

OPERATIONAL STRATEGY

NATIONAL OFFICE FOR PREVENTION AND CONTROL OF MONEY LAUNDERING

2017 - 2020

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1. PREFACE

Romania's domestic market might be threatened by illicit money circuits, which might prejudice the integrity, stability and reputation of the financial sector, as well of the Romanian citizens' security. Money laundering and terrorism financing are one of most important issues to be addressed in Romania.

Accordingly, certain measures are required to be taken based on developed operational planning, management decisions and continuous assessment of the way that the objectives are met at the National Office for Prevention and Control of Money Laundering level.

The Operational Strategy of the National Office for Prevention and Control of Money Laundering for the period 2017 – 2020 aims to achieve **6 strategic objectives**, in order for the institution to fulfill its mission of protecting the integrity, stability and reputation of the financial system, as well as the security of the Romanian citizens, by coordinating the intelligence component of the national system of prevention and combating money laundering and terrorism financing.



Establishing an effective legal framework in order to mitigate money laundering and terrorism financing in Romania



The National Money Laundering and Terrorist Financing Risk Assessment, in order to have the risks faced by the country understood, and in the same time to have an appropriate assessment of the existing risk-based approach.



Increasing the quality of the information received by the National Office for Prevention and Control of Money Laundering



Supporting the efforts of the law enforcement authorities in combating money laundering and terrorism financing



Supporting the international efforts for combating money laundering and terrorism financing



Increasing efficiency by maximizing the grant absorption

2. VALUES AND PRINCIPLES

2.1. VALUES:

The Operational Strategy of the National Office for Prevention and Control of Money Laundering for the period 2017 - 2020 keeps the same line as the previous one, by assuming the following core values premises:

- law compliance;
- confidentiality;
- responsibility;
- professionalism;
- objectivity;
- honesty;
- integrity.

2.2. PRINCIPLES:

The current strategy subsumes the following principles, which are essential for the achievement of the prerogatives of the National Office for Prevention and Control of Money Laundering:

- The principle of **rule of law**, based on which all citizens are equal before the law. It is based on respecting the human rights and requires the separation of state powers;
- The principle of **good governance**, according to which the National Office for Prevention and Control of Money Laundering has to establish clear, effective, based on well – defined objectives and quality activities, and also the FIU needs to have the capacity and flexibility for providing a quickly response to the social needs;
- The principle of **responsibility**, which impose an obligation for the National Office for Prevention and Control of Money Laundering to formulate clear and effective public policies; the Office is responsible for their implementation and efficiency, and also it has to take the measures needed to fulfill this obligations;
- The principle of **prevention** money laundering and terrorism financing, according to which early identification and timely elimination of the premises of money laundering and/or terrorism financing are priorities and imperatives;
- The principle of **effectiveness** in combating money laundering and terrorism financing, which is based on continuous assessment both in terms of concrete results and organizational management;
- The principle of **cooperation and coherence**, according to which the reporting entities, the authorities and institutions involved in the prevention and combating money laundering and terrorism financing field have to cooperate permanently, ensuring a coherent conception of the objectives, and also the activities and measured needed to be taken;
- The principle of **participation**, which shall ensure the necessary consultation of the interested stakeholders in the development and implementation of public policies and laws specific to the field. Stakeholders can be both representatives of the civil society and of public institutions or authorities with prerogatives in prevention and combating money laundering and terrorism financing filed;
- The principle of **professionalism**, according to which the employees of the National Office for Prevention and Control of Money Laundering shall perform their duties with responsibility, competence, efficiency and fairness.



3. IMPLEMENTATION FRAMEWORK:

The Operational Strategy of the National Office for Prevention and Control of Money Laundering for the period 2017 - 2020 can become an effective tool if on the entire implementation period are provided the following minimum conditions for success:

- specific legal framework amendment;
- guaranteeing the operational autonomy of the National Office for Prevention and Control of Money Laundering;
- allocation of the adequate resources for the National Office for Prevention and Control of Money Laundering (human, financial and logistics resources);
- more effective involvement of the reporting entities, institutions, and authorities with attributions in the field of preventing and combating money laundering and terrorist financing as a prerequisite for mitigating money laundering and terrorism financing in Romania.

4. THE PURPOSE, TARGET AUDIENCE, AND PROPOSED APPROACH

The purpose of the Operational Strategy of the National Office for Prevention and Control of Money Laundering for the period 2017-2020 is fulfilling the mission of protecting the integrity, stability and reputation of the financial system, as well as the Romanian citizens' security by coordinating the intelligence component of the

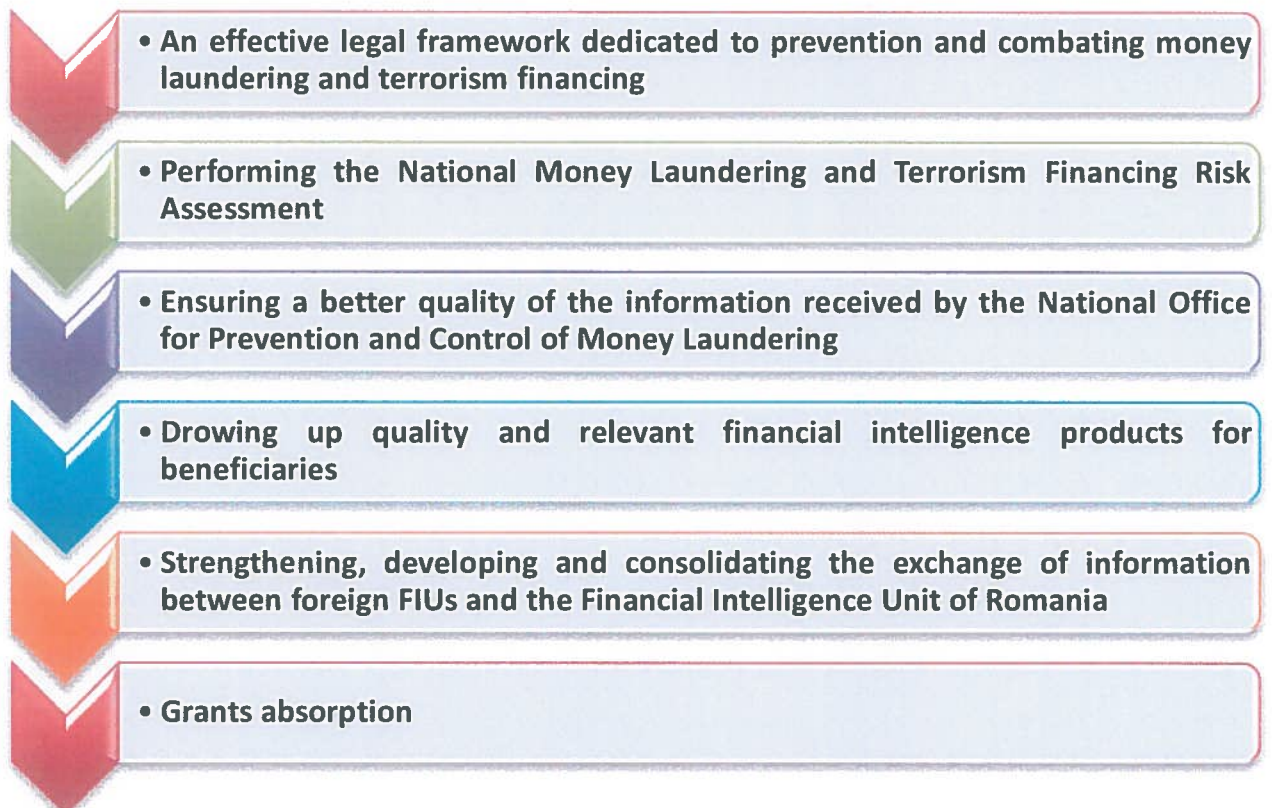
national system of prevention and combating money laundering and terrorism financing.

This document has a multidisciplinary character and is addressed to the National Office for Prevention and Control of Money Laundering, the reporting entities, the institutions and authorities with prerogatives in the field of preventing and combating money laundering and terrorism financing.

For each type of intervention has been identified strategic objectives.

5. THE EXPECTED IMPACT OF THE STRATEGY

By implementing the Operational Strategy of the National Office for Prevention and Control of Money Laundering for the period 2017 – 2020, there are expected to be achieved the following results:



6. GENERAL AND SPECIFIC OBJECTIVES AND KEY ACTIONS



Directions:

1.1. Amendments of the legal framework of prevention and combating money laundering and terrorism financing, for transposing the Directive (EU) 2015/849 provisions and FATF Recommendations

Measures:

1.1.1. Supporting the Draft Law for amending the Law no. 656/2002 (PLX 337/2013) in order to eliminate the deficiencies noted in the Romania's MER, issued by the Moneyval Committee, from Council of Europe; Adoption of the PLX 337/2013 by the Chamber of Deputies (Romanian Parliament), in order to be presented in the Second Follow-up report of Romania on anti money laundering and terrorism financing report (AML/TF) which will be submitted for debate and adoption at the 53th Moneyval Plenary Meeting – May 2017.

1.1.2. Development and entering into force of a draft law in order to implement the Directive (EU) 2015/849 provisions and the FATF Recommendations; in the same time, preparing for the 5th round evaluation of Romania.

1.1.3. Development and adoption of regulations/ norms for enforcement of the primary legislation of preventing and combating money laundering and terrorism financing, as well in the field of international sanctions.

Implementation timetable:

1.1.1.: 1st semester 2017

1.1.2: 1st semester 2017

1.1.3.: 2nd semester 2017



The National Money Laundering and Terrorist Financing Risk Assessment, in order to have the risks faced by the country understood, and in the same time to have an appropriate assessment of the existing risk-based approach.

Directions:

2.1. Understanding the risks associated with money laundering and terrorism financing faced by Romania and allowing an appropriate examination of the existing risk-based approach

Measures:

2.1.1. Collaborating with an international body, which based on a methodology, can elaborate a national money laundering and terrorism financing risk assessment in Romania.

2.1.2. Establishing and coordinating a working group made up by the representatives of the institutions, authorities and professional associations with prerogatives in the field of preventing and combating money laundering and terrorism financing and also with attributions in the implementation of the national risk assessment.

2.1.3. Taking measures in order to counter the risks arising from the evaluation.

2.1.4. Updating the national strategy in the field of AML/CTF in order to reduce the identified risks associated with money laundering and terrorism financing in Romania.

Implementation timetable:

2.1.1.: 2017

2.1.2.: 2018-2019

2.1.3.: 2019

2.1.4: 2020

Directions:

3.1 Increasing the information quality received by the National Office for Prevention and Control Money Laundering

Measures:

3.1.1 Ensuring adequate working space (the headquarter of the Office) in terms of information protection and security handled by law, in which the staff of the Romanian FIU carries out its activity.

3.1.2. Training sessions for the reporting entities;

3.1.3. Bilateral meetings with private sector representatives, in order to identify the problems faced by them during the process of submitting the relevant information, used for an efficient analyze within the National Office for Prevention and Control of Money Laundering.

3.1.4 Updating the guide recommended for detecting the suspicious transactions of money laundering and terrorism financing devoted to each category of reporting entities.

3.1.5 Identifying the evolutions of the phenomenon of money laundering and terrorism financing, by the National Office for Prevention and Control of Money Laundering.

3.1.6 Developing predictions about the possible mutations of the techniques/ tools/ resources used by the preceptors in money laundering/terrorism financing crimes.

3.1.7 Increasing control activities carried out by the Office, as supervisory authority.

3.1.8 Posting on institution website the guidelines for efficient detection of suspicious transactions, of the presentations made during the training sessions and the control results.

Implementation timetable:

3.1.1.: 2nd semester 2017

3.1.2.: 2017-2020

3.1.3.: 2017-2020

3.1.4.: 2nd semester 2017

3.1.5.: 2017-2020

- 3.1.6.: 2017-2020
- 3.1.7.: 2017-2020
- 3.1.8.: 2017-2020



Directions:

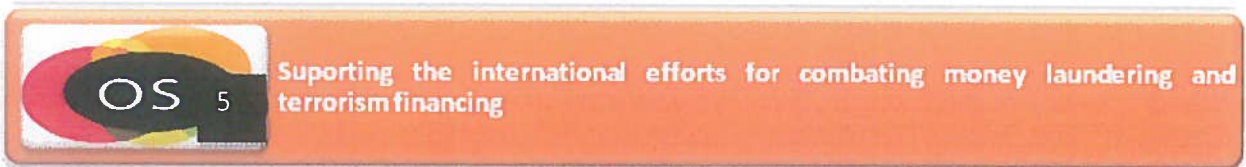
4.1 Increasing the quality of information disseminated by the National Office for Prevention and Control of Money Laundering to the law enforcement authorities, spontaneously and at their request

Measures:

- 4.1.1. Allocation of adequate resources (financial/ human/ logistics) for the National Office for Prevention and Control of Money Laundering.
- 4.1.2. Purchase of analytical products (software and hardware) for the Office's dedicated activity – GoAML UNODC program.
 - 4.1.2.1 Identifying the specific investigative targets (people, goods, networks and/or criminal groups), pursuing certain activities or concrete transactions.
 - 4.1.2.2. Identifying of possible links between specific objectives and possible criminal resulted products, money laundering acts, predicate offences, or terrorism financing acts.
- 4.1.3. Training the employees of the National Office for Prevention and Control of Money Laundering in the analysis of information for operational or strategic purposes.
- 4.1.4. Disseminating the financial analyses results done by the Romanian FIU in timely manner, to the Romanian law enforcement authorities – reducing the stock of cases.
- 4.1.5 Provide training to all law enforcement bodies, by explaining the purpose and content of the reports and explain the manner on which such reports may be used effectively during the investigation.

Implementation timetable:

- 4.1.1. - 4.1.5: 2017-2020



Directions:

5.1. Supporting the international efforts to combat money laundering and terrorism financing

Measures:

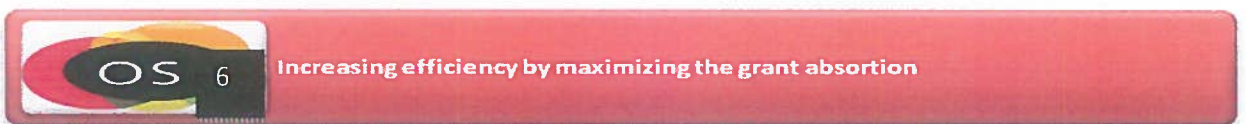
5.1.1. The Romanian FIU is permanently involved in the international exchange of information, spontaneously and on request, based on reciprocity, with foreign institutions having similar functions and which are bound to secrecy in similar manner, if such disseminations are made for preventing and combating money laundering and/or terrorism financing.

5.1.2. Enhancing the Romanian FIU participation in international organizations by taking part to the meetings organized by them at the expert level, or being part in their projects.

5.1.3 Signing international agreements/ MOUs to strengthen bilateral cooperation with foreign FIUs.

Implementation timetable:

5.1.1.-5.1.3: 2017-2020



Directions:

6.1. Clear processes implementation designed to identify potential sources of grants, supported by an appropriate structure

Measures:

6.1.1. Setting up a permanent structure within the Romanian FIU, with specialized employees, and prerogatives of identifying and performing the required processes in order to access grants.

6.1.2. At the level of the Romanian FIU, implementation of grant programs

Implementation timetable:

6.1.1.: 2nd semester 2017

6.1.2.: 2017-2020

7. LEGAL IMPLICATIONS

The Operational Strategy of the National Office for Prevention and Control of Money Laundering for the period 2017-2020 assumes legal and institutional stability of the framework for preventing and combating money laundering and terrorism financing. However, certain interventions on the legal framework are necessary.

The main regulations taken into consideration to be changed are:

- Law No. 656 of December 7th, 2002 on prevention and sanctioning money laundering, as well as for setting up some measures for prevention and combating terrorism financing, republished, subsequently amended;
- Secondary legislation (regulations/ norms for enforcement of the primary legislation / norms for primary legislation enforcement) in the field of combating money laundering and terrorism financing, and also, in the international sanctions regimes.

8. BUDGETARY IMPLICATIONS

In order to implement the measures contained in the Action Plan for the implementation of the Operational Strategy of the National Office for Preventing and Control of Money Laundering, it is necessary to allocate adequate resources (human, financial, logistical) namely the budgetary allocation of about 20.024 thousand RON/year. (RON -Romanian currency) (1 EUR =(aprox.) 4.55 RON)

9. COORDINATION AND MONITORING THE IMPLEMENTATION OF THE STRATEGY

The implementation of the Operational Strategy of the National Office for Prevention and Control of Money Laundering for the period 2017 – 2020, will be under the authority and guidance of the President of the Office. The implementation of the strategy will be monitored using the Action Plan, and also, through specific measures implemented, reported on the occasion of presenting the Annual Report of the National Office for Prevention and Control of Money Laundering. In this respect, there will be used specific indicators, and on the occasion of presenting the Annual Report of the Romanian FIU, there will be presented the progress of each strategic objective.

The scope of the aforementioned monitoring process is to identify the discontinuity and to be able to make the necessary corrections to support the decision – making process, ensuring both transparency and a basis for future assessment activities.

The evaluation of the operational strategy shall be carried out annually or whenever it is required and it is based on the information collected in the monitoring process, having as an objective the development of a general comprehensive analysis – assessment report on results achieved through the operational strategy, as well as issuing recommendations regarding further actions.