



**THE CABINET OF MINISTERS OF UKRAINE
REGULATION**

**of May 12, 2021 No. 435-r
Kyiv**

On Approval of Main Directions of the Development of the Prevention and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction System in Ukraine for up to 2023 and Action Plan for Their Implementation

1. To approve annexed hereto:

Main Directions of the Development of the Prevention and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction System in Ukraine for up to 2023;

Action Plan for the Implementation of Main Directions of the Development of the Prevention and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction System in Ukraine for up to 2023.

2. Ministries and other central executive authorities shall submit to the State Financial Monitoring Service by January 10 and July 10 each year information on the execution of Action Plan for the Implementation of Main Directions of the Development of the Prevention and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing and Financing of the Proliferation of Weapons of Mass Destruction System in Ukraine for up to 2023, approved by this Regulation, for submission of a report to the Cabinet of Ministers of Ukraine every six months by January 25 and July 25 in accordance with the established procedure.

Prime Minister of Ukraine

D. SHMYHAL

Ind. 67

**APPROVED
by Regulation of the Cabinet of Ministers of
Ukraine
of May 12, 2021 No. 435-r**

**MAIN DIRECTIONS
of the Development of the Prevention and Counteraction to Legalization (Laundering) of
the Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of
Mass Destruction System in Ukraine for up to 2023**

General Provisions

These Main Directions identify relevant risks and threats in the area of prevention and counteraction to the legalization (laundering) of the proceeds of crime, terrorist financing, and financing of proliferation of weapons of mass destruction in Ukraine, as well as state policies to minimize them and develop a financial monitoring system.

Money laundering, terrorist financing and financing of proliferation of weapons of mass destruction currently are the greatest threats to both Ukraine and other foreign states. Legalized proceeds of crime are resources for criminal organizations and perpetrators to commit new crimes and evade responsibility for them.

The threat of terrorism and its financing has been especially relevant in Ukraine since 2014, in the context of the political and economic crisis in Ukraine, the occupation of Crimea and some areas of Donetsk and Luhansk regions due to the armed aggression by the Russian Federation.

The system for preventing and counteracting legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction within the framework of United Nations documents, international conventions ratified by Ukraine, the Financial Action Task Force (FATF) standards and standards equivalent to those adopted by the European Union is recognized as a mandatory element of the economic security of the contemporary state.

The Law of Ukraine “On Prevention of and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing, and Financing of the Proliferation of Weapons of Mass Destruction” (hereinafter – “Law”), adopted by the Verkhovna Rada of Ukraine on December 6, 2019, has improved the legal mechanism of prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction designed to maintain national security.

Mitigating the threat of money laundering and terrorist financing requires focused and coordinated efforts of all participants of the system of prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction.

At the national level, the Law identifies financial monitoring entities at the initial and state levels, which are tens of thousands of employees in the private and public sectors.

Relevant risks and threats 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

The relevant risks and threats 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 in Ukraine shall include:

conversion centres and shell companies which operate under the guise of legal business entities, remain today the most common tools for laundering “dirty” money;

new information technologies, virtual assets with higher anonymity, and non-profit organizations are used for money laundering and terrorist financing;

the procedure for improving and harmonizing prevention and counteraction laws with international standards is lengthy;

the ownership structure of legal entities, individual entrepreneurs, and public associations is non-transparent, the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Associations has no reliable information on the ownership structure and information on ultimate beneficial owners of companies;

state financial monitoring entities do not provide guidelines to reporting entities, including recommendations and explanations, promptly and effectively;

state financial monitoring entities have limited competent human resources;

entities in the prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction system, in

particular, law enforcement and judicial authorities, designated staff on financial monitoring of reporting entities have inadequate training and competencies;

information containing the financial monitoring secrecy is disclosed to third parties;

law enforcement agencies ineffectively review summaries of the special competent authority on prevention and counteraction;

law enforcement agencies ineffectively investigate into money laundering cases;

the public lacks a legal understanding of prevention and counteraction;

the criminal environment has integrated into the legal economy due to opportunities opened up by the ownership, control, or management of reporting entities.

Key factors that can facilitate the spread of money laundering and terrorist financing include:

the rapid evolution of new information financial technologies and emerging of virtual assets (crypto assets);

financial globalization, increase of the financial transactions speed, and a substantial growth of financial intermediaries;

the rising crime rates in Ukraine, greater reliance of the economy on offshores, and a growing shadow portion of the national economy;

no legal regulation of virtual assets and intermediary services for the purchase and sale of real estate in Ukraine;

the financial monitoring system participants are inadequately educated about risks in this area.

Implementation of these Main Directions is exposed to the risks of:

inadequate financial resources to pursue systemic activities within these Main Directions;

ineffective public administration 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;

insufficient legal support in the area of prevention and counteraction.

As a consequence of the ineffective system of minimization of these threats 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:

the country's crime rates rise, crime and corruption spread, the shadow economy grows;

the State Budget loses revenue;

capital is moved abroad to low-tax and offshore jurisdictions;

the country is exposed to sanction risks;

Ukraine's investment appeal goes down;

personal incomes decline;

terrorism becomes more active;

unfair competition spreads etc.

In addition, money laundering affects economic growth, GDP size and structure, the structure of consumer demand, competition, household and public incomes, unemployment rates, legal financial flows, other macroeconomic indicators, the reputation of the country and its state authorities, law enforcement system, and financial institutions, etc.

Purpose and objectives of the realization of Main Directions

The purpose of Main Directions is to make institutional, legislative, organizational, and practical improvements to the national prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction system based on international standards and to introduce a long-term planning system in this area.

The main objectives of Main Directions shall be to:

prioritize areas of state policy of prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction;

harmonize Ukrainian laws on prevention and counteraction with the FATF standards and standards equivalent to those adopted by the European Union;

introduce new verification mechanisms for basic information on the ownership structure of companies and ultimate beneficial owners during state registration;

make thorough, accurate, and up-to-date information about ultimate beneficial owners' identities, the nature and scope of beneficial ownership (benefit, interest, influence) better, more available and accessible;

minimize the risks and threats of prevention and counteraction;

detect, seize, and confiscate proceeds of crime on time;

enhance prevention of terrorist acts, terrorist activities, and proliferation of weapons of mass destruction by timely detection and blocking of their sources of funding;

comply with the recommendations of the monitoring mission of the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) following the 5th round evaluation of Ukraine;

introduce thorough administrative reporting on prevention and counteraction;

improve the prevention and counteraction performance by law enforcement and the judiciary systems;

improve the forms and methods of public regulation and supervision on financial monitoring issues and sanctions policy in this area;

introduce and use new information technologies for prevention and counteraction;

build partnerships between financial monitoring entities of the public and private sectors, improve multi-agency coordination and exchange of information;

enhance cooperation with foreign partners and international organizations on prevention and counteraction;

take into account the special features of prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction in the context of the spread of the acute respiratory disease COVID-19, caused by coronavirus SARS-CoV-2.

Key areas of public 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

Key areas of public 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:

ensuring that the prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction system effectively operates and develops, in particular:

harmonizing the national prevention and counteraction system, including national laws in this area, with United Nations documents, international conventions ratified by Ukraine, the Financial Action Task Force (FATF) standards and standards equivalent to those adopted by the European Union, recommendations of the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) following the evaluation of this system;

- introducing and using new information technologies in this area, including by achieving an effectively functioning and evolving integrated information system in this area;

- making timely seizures and attachments of property in the interests of a pre-trial investigation into money laundering, terrorist financing and financing of proliferation of weapons of mass destruction;

- conducting a national risks assessment based on international best practices and indicators of thorough administrative reporting on prevention and counteraction;

- making information on ultimate beneficial owners of legal entities more transparent;

- introducing legal regulation of the sectors of virtual assets and intermediary services for the purchase and sale of real estate in Ukraine;

- improving the mechanism for effective risk-based supervision by state financial monitoring entities of reporting entities and regulation of their activities;

- promptly generating a list of persons involved in terrorist activity or subject to international sanctions and making relevant information available in a timely manner to authorized persons of financial monitoring entities;

- summarizing information on widespread schemes of money laundering and terrorist financing based on the experience of the prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction system entities and foreign competent authorities, preparing and making typological research on prevention and counteraction available to authorized persons;

- improving the system for submitting information on financial transactions subject to financial monitoring to the SFMS;

procure that the system of detection, investigation of criminal offences in prevention and counteraction effectively operates and sustainably develops to implement the principle of inevitability of punishment for such actions, by:

- monitoring financial transactions to uncover money laundering, terrorist financing, encroachments on the territorial integrity and inviolability of Ukraine, the forcible change or overthrow of its constitutional order or the seizure of state power;

- reporting suspicious financial transactions and discrepancies regarding ultimate beneficial owners to the SFMS and law enforcement agencies on time and taking appropriate measures relying on a risk-based approach;

- uncovering and ceasing the activities of organized criminal groups and criminal organizations engaged in operations to legalize (launder) proceeds of crime and to finance terrorism;

- uncovering concealment of proceeds or the masking of its unlawful origin, determine the sources of its origin and location, establish methods of its movement, directions of its use (inter alia, for business, investment, other economic and charitable activities, payment and credit operations), and finding, seizing, and confiscating such proceeds;

- enabling competent authorities involved in the prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing, and financing of proliferation of weapons of mass destruction system to effectively use the information received about suspicious financial transactions to bring the offenders to justice and confiscate criminal assets;

- undertaking comprehensive activities designed to block funding for terrorist organizations and individual terrorists access and to block access to financial resources, opportunities to move and use funds, including in the non-profit sector, for organizations involved in terrorist financing;

- preventing the use of business entities, including legal entities which activities have features of fictitiousness, non-profit and charitable organizations, in money laundering and terrorist financing schemes;

- implementing the principle of inevitability and judicially imposing effective and proportionate sanctions and appropriate confiscation of the proceeds of crime;

- identifying representatives of illegal armed units operating in foreign states and terminating their financial activities in Ukraine designed to derive and legalize illegal income;

- uncovering operations associated with the legalization (laundering) of the proceeds of crime during transfer pricing control;
- detecting, terminating and investigating facts such as:
 - - the movement of goods, cash and non-cash funds, negotiable instruments, other currency valuables, items of cultural value, precious metals and gemstones and derivatives thereof, which may be associated with money laundering and terrorist financing;
 - - criminal offences associated with computer systems and data (cybercrime) and prevention of legalization (laundering) of the proceeds of such crimes;
 - - human trafficking, illicit trade in arms, narcotic drugs, excisable goods, laser reading discs, illegal organization or conduct of gambling or lotteries, the use of insider information, stock market manipulation, and environmental crimes;
 - - corruption offences, including those that may be associated with money laundering and terrorist financing, as well as prevention of new offences and the legalization (laundering) of the proceeds thereof;
 - - the illegal activities of “conversion centres” and companies with features of fictitiousness involved in money laundering and terrorist financing;
 - - financial support provided by representatives of international terrorist organizations to their followers within Ukraine, including out of legalized proceeds of crime;
 - - smuggling operations, the organization of channels of illegal migration, movement across the customs border of and transit through the territory of Ukraine of narcotic drugs, psychotropic substances, their analogues or precursors to prevent obtaining proceeds of crime;
 - the illegal transfer of funds abroad through offshore zones as well as audits of registration and the activities of foreign counterparties by exchanging information with foreign competent authorities and using international databases;

close national and international cooperation in the area of prevention and counteraction that involves coordination of members of the prevention and counteraction system in Ukraine, foreign and international organizations, prompt exchange of information that can be used by law enforcement and the judiciary to effectively investigate, seize, and confiscate criminal assets, which involves:

- Ukraine’s participation in international prevention and counteraction activities under the auspices of the Financial Action Task Force (FATF), the EU, the Council of Europe, the Organization for Security and Cooperation in Europe (OSCE), the World Bank, and the International Monetary Fund, as part of universal activities of international organizations, including the United Nations and relevant departments, divisions, committees, and as part of working committees of the Egmont Group of Financial Intelligence Units, foreign law enforcement and financial intelligence units, etc.;

- drafting and execution of treaties, cooperation memorandums on prevention and counteraction to the legalization (laundering) of the proceeds of crime, terrorist financing, and financing of proliferation of weapons of mass destruction in a statutory manner;

- exchange of information with foreign competent authorities and international organizations to determine the methods, schemes, and mechanisms of money laundering and terrorist financing and to record relevant offences;

- cooperation of SFMS on this area with foreign financial intelligence units of the Egmont Group, including the exchange of information on suspicious financial transactions based on the principle of reciprocity;

educational, awareness-raising activities and research support of the prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing, and financing of proliferation of weapons of mass destruction system to help prevention and counteraction system entities to perceive relevant risks in this area, comply with laws and take effective prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing, and financing of proliferation of weapons of mass destruction measures, namely by:

- delivering effective educational events, practical training seminars and workshops;
- organizing and delivering advanced training to experts of the prevention and counteraction system;
- preparing educational and methodology materials on prevention and counteraction;
- researching to improve the legal and organizational aspects of the functioning of the prevention and counteraction system;
- make prevention and counteraction activities transparent, namely by:
 - having the media cover topical issues and problems of prevention and counteraction, outputs, etc.;
 - improving the mechanisms of information exchange between members of the financial monitoring system and enhancing cooperation with civil society;
 - providing access to public information on prevention and counteraction as required by the Law of Ukraine On Access to Public Information, including by publishing financial monitoring information on the official websites of state financial monitoring entities.

The amount of financial, logistical, labour resources

Activities set out in these Main Directions document shall be funded at the expense and within the funds of the State Budget of Ukraine for the relevant year, as well as other sources not prohibited by the law.

APPROVED
by Regulation of the Cabinet of Ministers of
Ukraine
of May 12 2021 No. 435-r

ACTION PLAN **for the Implementation of Main Directions of the Development of the Prevention and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction System in Ukraine for up to 2023**

Activity	Risk based on the National Risks Assessment	Entity in charge	Timeline
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Improved legislation on prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction and its adaptation to the international standards

1. Drafting and supporting laws regulating the trade in virtual assets in Ukraine based on the Financial Action Task Force (FATF) standards in the Verkhovna Rada of Ukraine	money laundering and terrorist financing through remote services or by using virtual assets failure to harmonize the legislation on prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of the proliferation of weapons of mass destruction with	MDT [Ministry of Digital Transformation] NBU [National Bank of Ukraine] (with consent) MoF [Ministry of Finance] SFMS [State Financial Monitoring Service] MoJ [Ministry of Justice] other state stakeholders	Q4 2021
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<p>2. Proposing amendments to laws creating the Unified Register of Accounts of Individuals and Legal Entities and Individual Safe Deposit Boxes as an integrated state information system</p>	<p>international recommendations risk of reporting entities being used for money laundering purposes risk of reporting entities being used to finance terrorism the shadow and offshore portion of national economy growing money laundering and terrorist financing through remote services or by using virtual assets suspicious financial transactions of PEPs are improperly uncovered and authorized ineffective anti-corruption effort failure to harmonize the legislation on prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of the proliferation of weapons of mass destruction with international recommendations</p>	<p>MoF (Ministry of Finance) STS (State Tax Service), NBU (with consent) MoJ MDT SFMS NACP [National Agency on Corruption Prevention]</p>	<p>Q4 2022</p>
<p>3. Proposing legal regulation required for the introduction of an integrated format of information exchange (including the structure of information exchange files) and a mechanism for electronic interaction between the National Anti-Corruption Bureau and banks to trace and establish proceeds of crime and existing unjustified assets</p>	<p>predicate offences to money laundering are investigated ineffectively</p>	<p>NABU (with consent) NBU (with consent)</p>	<p>2023</p>
<p>4. Introducing an automated and electronic information exchange between law enforcement, intelligence agencies, and SFMS, inter alia by granting them access to the financial monitoring</p>	<p>ineffective anti-corruption effort</p>	<p>SFMS NABU [National Anti-Corruption Bureau] (with consent) National Police, SBI [State Bureau of Investigation] (with consent)</p>	<p>2023</p>

system e-cabinets on the SFMS website		SSU [Security Service of Ukraine] (with consent) PGO [Prosecutor General's Office] (with consent) SFS [State Fiscal Service] Bureau of Economic Security	
5. Improving the relevant legal framework to regulate casinos and gambling, inter alia online, by preventing, detecting, and reporting the legalization (laundering) of proceeds of crime, in accordance with international standards	risk of reporting entities being used for money laundering purposes risk of reporting entities being used to finance terrorism money laundering and terrorist financing through remote services or by using virtual assets suspicious financial transactions of PEPs are improperly uncovered and authorized	MoF GLRC [Gambling and Lotteries Regulation Commission] SFMS MDT NBU (with consent) MoJ other state stakeholders	Q4 2022
6. Supporting draft laws on real estate brokerage in the Verkhovna Rada of Ukraine	activities of some representatives of certain designated non-financial business or professions legally unregulated	MoF SPFU [State Property Fund of Ukraine] MoE [Ministry of Economy] SFMS	till adoption of the relevant law
7. Proposing amendments to laws revoking licenses and/or other documents allowing persons located in the Ukrainian territories not controlled by the Government to carry out activities that cause the person to gain the status of a reporting entity	risk of reporting entities being used for money laundering purposes risk of reporting entities being used to finance terrorism ineffective sanctions for violations of the requirements of the legislation on prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of the proliferation of weapons of mass destruction	NSSMC [National Securities and Stock Market Commission] (with consent) MoF SFMS NBU (with consent) MoJ MDT	Q4 2021
8. Proposing improvements and clarifications to certain provisions of the legislation on prevention and	failure to harmonize the legislation on prevention and counteraction to legalization (laundering) of the proceeds	MoF SFMS NBU (with consent) MoJ	Q4 2022

counteraction to the legalization (laundering) of the proceeds of crime, terrorist financing, and financing of proliferation of weapons of mass destruction law	of crime, terrorist financing and financing of proliferation of weapons of mass destruction with international recommendations	MDT NSSMC (with consent), SSU (with consent) STS SFS Bureau of Economic Security
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Advancing the work of state financial monitoring entities and other authorities

9. Harmonizing regulations with the Law of Ukraine “On the Prevention and Counteraction to Legalization (Laundering) of the Proceeds of Crime, Terrorist Financing and Financing of Proliferation of Weapons of Mass Destruction”	failure to harmonize the legislation on prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction with international recommendations ineffective sanctions for violations of the requirements of the legislation on prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction	MoF SFMS MoJ NBU (with consent) NSSMC (with consent) MDT	Q2 2021
10. Improving supervisory effort in reliance on the risk-based approach during audits of reporting entities	ineffective sanctions for violations of the requirements of the legislation on prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction some designated non-financial business or professions representatives legally unregulated risk of reporting entities being used for money laundering purposes risk of reporting entities being used to finance terrorism	MoJ MoF MDT NBU (with consent) NSSMC (with consent)	Ongoing
11. Drafting guidelines for reporting entities on:	money laundered and terrorism financed through	SFMS MDT	Q4 2021

<p>the application of a risk-based approach when analyzing and detecting suspicious financial transactions based on the findings of the National Risks Assessment and sector-specific risk assessments; the automation of financial monitoring processes, inter alia by introducing IT solutions for a data-centric model of detection of financial transactions subject to financial monitoring, remote customer identification and verification, detection of suspicious financial transactions based on newly introduced technologies</p>	<p>remote services or by using virtual assets participants of the prevention and counteraction system are trained inadequately risk of reporting entities being used for money laundering purposes. risk of reporting entities being used to finance terrorism</p>	<p>MoF MoJ NBU (with consent) NSSMC (with consent)</p>	
<p>12. Drafting overviews of the judicial practice of the Supreme Court in cases involving prevention and counteraction to legalization (laundering) of proceeds of crime, terrorist financing and financing of the proliferation of weapons of mass destruction in Ukraine</p>	<p>money laundering crimes are not subject to effective, proportionate, and convincing sanctions</p>	<p>Supreme Court (with consent)</p>	<p>Q4 2022</p>
<p>13. Establishing the form and content of the ownership structure, publishing samples of the schematic representation of the ownership structure and introducing an effective mechanism for legal entities to provide information on the ownership structure and the ultimate beneficial owner, in particular in electronic form, verification of such information. Determination of the body for authorization of founders and owners of legal entities that do not submit or submit inaccurate information about the ultimate beneficial owner</p>	<p>ineffective measures to identify and monitor ultimate beneficial owners (controllers)</p>	<p>MoF MoJ SFMS NBU (with consent) MDT Bureau of Economic Security</p>	<p>Q4 2023</p>

14. Updating the Ukrainian list of offshore zones based on the EU legal rules and the data of the Global Forum on Transparency and Exchange of Information for Tax Purposes and the OECD	the shadow and offshore portion of national economy growing	MoE STS MFA [Ministry of Foreign Affairs] SFMS MoF MoJ	Ongoing
15. Identifying financial transactions that involve laundering proceeds of tax crimes, and submitting case referrals to law enforcement agencies	the shadow and offshore portion of national economy growing	SFMS	Ongoing
16. Introducing of the financial monitoring system e-cabinet	risk of reporting entities being used for money laundering purposes risk of reporting entities being used to finance terrorism	SFMS	Q1 2021
17. Creating and introducing thorough the complex administrative reporting in the area of prevention and counteraction to legalization (laundering) of proceeds of crime, terrorist financing and financing of the proliferation of weapons of mass destruction	failure to harmonize the legislation on prevention and counteraction to legalization (laundering) of the proceeds of crime, terrorist financing and financing of proliferation of weapons of mass destruction with international recommendations	SFMS MoF MoJ National Police SCS [State Customs Service] NBU (with consent) SSU (with consent) PGO (with consent) NSSMC (with consent) NABU (with consent) MDT Bureau of Economic Security SFMS	Q3 2021
18. Conducting financial investigations into transactions associated with trade in virtual assets, inter alia on platforms for tracking the movement of sources of origin of virtual assets	money laundered and terrorism financed through remote services or by using virtual assets	SFMS	Ongoing
19. Organizing and delivering advanced training to staff members of state authorities, law enforcement, intelligence and the judiciary authorities, employees of reporting entities in the AML/CFT area	participants of the prevention and counteraction to legalization (laundering) of proceeds of crime, terrorist financing, and the financing of proliferation of weapons of mass destruction system are trained inadequately	SFMS MoF MoJ NBU (with consent) SSU (with consent) NSSMC (with consent) National Police State Bureau of Investigation (with consent),	Ongoing

<p>20. Summarizing information on identified schemes of legalization (laundering) of the proceeds of crime based on experience gained in 2019–2023 by competent foreign authorities, financial, regulatory, and law enforcement agencies of Ukraine for use in preventing such crimes and communicating it to reporting entities by posting on the official website of SFMS</p>	<p>participants of the prevention and counteraction system are trained inadequately money laundering crimes are investigated ineffectively</p>	<p>Foreign Intelligence Service (with consent) NABU (with consent) SJA [State Judicial Administration] (with consent) MDT SFS Bureau of Economic Security SFMS NBU (with consent) MoJ MoF MFA National Police NABU (with consent) SBI (with consent) SSU (with consent) NSSMC (with consent) MDT PGO (with consent) STS SFS Bureau of Economic Security</p>	<p>Annually</p>
<p>21. Taking measures to improve financial inclusion and promote non-cash payments</p>	<p>cash used to a great extent financial system distrusted</p>	<p>NBU (with consent)</p>	<p>Ongoing</p>
<p>22. Analyzing information on financial transactions of politically significant persons subject to financial monitoring, to identify facts potentially indicating their corruption offenses and/or illegal enrichment, existing unjustified assets, and submitting summaries to competent law enforcement agencies</p>	<p>suspicious financial transactions of PEPs improperly uncovered and authorized</p>	<p>SFMS</p>	<p>Ongoing</p>
<p>23. Supporting the operation and development of the unified information system in the area of prevention and counteraction to legalization (laundering) of proceeds of crime, terrorist financing and financing of the proliferation of weapons of mass destruction</p>	<p>risk of reporting entities being used for money laundering purposes risk of reporting entities being used to finance terrorism</p>	<p>SFMS MoF</p>	<p>Ongoing</p>

24. Having the media cover public authorities' outputs in AML/CFT	risk of reporting entities being used for money laundering purposes risk of reporting entities being used to finance terrorism	SFMS MoF MoJ NBU (with consent) SSU (with consent) NSSMC (with consent) MDT	Ongoing
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Enhancing the effectiveness of law enforcement agencies and other state authorities

25. Uncovering facts of financial support provided by representatives of international terrorist organizations to their followers within Ukraine, including out of legalized proceeds of crime	manifestations of terrorism and separatism	SSU (with consent) FIS [Foreign Intelligence Service] (with consent) SBI [State Bureau of Investigation] (with consent) National Police PGO (with consent)	Ongoing
26. Identifying representatives of illegal armed units operating in foreign states and terminating their financial activities in Ukraine designed to derive and legalize illegal income	manifestations of terrorism, actions aimed at forcible change or overthrow of the constitutional order or the seizure of state power encroachment on the territorial integrity and inviolability of Ukraine	SSU (with consent) Foreign Intelligence Service (with consent) SBI [State Bureau of Investigation] (with consent) National Police PGO (with consent)	Ongoing
27. Identify and terminate "conversion centers" and companies with features of fictitiousness (including the use of mechanisms of "transit," "twist," and "counter-flow") involved in legalization (laundering) of the proceeds of crime or terrorist financing	predicate offences to money laundering are investigated ineffectively	National Police SFMS SSU (with consent), PGO (with consent) STS SFS Bureau of Economic Security	Ongoing
28. Identifying cross-border movement of goods, drugs, weapons and ammunition, timber or lumber of valuable and rare species, unprocessed and other timber non-exportable outside the customs territory of Ukraine, cash and non-cash funds, payment documents, items of cultural value, precious metals and gemstones and derivatives thereof, which can be used for the purpose of legalization (laundering) of	predicate offences to money laundering are investigated ineffectively	SCS SBGS [State Border Guard Service] Administration	Ongoing

the proceeds of crime or terrorist financing			
29. Uncovering crimes related to computer systems and data (cybercrime), virtual assets, and preventing legalization (laundering) of the proceeds of such crimes	money laundered and terrorism financed through remote services or by using virtual assets	National Police, SSU (with consent), SBI [State Bureau of Investigation] (with consent) SFMS MDT Bureau of Economic Security	Ongoing
30. Introducing the practice of pre-trial investigations into cases of legalization (laundering) of the proceeds of crime without a conviction for the predicate offence to legalization (laundering) of the proceeds of crime	crimes are investigated ineffectively organized crime rates rising	STS Bureau of financial security National Police SSU (with consent) NABU (with consent) SBI (with consent) PGO (with consent)	Ongoing
31. Improving multi-agency coordination and information exchange on countering the use of the non-profit sector for money laundering and terrorist financing	non-profit organizations used for money laundering and terrorist financing purposes	SFMS SSU (with consent) National Police NBU (with consent) PGO (with consent) SBI (with consent), STS SCS Bureau of Economic Security	2022

International Cooperation

32. Implementing the Action Plan for the improvement of the national financial monitoring system based on the 5 th round of evaluation of Ukraine by the Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL)	failure to harmonize the legislation on prevention and counteraction to the legalization (laundering) of the proceeds of crime, terrorist financing and financing of the proliferation of weapons of mass destruction with international recommendations	SFMS MoF MFA MoJ NBU (with consent) NSSMC (with consent) SSU (with consent) PGO (with consent) NABU (with consent) National Police SBI (with consent) Supreme Court (with consent) FIS (with consent) SBGS Administration, SEC [State Export Control] ARMA SJA (with consent)	Ongoing
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33. Drafting and presenting the 3 rd Follow-up report on the 5 th round of mutual evaluation of Ukraine at the MONEYVAL Plenary meeting	failure to harmonize the legislation on prevention and counteraction to the legalization (laundering) of the proceeds of crime, terrorist financing and financing of the proliferation of weapons of mass destruction with international recommendations	MoE STS SFS Bureau of Economic Security SFMS MoF NBU (with consent) SSU (with consent) NABU (with consent) PGO (with consent)	Q3 2021
34. Organizing interaction and information exchange with relevant foreign authorities and international organizations 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	crimes are investigated ineffectively organized crime rates rising money laundered and terrorism financed through remote services or by using virtual assets	SFMS MFA MoJ MoF NABU (with consent) MIA [Ministry of Internal Affairs] National Police NBU (with consent) SSU (with consent) PGO (with consent) NSSMC (with consent) STS SFS Bureau of Economic Security	Ongoing