



**REPUBLIC OF ALBANIA
PARLIAMENT**

LAW

**No. 8610, dated 17.05.2000 “On the Prevention of Money Laundering” amendment
with Law no. 9084, dated 19.06.2003 “For some additional and amendment in Law no.
8610, dated 17.05.2000 on the Prevention of Money Laundering”**

Pursuant to Article 78, point 1 and Article 83, point 1 of the Constitution, and with the proposal of the Council of Ministers, The Assembly of the Republic of Albania,

DECIDED:

Article 1

Purpose

The purpose of this Law is to prevent laundering of proceeds of penal act and the commitment the criminal activity in economic and financial field.

Article 2

Definitions

Unless otherwise indicated, the following terms in this Law mean:

1. “Money Laundering” means circulating and recycling of money which derived from penal acts as well as the conversion, transmission, transformation and the alienation of products and property resulting from penal acts, aimed at hiding its illegal source or origin.

Money Laundering includes the following conduct:

a. converting or transferring the property, knowing it to be the proceeds of penal acts aiming to conceal or disguise the illicit origin of the property; or providing assistance to a person involved in the underlying crime in order to avoid the lawful consequences of his acts;

b. concealing or disguising the true nature, source, location, disposition, movement of the property or the rights related to the property, knowing or should know that the property comes from penal act;

c. acquiring, possessing or using the property, knowing or should know that at the time of receipt the property, it was the product of penal act;

ç. participating in, collaborating with, committing, or attempting to commit, and aiding and abetting , facilitating and counseling the commission of any of the above mentioned acts;

d. conducting the financial operation and fragmented or “structured” transactions aimed at avoiding the reporting requirements of this law.

dh. money laundering will be considered and in the cases when the criminal activity, from which derived the property, it’s commit out-side of territorial of R. Albania.

2. For purposes of this Law, “Customer” or “Client” means a natural (business or non-business individual) and/or legal person, resident or non-resident, Albanian or foreigner, private or public.

3. For purposes of this Law, “Responsible Authority” means the General Directory for Money Laundering Prevention, depend by Minister of Finance.

4. For purposes of this law “ cash ” includes every type of currency in circulation including, national and/or foreign banknote and coins.

5. for the purpose of this law and other by-laws “blocking of transaction” means stopping of transaction by “Responsible Authority”.

6. “Products of penal act” shall mean any property or legal instrument, shall be forfeited to the state pursuant to Albanian Penal Code, Article 36.

7. “Property” shall mean properties and asset of every kind, whether corporeal or incorporeal, movable or immovable, tangible or intangible and legal documents or instruments evidencing title to, or interests in, such properties.”

Article 3

Subjects

1. For purposes of this Law, “Subjects”: refers to natural or legal persons whose activities are defined in the Civil Code of the Republic of Albania. They include financial institutions, designated non-financial business institutions and professions as described below:

a) banks and subjects licensed by the Bank of Albania which perform banking and financial activities;

b) foreign exchange offices;

c) stock exchange, brokers;

ç) investment funds;

d) insurance companies and/or re-insurance and other legal agencies that exercise insurance activity and /or re-insurance, authorized by the of Supervising Insurance Commission;

dh. The National Agency of Privatization and any other institution or legal person involved in the judicial action of alienation and distribution for use the state property, or that is in charge of evidencing, transferring or alienating of property.

e. Postal services, other intermediates involved in payment services as well as every physical or juridical person involved in money exchange or funds transferring or allocation of credit.

ë) gambling clubs or casinos;

f) certified public accountants; financial advisors and approved auditors;

g) every natural and legal person whose business is related to:

- the trading of means of transport;
- transport and forwarding (shipping) activities;
- the trading of precious and antique things;
- the evaluation of real estate;
- the administration of a third party property;
- the trading activity with the precious metals or stones;
- travel agencies;
- construction

gj) attorneys, notaries and representatives with power of attorney;

h) non-profit organizations;

i) affiliates, branches, agencies or representative offices of a foreign company in and out of the territory of the Republic of Albania;

j) offices that evidence the conveyances or alienation of the property.

k) travel agencies

Article 4

Identification and Recording of Client/Customer Transactions

1. All subjects of Law, must identify the clients prior to conducting any financial transaction exceeding the amounts set forth in Article 5 point 1 of this law.

The subject of law identify the customers/clients whenever there is information or reasonable suspicion of money laundering involvement, regardless whether the amount of the transaction is lower than the amount set forth in the article 5 point 1 of this law.

The subjects designated set forth in Article 3, subsections “d”, “ë”, ”k” must registered the operations of clients greater than 200,000 (two hundred thousands) Leke or the counter value in foreign currencies and must report every suspicious operation regarding money laundering.

For the purpose of this law all financial institutions are subject to identification and reporting guidelines established by the Bank of Albania, for Prevention of Money Laundering.

2. Financial Institutions and designated non-financial business institutions and professions set forth in Article 3 of this Law, shall identify customers/clients by registering, recording and maintaining the following information in a special file:

a) For the natural non business person (individuals):
name, surname, date of birth, place of birth, his temporary and permanent address, as well as type and number of the official ID card and the issuing organization, as well as all changes made up to the moment of performing the transaction.

b) For the natural business person :
name, surname, number and date of the Court decision to perform his or her business activity, tax identification number and the issuance date by the taxation authorities for performing the activity as well as all changes made, up to the moment of performing the transaction.

c) For the juridical person:
name, number and date of the Court decision with respect to its registration as a legal person, tax identification number issued by the taxation authorities for performing the activity, temporary and permanent head office, nature of the business and the purpose, type, date, amount and the currency of the transaction, as well as all changes made, up to the moment of performing the transaction.

e) For the legal representative of the customer/client shall provide:
name, surname, date and place of birth, official ID number and the issuance institution, proof of power of attorney granted to him to act on behalf of the customer as well as all changes made, up to the moment of performing the transaction.

“The rules regarding with form, registration procedures of data reporting shall be established with instruction of Minister of Finance.”

3. Identification documentation of all the customers should be in original and is valid within the term of its legal validity. If the amount is not declared at the time the transaction is performed the above subjects have to identify the customer as soon as the amount is declared.

4. All customers intending to conduct a transaction in an amount greater than the one set forth in Article 5 must provide a declaration identifying the ultimate beneficiary of the transaction, the source, nature and the sum of money comes from circulating money.

5. All data collected in accordance with this provision, shall be forwarded to the Responsible Authority and to other agencies and law enforcement officials in charge of implementing and carrying out the obligations in this law.

Article 5

Reporting financial transactions to the Responsible Authority

1. The subjects of this Law, register all financial operations of all clients, starting from 2,000,000 (two million) Leke (USD 15,000) or the equivalent in other currencies.

The subjects of this Law register and report every financial transaction to “Responsible Authority” for any financial operation also in the cases under the value determinate in Law if there has information or suspicion of money laundering.

After registering of their transaction if had suspicious element for money laundering according the definitions made in this law, subjects reports to “Responsible Authority”.

2. Financial institutions, designated non-financial business institutions and professions as set forth in Article 3 of this Law, shall report all transactions in cash and /or transfers of funds greater than 20,000,000 (twenty million) lek (USD 150,000) or the equivalent value in foreign currencies to the Responsible Authority.

3. The subjects defined in this Law, made registering and report to “Responsible Authority” of all their clients transactions despite their sum ,when they discern:

a) abnormalities in customer transactions defined in the Article 2 item 1, especially in deposits, transfers and/or currency exchanges, as well as the issuance of negotiable instruments (check, bill and promissory note);

b) unjustified, complex and unusual circumstances in the transactions;

c) transactions that do not appear to have a legal or economic justification;

ç) information that the funds are derived from criminal activity;

d) suspicions of money laundering that arise after the transaction has been performed and any other circumstances not provided above, when elements of committing the penal offense of money laundering exist.

dh) consecutive transactions or fragmented or structured transactions whose sum exceeds the amount determinate in article 5 point 1 of this Law.

3/1.The subjects determinate in Article 3 of this Law must immediately notify the Responsible Authority in the event they have information or suspicion that any transactions, proceeds or property originate or result from, are involved in, are or are intended to aid, support, facilitate, maintain, encourage, disguise or conceal terrorist acts or the financing of terrorism.

4. The subjects determinate in Article 3 of this Law report immediately to the Responsible Authority no latter than 72 hours after that transaction took place, for all the cases mentioned above in this article and for any other information that agrees or denies information or suspicions based on evidences or concrete circumstances for money laundering. In cases previous in point 3/1 of this article report should made immediately when the operation registered.

5. Information to the Responsible Authority is given only by the Administrators, officials or authorized personnel of the subjects.

6. For the purpose of this Law and other by-laws regarding the form and procedure of verifying and reporting the information determinate by instruction of Minister of Finance.

Article 6

Duty Not to Disclose

1 The subjects determinate in Article 3 of this Law, including its directors, officers, employees and agents of such subjects which report suspicious transactions pursuant of this law or any other authority, are prohibited from notifying any person involved in the transaction that the transaction has been reported or to disclose any related information of money laundering suspicion.

All the subjects of this Law, shall retain:

- a) all information related to customer identification for a period not less than 5 years from the date the customer terminates civil and juridical relations with the subject;
- b) the data, information, and reports of the transaction performed on behalf of the customer for a period not less than 5 years after the transaction has taken place.

The subjects in Article 3 of Law has the obligation in front of “Responsible Authority” and/or the proceed organs to certificate the real origin of money or property which are confiscation objects.

2. For the purpose of supporting and implementing this Law the subjects Article 3 of this Law, including its directors, officers, employees and agents are obliged to perform the orders of “Responsible Authority” according article 8.(ë) of this law and not to perform financial operation if:

- a) the client/customer or clients/customers do not provide complete information on their identity;
- b) their anonymity or false identity is proven, or
- c) there is evidence to believe that the transaction is related to money laundering, as defined in Article 2.1 of this Law.
- ç) identification of the beneficiary is not obtained
- d) the source of the property is not declared

Article 7

Prevention measures of subjects

1 In order to support and implement this Law and other by-laws, the subjects of this Law shall:

- a) appoint an official of high or management level in the head office, affiliate, branch, agency or representative office (if any) to whom all officers and other personnel

report sufficient information that may constitute elements of the definitions made in Article 5 of this Law;

- b) establish a central unit responsible for collecting information;
- c) compile and implement interior regulations and instructions for the prevention of money laundering;
- ç) periodically inform their employees and personnel about the legal procedures related to the penal offense of money laundering;
- d) organize periodical staff qualification programs;
- dh) enable the internal auditor to implement the provisions of the Law and to randomly test programs in order to test the system.
- e) ensure that the affiliates, branches, and their agencies outside the territory of the Republic of Albania act in compliance with this Law.
- ë) forward information, additional data and documents to the Responsible Authority according its requests and time limit. Should be based reasons that the time limit defined by the Responsible Authority is not enough, seeks the extension of this time limit but not latter than 15 days from the reception of the request.
- f) To prevent the opening of bank accounts with forged and untrue names.
- g) To made the identify of clients and registering of data and information about their financial operation, approved and performed inside rules for daily evidence and keeping of the data for the operation that clients commits.

Article 7/1

1. The General Directory for the Prevention of Money Laundering will operate as the Responsible Authority, according this Law, as one central institutions depended by Minister of Finance. This directory inside their field has the right to decide for the manner of pursuance and resolve the treated cases for money laundering.
2. In addition to the tasks defined by this law, the General Directory for the Prevention of Money Laundering shall operate as the national financial intelligence center responsible in the fight to combat money laundering and terrorist financing. Also this directory functioned as national center for the collection, analysis and distribution of the information related to the potential money laundering activities.
3. Job relations of this directory will be subdue to the law no. 8549 dated November 11, 1999 on the Civil Employee Status.
4. The organizational structure and internal operational duties defined with the decision of the Council of Ministers.

Article 8

Duties and rights of the Responsible Authority

Based upon and for the implementation of this law, the " Responsible Authority " had these duties and rights:

- a. Receive reports and the data from subjects in accordance to the provisions of this law;
- b. Has access controlled data, by state institutions and every kind of public register;
- c. Analyze reports and other information received from subjects of this Law and other law enforcement bodies to identify the clients, the final receiver and the source of financial transaction;
- ç. Look for additional information from the subjects determinate in article 3 of this Law in order to identify the client and its representatives, individuals in whose accounts are opened bank accounts or are directed incoming from transaction and the source of the revenues.
- d. Cooperate with financial intelligence units and appropriate law enforcement authorities inside and outside the country in order to exchange information to identify source detection, temporary blocking and freezing of transaction and the sequestration of proceeds from penal acts.
- dh. Developed the cooperation and pursued the performance of procedures and mechanism to inform special financial units and other authority determinate out-side the country, related with own self the data and documents, also to request from the homologue the data and documents, with purpose disclosure and detection of illegal money laundering operations.
- e. Disclose information and reports to the other competent authorities in order to investigate, inquire and take action against individuals in suspected cases for money laundering.
- ë. Based upon reasonable belief of the existence of money laundering involvement may issue temporary blocking and freezing orders of any financial transaction for a period not to exceed 72 hours.
- f. Send to the Prosecutor's office act copy for which had determinate temporary blocking and freezing orders of any financial transaction according letter "ë" of this article.
- g. Present the case to the Prosecutor's Office when the GDML believes that sufficient evidence exists to establish the penal act of money laundering.
- gj. Meet with the Prosecutor's Office for consultation or upon request of the Prosecutor for consultation on the issue of money laundering.

- h. Preserve, manage and keep the data and other legal documentation of financial operations for a period of 10 years from the latest operation.
- i. Organize and participate in training programs for government and financial institutions regarding money laundering and terrorist financing..

Article 8/1

The National Committee on Coordinating the Fight Against Money Laundering

1. Created The National Committee on Coordinating the Fight Against Money Laundering
2. This committee shall be run by the Prime Minister and shall be composed of: The Minister of Foreign Affairs, Minister of Defense, Minister of Public Order, Minister of Finance, Minister of Justice and the Head of State Intelligence Service.
3. The committee shall meet at least 2 times per year and had the duties to determinate the general politic state direction for preventing and fighting the money laundering, to analyze the 6-monthly reports of the operations conducted by GDPML, reports and documents prepared by international organism and institutions, related with money laundering prevention field, and to discus other important cases evaluated by Prime Minister, General Prosecutor and Governor of the Bank of Albania.
4. In the meetings of this Committee should called to participate Ministers, Deputy, Headers of Institutions and specialists of money laundering prevention field.
5. The regulations for organizing the meeting and for the functioning of the permanent National Committee on Coordinating the Fight Against Money Laundering shall be defined in its special guideline.

Article 9

Cooperation with law enforcement authorities

For the purpose of this Law all the Subjects is obligate to take measures for ensuring the cooperation with the Law enforcement competent state organ. The advertisement by subjects, included their employees, of the data according the request of this law not constitute a criminal, civil and/or administrative violation which preview the obligation not to publish the data for their clients.

Article 10

Report by Customs Authorities

1. The customs authorities shall identify their clients according to the procedures set forth in Article 4 point 2 of this Law and report to the Responsible Authority immediately, and in any case, not later than 72 hours after the action is recorded, any suspicion, information or other data relating to money laundering.
2. The customs authorities shall implement the requirements set forth in Articles 6 and 7 of this law.

3. the individuals, resident or non-resident, when enter or exit the territory of R. Albania are obliged to declare their amount in cash, travel check, precious stones/metals other antiquaries, starting from 1000 000 leke or equivalent of this amount in hard currencies.

4. The methods and procedures of identification and reporting shall be defined by a decision of the Minister of Finance.

Article 10/1

Reporting of the Tax Authorities

1. The tax authorities shall identify their clients according to the procedures set forth in Article 4 point 2 of this law and report to the Responsible Authority immediately, and in any case, not later than 72 hours after the action is recorded, any suspicion, information or other data relating to the crime of money laundering:

a. Financial services:

- i) Giving, negotiating and taking loans, credit lines, and any guarantee for the money and any guarantee from the lender;
- ii) Transactions related to the bank accounts, payments, debt transfers, checks;
- iii) Transactions related to the currency, bills and the money as legal means of payment;
- iv) Transactions related to shares, financial capitals, obligations, and bonds;
- v) Administration of the investment funds;
- vi) Transactions related to insurance companies including the reinsurance.

b. Invoices prepared by buyers

c. Tax coupons and certificates

2) The tax authorities are tasked with implementing the requirements of articles 6 and 7 of this law.

3) The methods and procedures of identification and reporting are defined by a decision of the Minister of Finance.

Article 10/2

Reporting of the organs which license physical and legal persons

The organs which license:

- a) Subjects determinate in letters “a”, “b”, “d”, “e”, “ë”, “f”, “g”, “h” and “j” of Article 3 of Law;
- b) Trade company and/or other institutions which aren't determinate as subject of Article 3 of Law;

Identify the physical and legal persons that request to be licensed according the request of Article 4 of this Law, and reports at “Responsible Authority” for any suspicious of money laundering and financial operation over the value determinate in Article 5, point 2 of this Law.

The forms and procedures of identifying and reporting determinate by Council of Ministers after take in consideration the opinion of Ministry of Finance.

Article 11

Reporting on banking activities

The banks and the subjects set forth in Article 3 of the Law, licensed from the Bank of Albania inform the Responsible Authority of all suspicious activity and for all bank transactions over the amounts set forth in Article 5 point 2, of this Law, in the following bank activities:

- a) Transactions of capital in the account of:
 - i) direct investments,
 - ii) bond transactions;
 - iii) credit transactions;
 - iv) inter-bank deposit transactions ;
 - v) transactions of insurance out of the Albanian territory and jurisdiction in the case when such actions are allowed by the Albanian legislation.
- b) transferring capital from other countries to the Republic of Albania
- c) transferring capital from the Republic of Albania to other countries
- ç) current transactions
- d) unilateral capital transferring of
 - i) Personal transfers of the actives
 - ii) Physical transfers of the actives
- dh) investment of non-resident in bond
- e) foreign bank accounts of Albanian residents
- ë) bank accounts of non residents
- f) payments done abroad

Article 12

Protection of the rights of the subjects

The subjects of this Law or their representatives, and their employees that report confidential information are exempted from the legal responsibility (penal and civil) of the secrecy (including the banking secrecy) and of the confidential business information of the customers. Such lawful disclosure shall not involve the subjects as defined in Article 3, their officers, directors or employees in liability of any kind.

Article 13

Obligations of supervisory authorities

If the Supervisory Authorities of all the subjects, while performing their institutional activity, find evidence of money laundering, they shall inform the Responsible Authority to prevent money laundering pursuant the same form and manner as foreseen for all the subjects of this Law.

The Supervising Authorities of the subjects defined in article 3 of this Law, during the exercise of their supervising activity shall perform the following tasks:

- a) Act in complete conformity with the programs against money laundering
- b) Check the implementation of the programs against money laundering and ensure that these programs are appropriate
- c) Compile and assist in the compilation of the Guidelines and Regulations to detect the suspicious cases or behaviors by the clients.
- ç) Take measures for the compilation and implementation of the necessary regulations for safeguarding against controls, appropriation, penetration or intervention of criminal elements or their co-workers in supervising subjects (structures).
- d) Cooperate and provide specialized assistance in the investigating and prosecuting of money laundering cases, based on the request of the competent authorities.
- dh) Notify the Responsible Authority of any suspicion of money laundering and any activities described in Articles 5 and 6 of this law.
- e) Cooperate in the compilation and enforcement of the training programs in the area of combating money laundering.

Article 14

Administrative Offences

1. Violations by subjects as set forth in Article 3 of this law, on the following cases in particular, when not comprising a penal act, comprise minor offence and are punishable by a fine of 50 000 (fifty thousand) till up to 10 000000 (ten million) Leke;
 - a) Failure to carry out the actions and the identifying procedures of the clients according to the provisions of Articles 4, points 1, 2 and 4 of this Law and of the subordinate legal provisions issued for the implementation of this law;
 - b) Failure to collect information and failure to report it to the Responsible Authority according to the provisions of Article 5, points 1,2,3 and 4 of this Law;
 - c) Failure to foresee (the need for) and set up the structures, based on Article 7, point 1, letter “a,” “c,” “e”, “ë”, “g”, of this Law.
 - ç) Failure to safeguard the data on the identification and/or reporting in contradiction with article 4, point 3, and Article 6, point 1 of this Law.
 - d) The perpetration of operations in contradiction with article 6, point 2 of this Law;
 - dh) Conducting of financial operations, in contradiction with order of “Responsible Authority” according Article 8 letter “ë” of this Law.
 - e) The erasing, damaging or changes in the register containing data that are subject to the implementation of this Law.

2. Administrative offences committed by employees of the entities and contemplated by article 3 of this law, are punishable by a fine of 50 000 (fifty thousand) till up to 300 000 (three hundred thousand) Leke.
3. Administrative offences committed by high level officials of entities or representatives appointed by the entities, based on article 7, point 1 and 2 of this law are punishable by a fine from 20 000 (twenty thousand) up to 100 000 (one hundred thousand) Leke.
4. The Header of Responsible Authority determines the level of the fine.
5. The procedures for the complaints and the execution of the decisions on minor offences are carried out in conformity with Law no. 7697, dated 04/07/1993 “On Minor Offences”

Article 15

Cooperation with international organizations or institutions

1. For the purpose of this Law and other by-laws, the “Responsible Authority” and analogous international organizations or institutions exchange mutual cooperation for the purpose of:

a. identification, detection, sequestration or confiscation of the means and products of the penal acts related to money laundering.

b. freezing or blocking of the properties, proceeds and instruments that consist products of the penal acts, subject of confiscation, for the purpose of preventing any transfer agreement and disposition thereof.

c. assistance to appropriate investigating.

ç. Assistance in identifying, and finding the sources of the products, assets, and instruments to undergo confiscation.

1.1 The Responsible Authority exchanges information with its homologue authorities and international organizations in conformity with Albanian legislation and the international agreements recognized by the Albanian state regarding the safeguarding of privacy (information on the private life.)

2. The “Responsible Authority” and other analogue international organizations or institutions, afford to each other the widest measure of mutual assistance in the serving of judicial documents to persons affected by provisional measures and confiscation.

3. The procedures of cooperating with analogue international organizations for extraditing the persons involved in money laundering and confiscating the property, shall be applied in accordance with the provisions of the Penal Code and the Penal Procedure Code of the Republic of Albania.

4. All requests under this article shall be made in writing. Other means of telecommunications determined by the Responsible Authority may also be used.
5. The Responsible Authority formulates effective legal programs dealing with mutual assistance and cooperation in the area of money laundering in different countries;
6. The Responsible Authority has the right to participate and sign agreements.

Article 16

Transitory Provisions

Within 6 months, upon entrance into force of this Law, regarding the obligations, supervision authorities and the subject determinate in Article 3 of this Law should to approved and perform internal rules requested according Article 7 point 1 letters “c” and “g”, also Article 13 letters “c” and “ç” of this Law.

Article 17

This Law will take force 15 day after being published by the Official Bulletin.

CHAIRMAN

Servet PELLUMBI