialists**



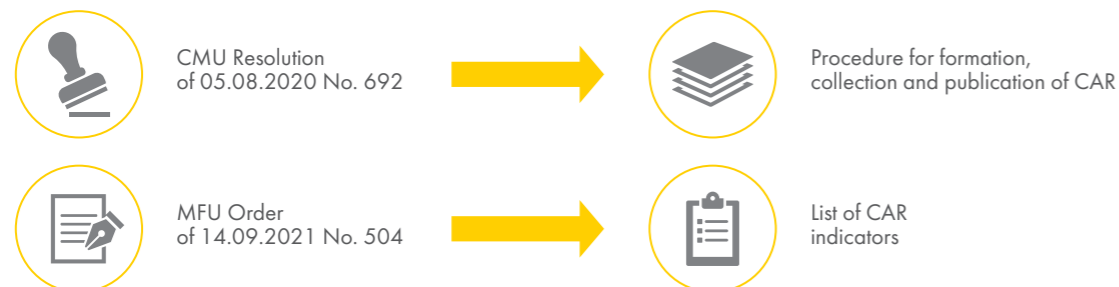
The Academy of Financial Monitoring is one of the key elements in the national AML/CFT/CPF system, which has been providing AML/TF/CPF professional development of financial monitoring specialists for 20 years. This is realized thanks to a unified approach to improving professional development of representatives of the state financial monitoring entities, law enforcement and judicial authorities, compliant officers of the reporting entities, as well as representatives of foreign states and international organizations.

thousand of financial monitoring specialists. Thanks to the educational activities of the Academy, they acquired modern, up-to-date knowledge about the AML/CFT/CPF system, trends in its development, about the challenges facing it and the means of overcoming them, as well as acquired practical skills that help to act professionally in the best possible way.

The Academy's lecturers are recognised experts and practitioners who are developers and implementers of AML/CFT/CPF policies and related areas, representatives of the private sector, academia and the expert community.

Since the beginning of its operation, the Academy has improved the professional development of over 23

### COMPLEX ADMINISTRATIVE REPORTING



PICTURE 7.5  
Scheme of formation of complex administrative reporting

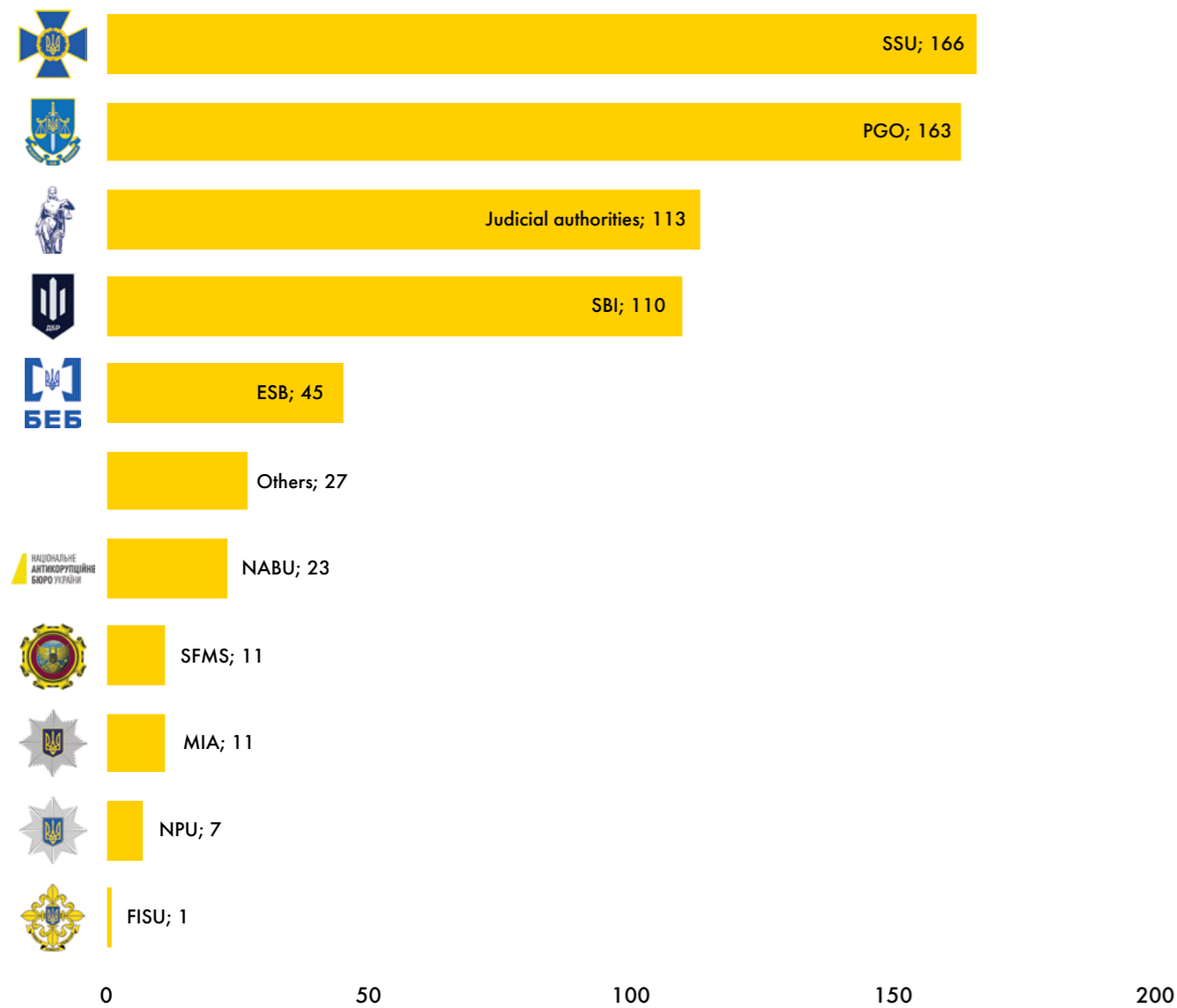
In order to create a modern, high-quality educational product, the Academy actively interacts with state AML/CFT/CPF institutions, in particular, the SFMS, the Ministry of Finance of Ukraine, the National Securities and Stock Market Commission, the National Bank of Ukraine. Partnership cooperation is carried out with specialized educational institutions, experts of national and international levels, developers of information systems and software products for AML/CFT/CPF.

Currently, the Academy is a powerful hub that unites more than 50 participants of the financial monitoring system in Ukraine on the basis of Memoranda of cooperation concluded with them. Such a combination of intellectual resources increases the interest of educational

events, during which representatives of state AML/CFT/CPF regulators and other experts, together with the listeners, discuss real practical situations or problems, and methods of their practical solution.

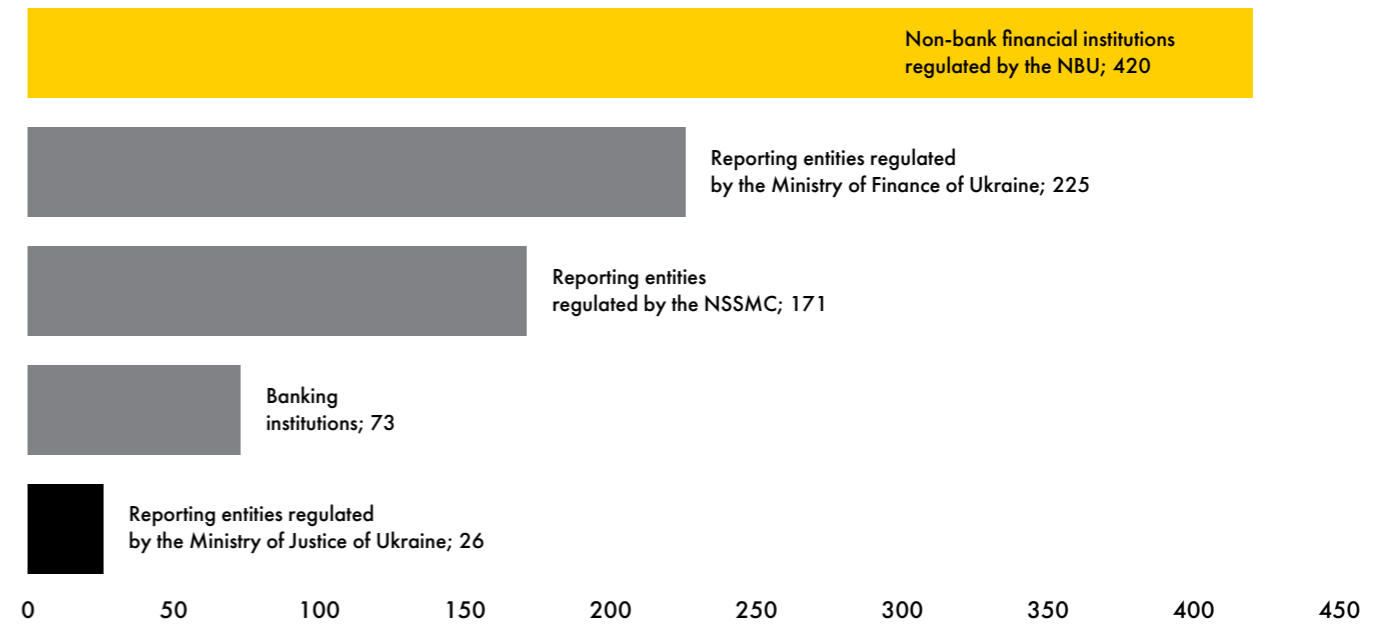
During 2023, the Academy of Financial Monitoring provided a continuous educational process of professional development for 1, 592 listeners:

- 677 specialists – representatives of law enforcement, intelligence, judicial and other state authorities (picture 8.1);
- 915 specialists – compliant officers of the reporting entities (picture 8.2).



PICTURE 8.1

The number of representatives of state authorities trained in 2023

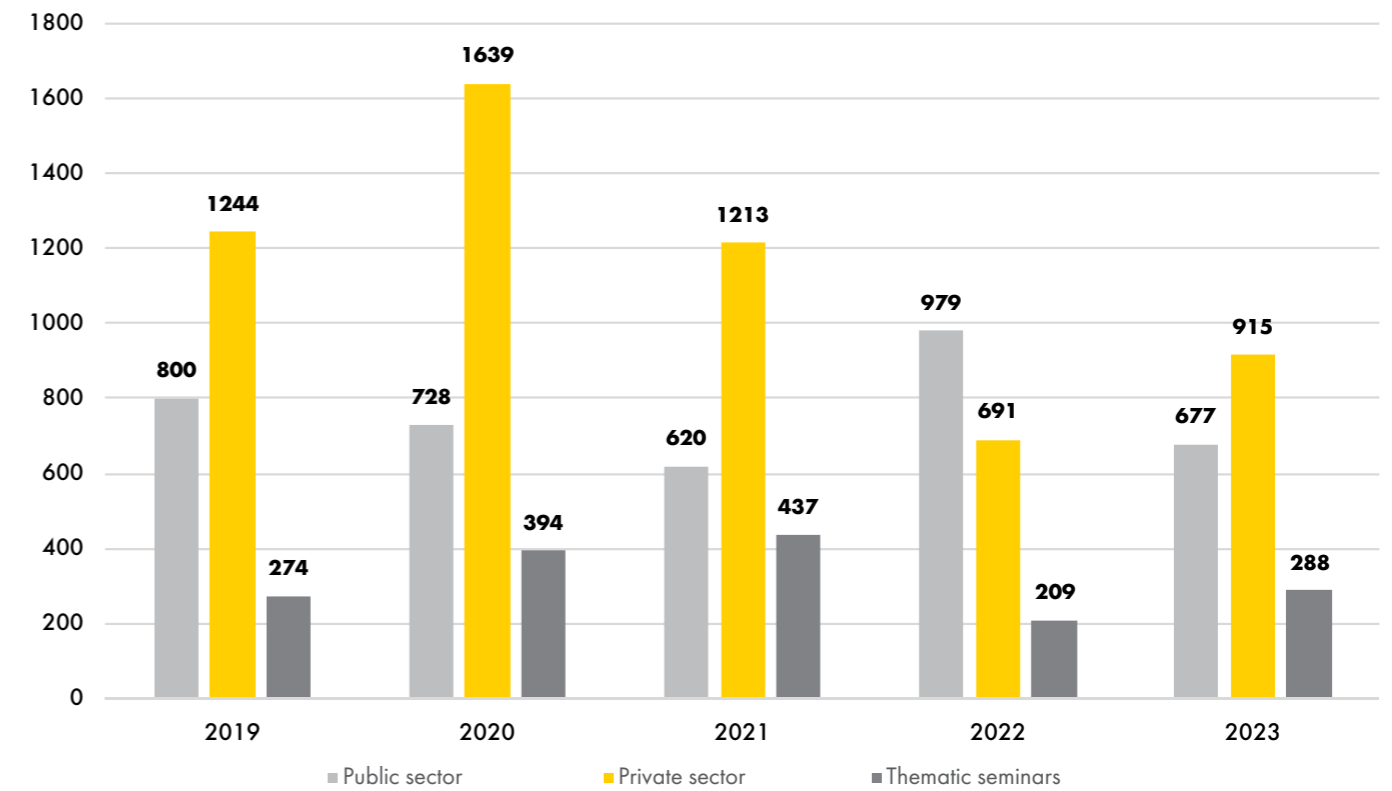


PICTURE 8.2

The number of compliant officers of the reporting entities trained in 2023

Numerous thematic webinars were held with the participation of 288 representatives of the reporting entities.

The dynamics of training indicators at the Academy is shown on the picture 8.3.

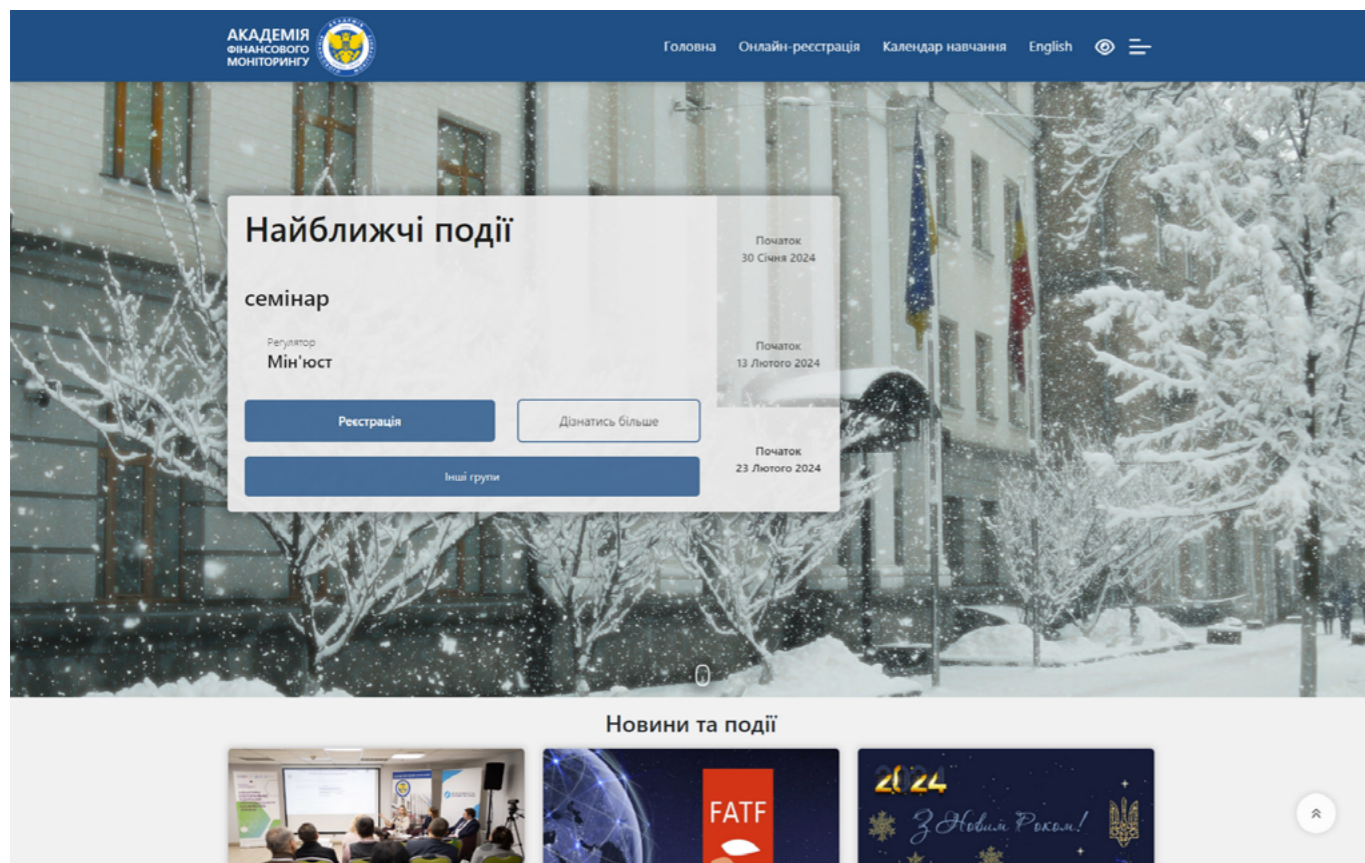


PICTURE 8.3

Dynamics of trainings at the Academy for 2019-2023

The main activity focuses of the Academy of Financial Monitoring in 2023 were effective interaction with relevant state authorities, whose activities are aimed at protecting the economic security of the state, as well as cooperation with various representatives of civil society, who play an important role in building an effective and transparent system of anti-legalization deterrence.

At the end of 2023, the updated official website of the Academy was launched (picture 8.4). The design was changed to a more modern one, the website software was updated, the navigation and registration system was modernised, and access for users with special needs was improved.



PICTURE 8.4  
Updated website of the Academy



In 2023, the partnership circle of the Academy of Financial Monitoring was significantly expanded by concluded new Memoranda of cooperation with economic security authorities, judicial authorities, public associations, domestic and foreign educational institutions. In particular, cooperation with the United Nations Office on Drugs and Crime (UNODC) has been initiated.

During the year, Academy specialists took part in a number of joint activities with the UNODC and the SFMS, the topics of which covered the prevention of illegal trade in cultural values, the fight against organized crime and

drug distribution, as well as in training events and seminars. Within the framework of cooperation with the UNODC, national expert teams were formed, with the joint efforts of which modern courses on topical AML/CFT/

CPF issues are created. The peculiarity of this work was that the experts had the opportunity to familiarize themselves with advanced training methods, the experience of AML/CFT/CPF world-class experts and implement the acquired knowledge in educational materials.

The Academy's modern and innovative approach to professional development has been highly appreciated by the National Agency of Ukraine on Civil Service (NAUCS).



PICTURE 8.5  
Award of the Academy

In 2023, the Academy won the competition «Best practices for implementing educational innovations in the professional training system of civil servants, heads of local state administrations, their first deputies and deputies of local self-government officials and deputies of local councils», held with the support of the Council of Europe Programme “Strengthening Good Democratic Governance and Resilience in Ukraine” (picture 8.5).

## 9. INTERNATIONAL COOPERATION

### 9.1. WORK WITH INTERNATIONAL ORGANIZATIONS

One of the important components of the SFMS activities is the establishment of cooperation with international institutions and foreign partners, who are responsible for the organization of effective AML/CFT/CPF.

During 2023, the SFMS actively cooperated with leading international organizations and institutions that take care of AML/CFT/CPF issues, such as: the Financial Action Task Force (FATF), the Egmont Group of Financial Intelligence Units, the Council of Europe (Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism - MONEYVAL), the European Union, the United Nations (UN), the Organization for Security and Cooperation in Europe (OSCE), the International Monetary Fund and other international organizations, in particular regarding the application of sanctions to the RF for the large-scale, unprovoked, bloody war against peaceful Ukraine.

In 2023, representatives of the SFMS presented the AML/CFT/CPF experience of Ukraine, improved cooperation and experience during international level seminars held with the assistance of leading international organizations, as well as acquired new knowledge during participation in training events organized within the framework of providing the SFMS with the international technical assistance.

Moreover, the SFMS, in accordance with its tasks, concludes international interagency agreements (Memoranda of Understanding) with foreign FIUs. During 2003 - 2023, the SFMS signed 81 Memoranda.

In 2023, Memoranda of Understanding were signed with the FIU of the Republic of Guatemala and the FIU of the Kingdom of Sweden, as well as negotiations on the signing of Memoranda with the FIU of Turkmenistan, the FIU of the Republic of Azerbaijan, the FIU of the Federal Republic of Germany, and the FIU of the Kingdom of Norway have been conducted.



In 2023, the SFMS took part in 89 international events



As of today, 81 Memoranda of Understanding have been concluded with foreign FIUs

In addition, the SFMS conducted a procedure for termination of international interagency agreement concluded with the Combating Money Laundering and Ter-

rorism Financing Commission in Syria, as a result of which the mentioned agreement was officially terminated.

#### 9.1.1. COOPERATION WITH THE FINANCIAL ACTION TASK FORCE (FATF)

During the reporting period, information was exchanged between the FATF and the SFMS in the context of countering risks and threats caused by the military aggression of the RF.

In addition, representatives of the SFMS took part in Working group meetings and FATF Plenary meetings on February 20-24, June 19-23 and October 23-27, 2023, in Paris, French Republic.

At the FATF Plenary meeting in February, a decision to suspend the RF's membership in this organization was adopted. At the same time, the Russian Federation remains accountable for its obligation to implement the FATF Standards. The Russian Federation must continue to meet its financial obligations. The Russian Federation will remain a member of the Global Network as an active member of the Eurasian Group on Combating Money Laundering (EAG) and retain its rights as an EAG member.

Accordingly, based on the results of the next FATF Plenary meetings (June 19-23 and October 23-27, 2023), a decision was adopted to extend the suspension of the RF's membership in the FATF.

According to the results of the mentioned Plenary meetings, FATF published on its official website Public statements on the RF.

As a result, the FATF:

- strongly condemned the Russian Federation's war of aggression against Ukraine. The FATF was also deeply concerned by the reports of arms trade between the Russian Federation and United Nations sanctioned jurisdictions, and malicious cyber-activities emanating from Russia. The Russian Federation's actions unacceptably run counter to the FATF core principles aiming to promote security, safety, and the integrity of the global financial system;

- reiterated its deepest sympathies for the people of Ukraine and continues to deplore the huge loss of lives and malicious destruction caused by the Russian Federation's ongoing brutal attack on Ukraine. The aggressive war of the RF against Ukraine contradicts the FATF principles of promoting the safety, protection and integrity of the global financial system and the obligations of international cooperation and mutual respect, on the basis of which the FATF members agreed to implement and support the FATF Standards;
- following statements published since March 2022, the FATF reiterated that all jurisdictions should be vigilant to possible emerging risks from the circumvention of measures taken in order to protect the international financial system.

Given that, according to the FATF Mandate, all decisions are made by consensus (and not by a majority of members), the issue of including the RF in the FATF sanction list continues to be discussed between member countries and observers within the framework of subsequent FATF events.

On March 29, 2023, representatives of the SFMS participated in the virtual seminar on non-conviction based confiscation, which was organized by the FATF Policy Development Group (PDG).

From May 29 till June 2, 2023, a representative of the SFMS took part in the FATF/MONEYVAL-focused Standards Training Course, which was held in Busan, Republic of Korea. This training course was organized and conducted under the auspices of the FATF Training Institute (picture 9.1).

On December 5 and 7, 2023, representatives of the SFMS took part in virtual FATF VACG Symposium.

On December 18, 2023, representatives of the SFMS took part in virtual PDG information session: R.8/INR.8 and the NPO BPP.



PICTURE 9.1

Participants of the course

- In addition, the SFMS sent to the FATF Secretariat:
- a completed questionnaire on ML/FT and cyber fraud within the joint EG/FATF/INTERPOL project on Illicit Financial Flows from Cyber-enabled Fraud (also to the EG Secretariat);
  - completed questionnaire as part of the project of the FATF Risks, Trends and Methods Working Group (RTMG) on Crowdfunding for Terrorism Financing;
  - a completed template regarding the actions taken following the publication of the FATF Public Statement of February 24, 2023;
  - input and case studies on art, antiquities and other cultural objects within the project of the use of art, antiquities and other cultural objects;
  - proposals regarding the need for consulting and technical assistance in implementing FATF Recommendation 15 into the national legislation.

## 9.1.2. COOPERATION WITH THE EGMONT GROUP OF FINANCIAL INTELLIGENCE UNITS (EG)

During the reporting period, the SFMS exchanged information with EG in the context of countering risks and threats caused by the military aggression of the RF.

During January 31 - February 1, 2023, a representative of the SFMS took part in the meetings of the EG Working and Regional Groups held in Dakar, Republic of Senegal. In particular, a representative of the SFMS participated in the meetings of the MSCWG, meetings

dedicated to update on the EG IT renewal, and an ECOFEL workshop on ransomware.

In the period from July 3 till July 6, 2023, representatives of the SFMS took part in the meetings of the EG IEWG and the MSCWG, closed meeting of the HoFIUs and the EG Committee, meeting of the Europe II Regional Group and the EG Plenary meeting held in Abu Dhabi, United Arab Emirates (picture 9.2).



PICTURE 9.2

Participants of the EG meetings

During the meetings, there was a discussion of current EG projects, in particular, a significant time was devoted to the issues of the EG IT renewal, increasing the FIU's ability to combat ML and TF, including the use of FIU technologies for strengthening privacy, artificial intelligence and machine learning, as well as special software

for the analysis of virtual assets, the membership of four FIUs - the Republic of Iraq, the Kingdom of Lesotho, the Republic of Zimbabwe, the Lao People's Democratic Republic - was approved (as of 2023, 170 FIUs are EG members).

On July 13, 2023, representatives of the SFMS took part in virtual seminar on the FATF Recommendation 16 (electronic transfers), organized by the EG Secretariat.

On October 18, 2023, the SFMS took part in the virtual HoFIU and Egmont Committee Closed Session regarding the discussion of the EG Report on the FIU of the RF. Based on the results of the session, the following decisions were made:

- Suspend Rosfinmonitoring's membership with the Egmont Group of FIUs, for as long as it is required to protect the interests of the Egmont Group and to ensure the achievability of its objectives.

- Uphold the additional measures taken by the Heads of FIU on 13 December 2022 as far as practical in light of the suspension.

On October 19, the EG Chair issued a Statement according to which the EG remains deeply concerned about the devastating effects of the current Russian military aggression against Ukraine and the negative impact on the State Financial Monitoring Service of Ukraine (FIU of Ukraine) and which contains the results of agreements reached by the Heads of FIUs during their 18 October 2023 virtual meeting.

## 9.1.3. COOPERATION WITH THE COUNCIL OF EUROPE

### The Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)

During the reporting period, the SFMS exchanged information with the MONEYVAL in the context of coun-

tering risks and threats caused by the military aggression of the RF.

On February 15, April 6 and 13, 2023, representatives of the SFMS took part in virtual meetings of MONEYVAL regarding drafts Declaration of Ministers and



PICTURE 9.3

Participants of the MONEYVAL High-Level meeting

high-level delegates of the member States and territories of MONEYVAL and the MONEYVAL Strategy on anti-money laundering, combating the financing of terrorism and proliferation financing (2023-2027).

On March 24, representatives of the SFMS took part in virtual MONEYVAL Typologies meeting "Practice of Using Virtual Assets (VAs), Virtual Asset Service Providers (VASPs) and Platforms in the Laundering of Criminal Proceeds".

On April 24 - 25, 2023, a representative of the SFMS took part in events within the framework of the MONEYVAL High-Level meeting held in Warsaw, the Republic of Poland (picture 9.3).

According to the results of the meeting, the Declaration of Ministers and high-level delegates of the member States and territories of MONEYVAL and the MONEYVAL Strategy on anti-money laundering, combating the financing of terrorism and proliferation financing (2023-2027) were approved.

The Declaration strongly condemned the continued aggression of the Russian Federation against Ukraine and confirmed their full support for Ukraine and its people, as well as outlined the steps to be taken by the members of the Council of Europe at the political level in order to: support the development of further proportionate legal responses to the aggression; elimination of corruption risks emanating from the top officials of the Russian regime and their organised crime links with Russian business elites; the seizure and confiscation of assets of sanctioned individuals and entities of the RF etc.

On April 28, 2023, representatives of the SFMS took part in virtual meeting on the 6th Round Procedures.

On May 22 - 26, 2023, representatives of the SFMS took part in the events within the 65-th MONEYVAL Plenary meeting in Strasbourg, French Republic.

On December 4, 2023, a representative of the SFMS took part in virtual MONEYVAL informal session on the 6th evaluation round key documents.

In the period from December 11 till 15, 2023, representatives of the SFMS took part in the events within the 66-th MONEYVAL Plenary meeting in Strasbourg, French Republic.

Also, during the reporting period, the SFMS, at the request of the MONEYVAL Secretariat, sent:

- comments and proposals to the drafts Declaration of Ministers and high-level delegates of the member States and territories of MONEYVAL and the MON-

EYVAL Strategy on anti-money laundering, combating the financing of terrorism and proliferation financing (2023-2027);

- a filled-in questionnaire regarding the ML NRA Guidance Update;
- comments on the risks and typologies associated with misuse of cards and instant payments in the context of the draft of the new edition of the FATF Recommendation 16 and its INR.

### Conference of the Parties to the Council of Europe Convention No. 198 - state of implementation in the field of combating ML/FT by Ukraine and the experience of foreign countries, monitoring mechanism and other issues

On November 10, 2023, a representative of the SFMS took part in virtual 15-th meeting of the Conference of the Parties to CETS No. 198, organized by the Secretariat of the General Directorate for Human Rights and the Rule of Law of the Council of Europe (DGI). During the meeting, amendments to the 2018-2022 thematic monitoring reports following the ratification by Estonia of the Convention, progress reports, statements and reservations to the CETS Convention No. 198 were discussed, and the experience of their practical implementation was shared, changes in national legislation, information on major cases/judgments, conducted activities/training on issues related to the sphere of activity of C198-COP, the work plan and priority actions of the COP in 2024-2025 were approved, as well as the President, Vice-President and three bureau members were elected for two years.

### The European Union and the Council of Europe (EU/CoE) Partnership for Good Governance (PGG) programme

During the reporting period, with the assistance of the project "Enhancing anti-money laundering, counter terrorist financing and asset recovery regime in Ukraine", representatives of the SFMS took part in the following activities:

- On May 16, 2023, representatives of the SFMS took part in virtual Steering Committee meeting of the project "Enhancing anti-money laundering, counter terrorist financing and asset recovery regime in Ukraine";
- On June 19, 2013, representatives of the SFMS took part in virtual meeting with an international expert as part of the presentation and discussion of the draft Technical paper "Analysis of and recommendations for Ukraine to achieve the compliance with FATF Rec-

ommendation 28 concerning the prevention of accomplices and associates of criminals from participating in the ownership and management of reporting entities”;

- On June 27, 2023, a representative of the SFMS took part in virtual Steering Committee meeting of the Programme;
- On August 22 - 31, 2023, representatives of the SFMS took part in virtual training on targeted financial sanctions, within the framework of the project «Enhancing anti-money laundering, counter terrorist financing and asset recovery regime in Ukraine»;
- On October 16 - 18, 2023, representatives of the SFMS took part in virtual training “Counter proliferation financing training for the State Financial Monitoring Service of Ukraine”, organized in cooperation with the experts of the United Nations Office on Drugs and Crime (UNODC);
- On October 24 - 25, 2023, representatives of the SFMS took part in virtual inter-regional workshop “Preventing the abuse of virtual assets tools and comparative experiences against economic crime”;
- On October 24 - 27 (Kyiv) and December 20, 2023 (online), representatives of the SFMS took part in OSINT training courses;
- On November 28 and December 5, 2023, representatives of the SFMS took part in virtual training for notaries on compliance with the requirements of the legislation on combating money laundering and terrorist financing;

- On December 7 - 8, 2023, representatives of the SFMS took part in the international forum «Financial Monitoring – 2023» held in Ternopil;
- On December 19 - 21, 2023, representatives of the SFMS took part in virtual training on compliance with the legislation on combating money laundering and terrorist financing for lawyers, organized by the Office of the Council of Europe in Ukraine.

In addition, within the framework of cooperation with the Council of Europe, on March 6 - 7, 2023, representatives of the SFMS took part in the Council of Europe virtual seminar «Money Laundering/Terrorist Financing Risk Assessment related to organised crime and cross-border threats» by presenting the experience of the SFMS and discussing certain aspects of cross-border ML/FT risks and their mitigation.

On April 24, 2023, a representative of the SFMS took part in the virtual presentation of the new Council of Europe Action Plan for Ukraine «Resilience, Recovery and Reconstruction for 2023 – 2026”.

On October 10 - 12, 2023, a representative of the SFMS took part in the regional workshop on Cooperation and Information Sharing Between Financial Investigations and Cybercrime», organized jointly by the iPRO-CEEDS-2 and CyberEast projects in Antalya, Republic of Turkey.

## 9.1.4. COOPERATION WITH THE IMF

During 2023, representatives of the SFMS have met several times virtually with representatives of the IMF in

order to discuss AML/CFT/CPF issues under martial law conditions.

## 9.1.5. COOPERATION WITH THE EUROPEAN UNION

### The Ministry of Foreign Affairs of Denmark and the European Commission within the framework of the project “EU Anti-corruption initiative in Ukraine”, phase II (EUACI)

In the reporting period, with the assistance of the project, it was ensured:

- translation and formatting of the Typological study of the SFMS for 2022;
- support for the business trips of representatives of the SFMS to Paris, the French Republic, in order to participate in Working group meetings and FATF Plenary meeting (February 20 - 24, June 19 - 23 and October 23 - 27, 2023);
- conducting international conference «Supranational and national AML/CFT/CPF systems: challenges and prospects» (April 27 – 28, 2023, Lviv);

- conducting trainings for representatives of the SFMS on how to use the applicable software;
- organizing OSINT training courses for the employees of the SFMS (multi-module distance learning course and hybrid events) October 24 – 27, 2023 and December 20, 2023);
- conducting international forum «Financial Monitoring - 2023» (December 7 – 8, 2023, Ternopil).

### EU AML/CFT Global Facility

On February 22, 2023, the SFMS representatives participated in closed virtual webinar organised by the Global Facility on the topic: “Beneficial ownership transparency and the court of justice of the European Union “Sovim” ruling: state of play and way(s) forward”.

On September 26 – 27, 2023, the SFMS representative participated in high-level multistakeholder global



PICTURE 9.4

Participants of multistakeholder consultations

consultation «Risk and Consequence: The Future of FATF Rec 8 For Financial Integrity and For Civil Society», organised by the EU AML/CFT Global Facility in partnership with the Global Program on Combating Illicit Financial Flows (GP IFF) and the Global NPO Coalition on FATF, held in Bonn, Germany (picture 9.4).

On October 17 – 18, 2023, the SFMS representative participated in Final Conference “Legal approaches to evidentiary challenges in money laundering prosecutions and confiscation proceedings”, organised by the

EU AML/CFT Global Facility in co-operation with the Siracusa International Institute for Criminal Justice and Human Rights in Siracusa, Italy (picture 9.5).

On December 5 – 7, 2023, the SFMS representative participated in third edition of the EWG on the topic of “Beneficial Ownership Registers as Competent Authorities» in Riga, Latvia, organized by EU AML/CFT Global Facility in partnership with the French Agency for International Technical Cooperation «Expertise France S.A.S.» and FIU of Latvia (picture 9.6).



PICTURE 9.5

Participants of the Conference

In addition, within the framework of cooperation with the EU:

- On March 23, 2023, representatives of the SFMS participated in virtual presentation of the newly introduced EU electronic platform for collecting data on the fight against corruption and organized crime in the enlargement countries;
- On April 18, 2023, representatives of the SFMS participated in a meeting with experts of the EU mission in the field of fighting organized crime, organized by the EU Delegation to Ukraine;
- On April 27, 2023, a representative of the SFMS participated in virtual eighth meeting of the Subcommittee on Justice, Freedom and Security of the EU-Ukraine Association Committee;
- On May 11, 2023, a representative of the SFMS participated in virtual training on the use of the European Commission’s neural machine translation service “eTranslation”.



PICTURE 9.6

Participants of the EWG meeting

## 9.1.6. COOPERATION WITH THE UNITED NATIONS

### United Nations Office on Drugs and Crime (UNODC)

On March 01, 2023, a representative of the SFMS participated in virtual training course on “Money Laundering – detecting, investigation and court challenges”.

On August 22, 2023, a working meeting was held with the Coordinator of the Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML) of the United Nations Office on Drugs and Crime (UNODC).

On September 21 - 22, 2023, a representative of the SFMS participated in virtual seminar «Monitoring and investigating trafficking in cultural property: achievements and challenges».

From November 28 to December 01, 2023, representatives of the SFMS participated in the workshop “Workshop on preventing trade based money laundering while safeguarding legitimate trade with Ukraine», organized by the UNODC through its Global Program on Money Laundering, Proceeds of Crime and the Fi-

nancing of Terrorism (GPML) and the Global Programme on Criminal Network Disruption (GPCD).

On December 13, 2023, representatives of the SFMS participated in the meeting “Validation of trade-based money laundering system assessment findings”, organized by GPML and the Passenger Cargo Border Team.

On December 13 - 15, 2023, a representative of the SFMS participated in virtual expert group meeting on countering the financing of the proliferation of weapons of mass destruction.

On December 14 - 15, 2023, representatives of the SFMS participated in a meeting on illicit trafficking and related financial flows.

**The Government of the Federal Republic of Germany and the United Nations Office on Drugs and Crime through the UNODC Programme Office in Ukraine within the framework of the project “Support of the State Financial Monitoring Service of Ukraine (SFMS) and Ukrainian authorities in increasing the capaci-**



### ty to detect, investigate and prosecute money laundering offences”, implemented within the framework of the Global Program on Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML)

During the reporting period, the necessary coordination actions were taken to attract international technical assistance, in particular for the state registration of the project “Support of the State Financial Monitoring Service of Ukraine (SFMS) and Ukrainian authorities in increasing the capacity to detect, investigate and prosecute money laundering offences”.

Subsequently, the project created 4 national teams of trainers to develop AML training materials, and on October 16-18, November 13-16, and December 04-07, 2023, representatives of the SFMS participated in three workshops on the development of national AML training materials in Kyiv and Lviv.

### United Nations Interregional Crime and Justice Research Institute (UNICRI)

On April 18 - 20, 2023, a representative of the SFMS was on a study visit to Dublin, Ireland, on the topic: “Civil confiscation and unexplained wealth orders: modern modalities to seize and confiscate illicitly-acquired assets”.

### UN Development Program in Ukraine

On June 16, 2023, a representative of the SFMS participated in a strategic session on Goal 16 “Peace, Justice and Strong Institutions”, organized within the framework of the mentioned program.

### World Resources Institute

On November 15, 2023, a representative of the SFMS participated in virtual Global Dialogue with the Private Sector, organized by the World Resources Institute in cooperation with UNODC and INTERPOL.

## 9.1.7. COOPERATION WITH THE ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE (OSCE)/ OSCE PROJECT CO-ORDINATOR IN UKRAINE

On March 27-29, 2023, representatives of the SFMS participated in a training on conducting investigations in the field of virtual assets within the framework of the project “Innovative policy solutions to mitigate money laundering risks of virtual assets” (Vienna, Austria), organized by the OSCE Economic and Environmental Co-ordinator in cooperation with the UNODC (picture 9.7).

On April 27 - 28, 2023 representatives of the SFMS participated in a hybrid format in the international conference: “Supranational and national AML/CFT/CPF systems: challenges and prospects”, organized with the support of the project “Strengthening Financial Monitoring System Preparedness to Fight Money Laundering and Financing of Terrorism Threats” under the OSCE Support Program for Ukraine.

On September 11 - 15, 2023 representative of the

SFMS participated in a workshop on Combating Trafficking in Cultural Property, organized by the OSCE Secretariat’s Transnational Threats Department as part of an extrabudgetary project “Combating illicit cross-border trafficking in cultural property in the OSCE area” (Pula, Croatia).

On October 24 - 27 (Kyiv) and December 20, 2023 (online) representatives of the SFMS participated in a OSINT training courses supported by the project “Strengthening Financial Monitoring System Preparedness to Fight Money Laundering and Financing of Terrorism Threats”, under the OSCE Support Program for Ukraine.

On November 14 - 17, 2023 representatives of the SFMS participated in Advanced Training on Virtual Assets Investigations as part of the project “Innovative pol-



PIC. 9.7

Participants of the training

icy solutions to mitigate money-laundering risks of virtual assets”, organized by Office of the Co-ordinator of OSCE Economic and Environmental Activities in cooperation with the UN Office on Drugs and Crime, in Vienna (Republic of Austria).

From November 27 to December 01, 2023, representatives of the SFMS participated in working visits to the FIU of the Kingdom of Sweden (Stockholm) and the Kingdom of Denmark (Copenhagen) with the support of the OSCE Support Program for Ukraine.

During the visit to the Swedish FIU, the issues of conducting a National Risk Assessment in the AML/CFT sphere and ultimate beneficial owners of legal entities; functioning of the FIU; cooperation with the reporting entities; regulation of crypto assets and crypto investigations, etc were discussed.

As a result of the visit of the delegation of the FIU of Ukraine to the FIU of Sweden, a Memorandum of Un-

derstanding and the assistance in joint financial investigations was signed.

During the visit to the FIU of Denmark, issues related to the peculiarities of the functioning of the FIU; cooperation with the reporting entities; regulation of cryptocurrency and related investigations; application of targeted financial sanctions; national PEPs, etc. were discussed.

On December 07 - 08, 2023, representatives of the SFMS participated in a hybrid format in the international forum “Financial Monitoring – 2023”, organized with the support of the OSCE Support Program for Ukraine and other international partners in Ternopil.

Also, with the assistance of the project “Strengthening Financial Monitoring System Preparedness to Fight Money Laundering and Financing of Terrorism Threats”, under the OSCE Support Program for Ukraine, the Report on the Third NRA was translated and formatted.

## 9.1.8. COOPERATION WITH THE ORGANIZATION FOR DEMOCRACY AND ECONOMIC DEVELOPMENT (GUAM)

On June 09, 2023, a representative of the SFMS participated in virtual 25th meeting of the Working Sub Group on Combating Terrorism.

On June 21, 2023, a representative of the SFMS participated in virtual 23rd meeting of the Working Sub

Group on Anti-Corruption and Money Laundering.

On September 12, 2023, a representative of the SFMS participated in virtual 24th meeting of the Working Group on Coordination of Combating Crime.

## 9.1.9. OTHER INTERNATIONAL EVENTS

### FIU of Chile

Upon the invitation of the FIU of Chile, on March 10, 2023, a representative of the SFMS participated in virtual webinar "Beneficial Ownership: trends and models", which was coordinated by the Ministry of Foreign Affairs of Chile, with the support of the FIU of Chile and the US Embassy in Chile.

### Centre for Financial Crime and Security Studies (CFCS) at the Royal United Services Institute for Defence and Security Studies (RUSI)

On June 19, 2023, upon the invitation of the CFCS, a representative of the SFMS participated in the conference: «Securing the integrity and resilience of Ukraine's financial system», which took place in London, UK.

On August 10 - 11 and 25, September 08 and 22, October 06, October 20, November 03, November 17 and December 01, 2023, representatives of the SFMS participated in trainings for OSINT analysts.

### U.S. Department of State's Export Control and Border Security (EXBS) Program jointly with the James Martin Center for Nonproliferation Studies (CNS)

On August 09 - 11, 2023, representatives of the SFMS participated in a virtual training course on sanctions and trade control.

On September 13 - 14, 2023, a representative of the SFMS participated in an in-depth training session on the analysis of data on sanctions evasion and export control (Krakow, Poland) as part of the continuing education.

### Center for Democracy and Rule of Law (CEDEM)

On April 18 - 22, 2023, a representative of the SFMS made a study visit to Berlin, Federal Republic of Germany, to study the experience in conducting sectoral risk assessments and use these achievements in conducting the National Risk Assessment in Ukraine, organized by CEDEM within the framework of the project «Ukraine Civil Society Sectoral Support Activity».

## 9.2. EXCHANGE OF INFORMATION WITH FOREIGN FINANCIAL INTELLIGENCE UNITS

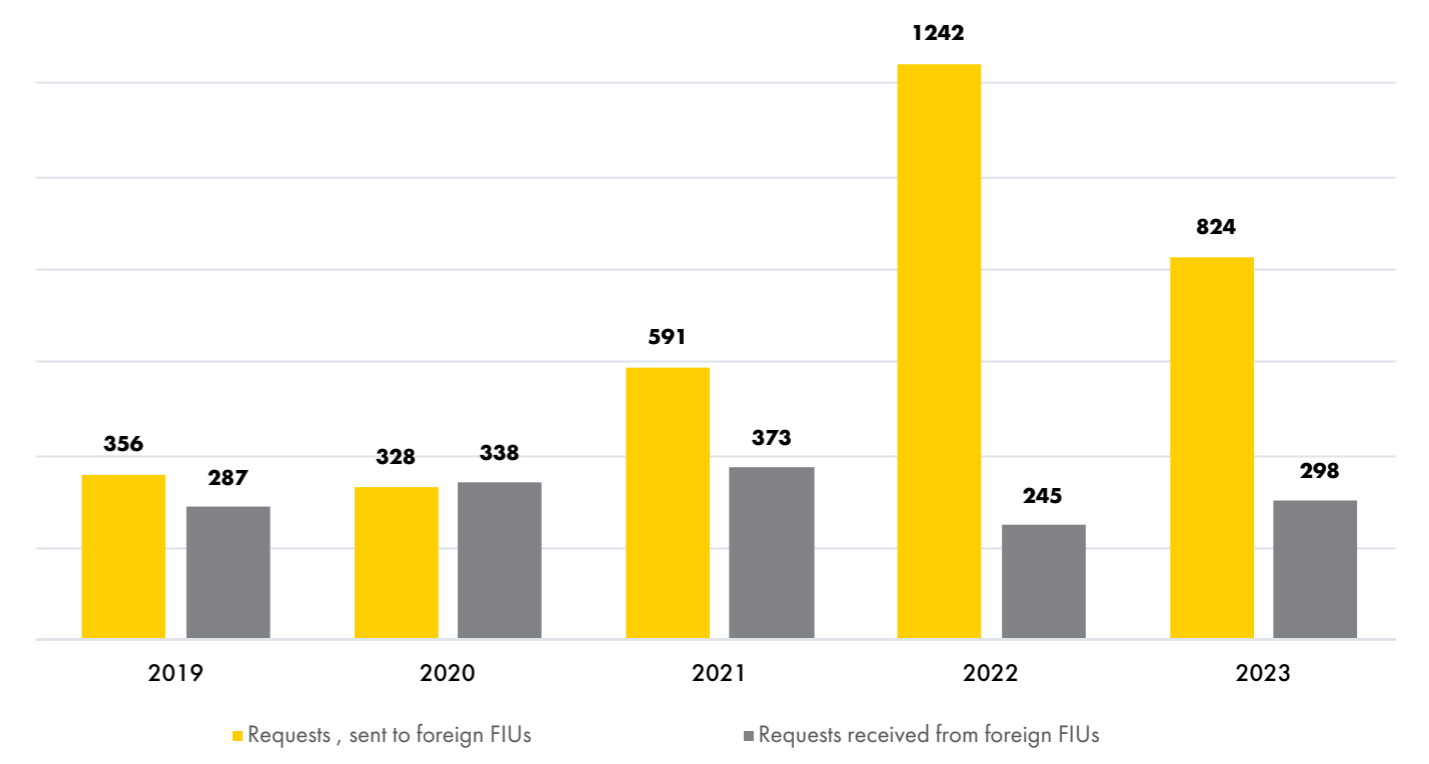
The SFMS ensures interaction and information exchange with the competent authorities of foreign countries and international organizations whose activities are aimed at AML/CFT/CPF.

In 2023, the SFMS ensured interaction and information exchange with the competent authorities of foreign countries and international organizations. The SFMS cooperated with 89 FIUs.

Within the framework of joint financial investigations, 824 requests were sent to the foreign FIUs/over 298 requests were received from the foreign FIUs

In 2023, the SFMS sent 824 requests to 73 foreign FIUs and received 944 responses to requests from 72 foreign FIUs.

In addition, the SFMS received 298 requests from 45 foreign FIUs and provided 479 responses to 55 foreign FIUs ( picture 9.8).













PICTURE 9.8

Statistics of the requests sent and received

# 10. STRATEGIC DIRECTIONS OF THE SFMS WORK IN 2024

Strategic goal 1	Strategic goal 2	Strategic goal 3
 <p>Analysis of financial transactions, cooperation, interaction and information exchange with law enforcement, intelligence and other state authorities</p>	 <p>Ensuring the implementation of organizational and practical measures of an international nature in cooperation with concerned state institutions</p>	 <p>Improvement of interagency cooperation between state authorities - participants of the national AML/CFT system and provision of methodological, methodical and other assistance to the reporting entities</p>
<b>Ways of implementation:</b>	<b>Ways of implementation:</b>	<b>Ways of implementation:</b>
 <p>Identification of the channels of financing of military aggression by Russia and Belarus against Ukraine, including those who organize, provide and provoke military aggression by Russia and Belarus against Ukraine</p>	 <p>Ensuring international measures to include the RF in the "blacklist" of the FATF</p>	 <p>Participation in the analysis of the state AML/CFT/CPF policy</p>
 <p>Detection of criminal proceeds and attempts to legalize them under martial law, revealing schemes of misuse of budget funds intended for the restoration of destroyed infrastructure, as well as humanitarian or free aid and charitable donations</p>	 <p>Ensuring cooperation with the MONEYVAL Committee, in particular in the preparation and review of the next AML/CFT/CPF Follow-Up Report of Ukraine within the framework of the 5th MONEYVAL 5th Round of Mutual Evaluation, joint MONEYVAL typology study, as well as participation in international MONEYVAL events (plenary sessions, trainings, etc.)</p>	 <p>Conducting regular meetings of the AML/CFT/CPF Council (the CMU Resolution of 08.09.2016 No. 613)</p>
 <p>Participation in the work of joint (interagency) working groups in the area of combating war crimes, as well as other criminal offenses</p>	 <p>Participation in the activities of the Conference of the Parties to the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism CETS No. 198</p>	 <p>Coordinating the activities of state authorities in the course of implementation of the Action Plan aimed at preventing and/or mitigating the negative consequences of risks identified by the results of the third National AML/CFT/CPF risk assessment for the period up to 2026 and informing the Cabinet of Ministers of Ukraine on the results of its implementation</p>

Ways of implementation:	Ways of implementation:	Ways of implementation:
 <p>Participation in international cooperation, including in-depth cooperation with EG</p>	 <p>Taking measures, within its competence, to implement the recommendations of the European Commission specified in the Opinion on Ukraine's application for membership of the European Union in terms of ensuring compliance of national legislation with international AML/CFT/CPF standards</p>	 <p>Implementation of the tasks defined in the Action Plan for the implementation of the Program of Strategic Development of the State Financial Monitoring Service of Ukraine for the period up to 2024, and providing the Ministry of Finance of Ukraine with information on its implementation</p>
 <p>Preparation of comprehensive typological studies in the field of AML/CFT/CPF with further communication of the results to national regulators, other state and law enforcement agencies and reporting entities.</p>	 <p>Cooperation with international organizations, donor countries, implementation of measures to involve technical and expert assistance</p>	 <p>Organizing and conducting meetings of the Working Group on consideration of problematic issues of the reporting entities</p>
 <p>Conducting strategic analysis of financial transactions and submitting relevant analytical materials to the Ministry of Finance</p>	 <p>Conclusion of international interagency agreements (Memoranda of Understanding) with foreign FIUs</p>	 <p>Summarizing and publishing AML/CFT/CPF complex administrative reporting on the SFMS official website</p>
 <p>Preparation and submission of relevant case referrals (additional case referrals) to law enforcement agencies authorized to make decisions in accordance with the Criminal Procedure Code of Ukraine, as well as intelligence agencies for operational and investigative activities</p>	 <p>Preparation of proposals on the application of influence measures to the relevant states (authorized authorities of these states) in case of violation by the latter of the principles (rules, statutes, guidelines, etc.) of international organizations of which they are members (in the conditions of Russia's war against Ukraine)</p>	 <p>Bringing to the attention of the reporting entities the methodological recommendations regarding the implementation of the requirements of the legislation in the field of financial monitoring during martial law</p>
 <p>Cooperation with executive authorities, the NBU, and other state authorities involved in the AML/CFT/CPF system</p>		 <p>Informing the public about the activities of the SFMS under martial law</p>

Strategic goal 4	Strategic goal 5
 <p>Operative development of draft laws and other regulations related to the functioning of the financial monitoring system and its entities</p>	 <p>Ensuring the functioning and development of FMIS</p>
<p><b>Ways of implementation:</b></p>	<p><b>Ways of implementation:</b></p>
 <p>Participation in ensuring the implementation of the provisions of new AML/CFT/CPF international standards</p>	 <p>Ensuring stable operation of FMIS</p>
 <p>Participation in the development of draft regulations, as well as in the improvement and clarification of certain norms of the AML/CFT/CPF legislation, including the approaching of Ukrainian legislation to the norms and standards of the European Union</p>	 <p>Ensuring information protection, cyber security and cyber protection of FMIS</p>
	 <p>Ensuring the development of digital transformation of information processing in the FMIS and creation of a backup data processing centre</p>

# ANNEXES

## ANNEX A

### THE LIST OF THE DEVELOPED BY THE SFMS REGULATIONS ADOPTED IN 2023

1. Resolution of the Cabinet of Ministers of Ukraine of December 27, 2023 No. 1207-p "On approval of the action plan aimed at preventing and/or mitigating the negative consequences of the risks identified by the results of the third national AML/CFT/CPF risk assessment for the period up to 2026».
2. Order of the Ministry of Finance of Ukraine of August 31, 2023 No. 469 "On approval of the procedure for electronic interaction of information systems of the State Tax Service of Ukraine and the State Financial Monitoring Service of Ukraine for providing information on individual income necessary for AML/CFT/CPF", registered with the Ministry of Justice of Ukraine on September 14, 2023 № 1619/40675.

## ANNEX B

### LIST OF ABBREVIATIONS

- **AML** – prevention and counteraction to legalization (laundering) of terrorism the proceeds from crime
- **AML/CFT** – prevention and counteraction to legalization (laundering) of terrorism the proceeds from crime, and financing of terrorist
- **AML/CFT/CPF** – prevention and counteraction to legalization (laundering) of the proceeds from crime, financing of terrorist and financing of proliferation of weapons of mass destruction
- **Basic Law** – Law of Ukraine of December 06, 2019 No. 361-IX "On prevention and counteraction to legalization (laundering) of the proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction"
- **EG** – Egmont Group of Financial Intelligence Units
- **ESBU** – Economic Security Bureau of Ukraine
- **EU** – European Union
- **FATF** – Financial Action Task Force
- **FIU** – Financial Intelligence Unit(s)
- **FMIS** – Unified information system in the area of prevention and counteraction to legalization (laundering) of the proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction
- **ML** – money laundering
- **ML/TF** – legalization (laundering) of proceeds from crime and financing of terrorism
- **ML/TF/PF** – legalization (laundering) of proceeds from crime, financing of terrorism and financing of proliferation of weapons of mass destruction
- **MONEYVAL** – Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
- **MoF** – Ministry of Finance of Ukraine
- **MoJ** – Ministry of Justice of Ukraine
- **NABU** – National Anti-Corruption Bureau of Ukraine
- **NBU** – National Bank of Ukraine
- **NPO** – Non-Profit Organizations
- **NPU** – National Police of Ukraine
- **NRA** – National AML/CFT/CPF risk assessment
- **NSSMC** – National Securities and Stock Market Commission
- **OSCE** – Organization for Security and Co-operation in Europe
- **PF** – financing of proliferation of weapons of mass destruction
- **PGO** – Prosecutor General's Office of Ukraine
- **RB** – Republic of Belarus
- **RF** – Russian Federation
- **SBI** – State Bureau of Investigation
- **SFMS** – State Financial Monitoring Service of Ukraine
- **SSU** – Security Service of Ukraine



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**LinkedIn** – <https://bit.ly/3pNuiXm>

**Telegram** – <https://bit.ly/3jaSYH1>

**YouTube** – <https://bit.ly/2LeQv1H>

**Google Мій бізнес та Google Maps** – <https://bit.ly/36CSW5u>