Official translation

L A W
No.308 of 22.12.2017

on prevention and combating money laundering and terrorism financing

For the purpose of transposition of the provisions of Directive (EU) 2015/849 of European Parliament and of the Council of May 20th, 2015 on the prevention of the use of financial system for the purpose of money laundering or terrorism financing, of the amendment of Regulation (EU) No. 648/2012 of the European Parliament and of the Council and of the abrogation of Directive 2005/60/CE of the European Parliament and of the Council and of the Directive 2006/70/CE of the Commission (text with relevance for SEE), published in the Official Journal of the European Union L 141 of June 5th, 2015, as well as of the implementation of the requirements of international standards on the prevention and combating of money laundering, terrorism financing and proliferation of mass destruction weapons, adopted by Financial Action Task Force (FATF-GAFI) in February 2012.

The Parliament adopts the present organic law.

Chapter I
GENERAL PROVISIONS

Article 1. Aim of law

The present law establishes the measures of prevention and combating money laundering and terrorism financing, contributing to ensure the state security, aiming to protect the national financial-banking, financial-non-banking and the designated non-financial businesses and professions system, protection of rights and legitimate interests of natural and legal persons, as well as of the state.

Article 2. Domain of law application

(1) Under the incidence of the present law are falling actions of money laundering, associated offenses, actions of terrorism financing and proliferation of weapons of mass destruction, committed directly or indirectly, by citizens of the Republic of Moldova, foreign citizens, stateless persons, resident or non-resident legal entities on the territory of the Republic of Moldova, as well as, in accordance with the international treaties to which the Republic of Moldova is a party, the actions committed by them outside the territory of the Republic of Moldova.

(2) If the transaction/operation is carried out in foreign currency, for determination of its equivalent in MDL, for the purpose of implementation of provisions of the present law, it is applied the official exchange rate of MDL against foreign currency, established by the National Bank of Moldova, valid for the day of transaction/operation execution.

Article 3. Main notions

Under the present law, the following notions shall mean:

risk-based approach - use of evidence-based decision-making process for efficient prevention and combating the risks of money laundering and terrorism financing identified at operational, sectorial and national levels;

activity - behaviour based on a set of actions, including transactions, aimed at achievement of a result;

suspicious activity or transaction - activity or transaction with goods or illicit goods, including financial means and funds, about which the reporting entity knows or indicates reasonable grounds for suspicion that actions of money laundering, associated offenses, actions of terrorism financing and of proliferation of weapons of mass destruction are in course of preparation, of attemption, of accomplishment or are already performed;

real estate agent - a legal or natural person that provides intermediary services in real estate transactions, including of sale-purchase or rent of real estate and which provides consultation in this domain in exchange for a pre-established commission from the transaction value;

shell bank - financial institution or institution performing activities equivalent to those of the financial institution, which does not have physical presence, does not carry out real conduct and management and which is not affiliated to a regulated financial group;

beneficial owner - a natural person that ultimately owns or controls a natural or legal person or beneficiary of an investment company or manager of the investment company, or a person in whose name an activity is carried out or a transaction is performed and/or who owns, directly or indirectly, the right of ownership or control of at least 25% of the shares or of the voting rights of the legal person or of the goods under fiduciary administration;

goods – financial means, as well as funds, income, any category of corporeal or incorporeal, movable or immovable, tangible or intangible values (assets) and acts or other legal instruments in any form, including in electronic or digital form that attest a title or a right, including any share quota (interest) in respect of those values (assets);

illicit goods - goods directly or indirectly intended, used for or resulted, , from the commission of an offense, any benefit obtained from these goods, and goods converted or transformed, in whole or in part, from goods intended, used for or resulted from the commission of an offense and benefit obtained from these goods;

frozen goods - goods that are subject of provisional measures provided in art. 33;

suspicious goods - goods about which the reporting entity knows or indicates reasonable grounds of suspicion that they have illicit character;

client (customer) - a natural or legal person that is in the process of establishment of a business relationship or has already established a business relationship with the reporting entity or has benefited or benefits from the services of the reporting entity;

anonymous account - account the holder of which is not identified;

account in fictitious name - account opened on behalf of a person that is not identified and whom it is assigned an invented name;

terrorism financing - actions established in art. 279 of the Criminal Code and in the international treaties to which the Republic of Moldova is a party;

associated offenses - offenses provided by the Criminal Code, including terrorism financing, as a result of commission of which illicit goods have been obtained , including income, funds and other benefits that constitute the object of money laundering;

financial investigations - activities that consist in collection of information, analysis and verification of all financial and economic relationships, as well as in verification of clients that may be related to actions of money laundering, to associated offenses and to actions of terrorism financing, activities focused to identification, determination of source and tracing of the goods used for, obtained from these offenses, of terrorists funds and other goods that are or may be the object of provisional and/or confiscation measures, as well as investigation of the

extent of criminal network and of the related criminal degree. Financial investigations are distinct from special investigations regulated by Law No. 59/2012 on special investigative activity;

designated non-financial business and profession – natural or legal person that provides independent professional accounting, audit, and legal nature services, including lawyers, notaries, acting in accordance with the legislation in force;

restrictive measures in respect of goods - measures that ensure prevention of the movement, transfer, modification, use or handling of goods in any way that could result in modification of their volume, value, location, property, possession, character or destination or any other modification that would allow the use of goods;

members of families of politically exposed persons – husband/wife, children and their husbands/wives, concubine and parents of the politically exposed person;

self-regulatory body with supervisory functions - entity with status of legal personality that represents members of a same profession and that has a role in their regulation, in execution of certain functions of supervision or monitoring and in ensuring the implementation of the norms in relation to them;

persons associated with politically exposed persons - natural persons known as being, together with a politically exposed person the beneficial owners of a legal person or engaged in joint business relationships, as well as natural persons known as being the sole beneficial owners of a legal person about which it is known that it was founded for de facto benefit of the politically exposed person;

persons with senior management positions - responsible persons or employees having sufficient knowledge about exposure of institution to money laundering and terrorism financing risk that hold sufficiently high positions to make decisions with effect on this exposure and that are not necessarily members of the management board ;

politically exposed persons - natural persons that exercise or exercised during the last year prominent public functions at national and/or international level as well as members of the governing authorities of political parties;

natural persons that exercise prominent public functions at international level - natural persons that hold or held the position of Head of State, Governments and Cabinets of Ministers, members of Governments, Deputy Ministers, Chiefs of State Chancelleries, Deputies, Leaders of political parties, judges of the Supreme

Courts of Justice, as well as members of the Courts of Accounts and Councils of National Banks, officers with senior and supreme military ranks, members of the governing and management authorities of state-owned enterprises, members of royal families, ambassadors and senior rank personnel of diplomatic missions, directors, deputy directors and members of the management boards of international organizations;

natural persons exercising prominent public functions at national level - natural persons that held or that hold positions of prominent public dignity in accordance with the legislation, also members of management boards of state enterprises, municipal enterprises, as well as commercial societies with majority state-owned capital, leaders of political parties and officers with senior and supreme military ranks;

proliferation of weapons of mass destruction- actions established in art. 140^1 of the Criminal Code and in international treaties to which the Republic of Moldova is a party;

business relationship - professional or commercial relationship related to professional activities of the reporting entities and persons regulated by the present law and which, at the time of contact establishment, is considered to be of a certain duration;

professional secret - information, data and documents held on the basis of the present law with respect to a particular person – personal data, data about financial assets, business relationships, ownership structure, sale network and about intentions of business development, the disclosure of which may cause damages to the concerned person;

freezing of activity or transaction – temporary prohibition of the change of ownership regime, transfer, liquidation, transformation, placement or movement of goods or temporary assumption of custody or control of the good;

money laundering - actions established in art. 243 of the Criminal Code and in the international treaties to which the Republic of Moldova is a party;

transaction - actions based on prior understanding between two or more parties through which the goods are transferred, liquidated, transformed, placed or it is achieved their circulation;

complex and unusual transaction - transaction carried out through a single operation or through several operations that do not correspond to ordinary activity and or are not typical to client activity;

occasional transaction – transaction carried out through a single operation or through several operations, by one or more natural or legal persons, in the absence of business relationship with the reporting entity.

Chapter II

PREVENTION OF MONEY LAUNDERING AND TERRORISM FINANCING

Article 4. Reporting entities

(1) The following natural and legal persons, hereinafter referred to as *reporting entities*, fall within the provisions of the present law:

a) financial institutions specified in the Law on financial institutions No. 550-XIII of 21.07.1995;

b) foreign exchange units (other than banks);

c) registry societies, investment companies, sole central depository, market operators, system operators, insurers (reinsurers), intermediaries in insurance and/or reinsurance of legal entities, National Bureau of Vehicles Insurers, non-state pension funds, microfinance organizations, savings and loan associations, central associations of savings and loan associations;

d) organizers of gambling;

e) real estate agents;

f) natural and legal persons practicing activities with precious metals and precious stones;

g) lawyers, notaries, and other designated non-financial businesses and professions, during the period of participation on behalf of the client, in any financial and real estate transaction, or during the period of the provision of assistance for planning or execution of transactions for client, which in both cases involve the sale and purchase of real estate, donation of goods, management of financial assets, securities and other goods of client, opening and managing bank accounts, creation and management of legal persons and goods under fiduciary administration, as well as their purchase and sale;

h) lessors who are legal persons that practice entrepreneur activity and transfer under the terms of leasing contract, to lessees, at their request, for a certain period, the right of possession and/or use of property the owners of which they are, with or without the transmission of the right of ownership of the good upon the expiration of the contract;

i) payment service providers, issuers of electronic money and postal services providers operating in accordance with Law No. 114 of 18.05.2012 on payment services and electronic money;

j) providers of postal services acting in accordance with the Law No. 36 of 17.03.2016 on postal communications;

k) audit entities, legal entities and individual enterprises providing accounting services;

l) other natural and legal persons who sell goods in the amount of at least 200.000 lei or its equivalent, only if the payments are made in cash, regardless of whether the transaction is carried out through an operation or through several operations that appear to have connection between them.

(2) The Customs Service, at the latest on the date of 15th of the month following the reporting month, notifies the Office for Prevention and Fight against Money Laundering about all of the information regarding the foreign currency values declared by natural and legal persons in accordance with the provisions of art. 33 and 34 of Law No. 62-XVI of 21.03.2008 regarding the foreign exchange regulation, except for the foreign exchange values declared by the National Bank of Moldova and licensed banks.

(3) The Customs Service shall notify immediately, but no later than 24 hours, the Office for Prevention and Fight against Money Laundering about the information regarding the identified cases of suspicious importing and/or exporting of currency values to/from the country.

(4) Public authorities, other than the authorities with functions of supervision of the reporting entities referred to in art. 15 par. (1), shall notify immediately, but no later than 5 working days, the Office for Prevention and Fight against Money Laundering about the cases of possible violations of the provisions of the present law identified in the exercise of functions.

(5) Natural or legal persons, other than those indicated in par. (1), can inform the Office for Prevention and Fight against Money Laundering about the cases that become known, regarding money laundering and terrorism financing, by using ordinary communication channels – postal service, e-mail, telephone.

Article 5. Customer due diligence measures

(1) The reporting entities shall apply customer due diligence measures:

a) when establishing of business relations;

b) when carrying out all types of occasional transactions:

- in the amount of over 20.000 lei - if the transaction is carried out in a single transaction, through the payment services providers, including the use of electronic means;

- in the amount of over 300.000 lei - if the transaction is carried out through one or several operations that have connection between them, taking into account the requirements at national level;

c) in case of the organizers of gambling, in the moment of receiving of winnings, in the moment of placing a bet or in both cases when transactions in the amount of at least 40.000 lei are carried out, regardless of whether the transaction is carried out through a single operation or through several operations that seem to have a connection between them;

d) when there is a suspicion of money laundering or terrorism financing, regardless of established derogations, exemptions or limits;

e) when there are suspicions regarding the authenticity, sufficiency and accuracy of previously obtained identification data;

f) in case of persons that sell goods, when carry out occasional cash transactions in the amount of at least 200.000 lei, regardless of whether the transaction is carried out through a single operation or through several operations that seem to have a connection between them.

(2) Customer due diligence measures include:

a) identification and verification of the identity of customers on the basis of identity documents, as well as documents, data or information obtained from a credible and independent source;

b) identification of beneficial owner and application of appropriate and risk-based measures for verification of his/her identity so that the reporting entity to have the certainty that it knows who is the beneficial owner, including the application of reasonable measures, in order to understand the structure of the property and the control structure of the customer;

c) understanding the purpose and intended nature of business relationship and, if necessary, obtaining and assessing the information regarding them;

d) on-going monitoring of business relationship, including the examination of transactions concluded during the entire duration of the concerned relationship, in order to ensure that the performed transactions are consistent with the information held by the reporting entities regarding the customer, the activity profile and the risk profile, including the source of goods, and that the held documents, data or information are updated.

3) If it is not possible to comply with the requirements provided in par. (2) let. a)-c), the reporting entities are obliged not to carry out any activity or transaction, including through a payment account, not to establish any business relationship or to terminate an existing business relationship, and to consider sending of special forms on reporting the suspicious activities or transactions to the Office for Prevention and Fight against Money Laundering in accordance with the provisions of art. 11. In this case, the reporting entities are entitled not to explain to the customer the reason of refusal.

(4) Reporting entities are prohibited from opening and maintaining anonymous accounts, fictitious accounts, anonymous savings books, establishing

or continuing a business relationship with a fictitious bank or a bank about which it is known that allows a fictitious bank to use its accounts or which makes anonymous accounts available to its customers.

(5) Customers are required to submit, at the request of the reporting entity, all of the information, documents and copies of them, necessary for the implementation of due diligence measures, and in the event of occurrence of new circumstances related to beneficial owners, to update, on their own initiative, the already submitted data. The accuracy and veracity of submitted documents are certified by customers mandatorily.

(6) Customer due diligence measures are applied by the reporting entities not only to all new customers, but also to existing customers, using risk based approach, including when relevant circumstances regarding the customer are modified.

(7) In the case of application of customers due diligence provided in par. (2), the reporting entities shall establish and verify the legality of mandates and the identity of customer's representatives.

(8) By way of derogation from the provisions of par. (1) let. b), the foreign exchange transaction in cash with the amount exceeding 200.000 lei shall be carried out with the presentation of identity documents and the data from them shall be recorded by the foreign exchange unit.

(9) By way of derogation from par. (1) let. a) and b), on the basis of a proper risk assessment demonstrating the existence of a low risk of money laundering and terrorism financing, the reporting entities providing payment services and issuers of electronic money specified in Law No. 114/2012 on payment services and electronic money, except for cases of redemption or withdrawal of cash exceeding the amount of 2.000 lei, may skip the application of customer due diligence measures related to electronic money or prepaid payment instrument in the cases of compliance with the following conditions:

a) the maximum electronic deposited amount does not exceed the amount of 5.000 lei;

b) the amount of monthly transfers does not exceed the amount of 5.000 lei, and for payment instruments that can be used only on the territory of the Republic of Moldova, it can be increased up to 10.000 lei;

c) the payment instrument is used exclusively to purchase goods and services;

d) the payment instrument cannot be funded with anonymous electronic money;

e) the issuer carries out a sufficient monitoring of transactions or business relationship, in order to enable detection of suspicious transactions.

(10) The procedure and requirements related to the application of due diligence measures, including the identification of customer and of the beneficial owner, are issued by the reporting entities on the basis of recommendations and instructions of the authorities with supervisory functions.

(11) In case of life insurances and of annuities provided by legislation on insurance, the reporting entities, in addition to measures provided in par. (2), shall apply the following customers due diligence measures:

a) record the name of person in case of beneficiaries that are persons identified by name;

b) in case of beneficiaries designated by characteristics or category or by other means, to obtain sufficient information on the concerned beneficiaries so that the reporting entity be sure that at the time of payment it will be able to determine the identity of the beneficiary.

(12) In cases mentioned in par. (11) let. a) and b), the verification of the identity of beneficiaries shall takes place at the moment of payment. In case of an assignment, full or partial, to a third party of a life assurance and of annuities provided by the legislation on insurance, the reporting entities that are aware of the concerned assignment shall identify the beneficial owner at the time of assignment to the natural or legal person, which receive for own benefit, the value of the ceded policy.

(13) In case of beneficiaries of goods under any form of fiduciary management, which are designated depending on particular characteristics or category, the reporting entity obtains sufficient information on beneficiary, so as to ensure that it will be able to identify the beneficiary at the moment of payment or at the time of enforcing by the beneficiary of his/her acquired rights.

(14) The reporting entities shall provide to customers the required information, on the basis of art. 12 par. (1) of the Law No. 133/2011 on protection of personal data, before the establishment of a business relationship or execution of an occasional transaction. The information shall include, in particular, general information on legal obligations of reporting entities on the basis of the present law when processing the personal data for the purpose of money laundering and terrorism financing prevention.

(15) In the case in which, after the exhaustion of all possible means and provided that there are no grounds for suspicion, no person shall be identified as the beneficial owner, the natural person that holds the position of administrator of the customer shall be considered as beneficial owner. The reporting entities shall keep records of the measures taken for identification of beneficial owners separately for each customer and provide them, on request, to the Office for

Prevention and Fight against Money Laundering and/or to the authorities with supervision functions of reporting entities.

Article 6. Money laundering and terrorism financing risk assessment and risk-based approach

(1) The reporting entities are obliged to undertake actions related to the identification and assessment of risks of money laundering and terrorism financing in their own area of activity, by taking into account the assessment of risks of money laundering and terrorism financing at the national level, as well as the criteria and factors established by the authorities with supervisory functions. The results of own of money laundering and terrorism financing risk assessment are approved and regularly updated by the reporting entity, and on request it is provided to the Office for Prevention and Fight against Money Laundering or to the authorities with supervision functions of reporting entities.

(2) The reporting entities, based on the results of money laundering and terrorism financing risk assessment, shall use the risk-based approach, whereas the actions of prevention and mitigation of money laundering and terrorism financing to be proportional with the money laundering and terrorism financing risks identified in their own field of activity.

(3) The reporting entities shall ensure the implementation of the risk-based approach by approving the procedure of identification, assessing, monitoring, managing and mitigation of the risk of money laundering and terrorism financing.

(4) The reporting entities shall apply the due diligence measures establishing their scale depending on customer profile, identified money laundering and terrorism financing risk, country (jurisdiction) profile, business relationship, goods, service or transaction, distribution network.

(5) The reporting entities shall apply simplified due diligence measures in respect of customers for identification of lower risks of money laundering and terrorism financing. At the identification of higher risks of money laundering and terrorism financing, they apply enhanced due diligence measures in respect of customers.

(6) In the process of money laundering and terrorism financing risks assessment, the reporting entities use different variables (indicators) related to the domain of activity, including the destination of opening of an account or the purpose of business relationship, the volume of deposited assets or the amount of transactions carried out by the customer, the frequency and duration of business relationship.

(7) The reporting entities shall be able to demonstrate to Office for Prevention and Fight against Money Laundering and to the authorities with supervision functions of reporting entities that the extent of due diligence measures regarding the customers provided in art. 5, 7 and 8 is appropriate, by taking into account the identified money laundering and terrorism financing risks.

(8) Office for Prevention and Fight against Money Laundering, in cooperation with the authorities with supervision functions of reporting entities, law enforcement agencies and other competent institutions, shall organize, carry out and update at least every 3 years the money laundering and terrorism financing risks assessment at national level focused to:

a) optimization of normative, institutional and policy framework in the field of prevention and combating money laundering and terrorism financing;

b) efficient distribution of material, financial and human resources by Office for Prevention and Fight against Money Laundering, authorities with the supervision functions of reporting entities, law enforcement agencies and other competent institutions;

c) informing the public authorities, professional associations and reporting entities about the money laundering and terrorism financing risks identified at the national level.

(9) The money laundering and terrorism financing risks assessment at the national level shall be included in an assessment report, which shall be approved by order of the director of Office for Prevention and Fight against Money Laundering. The report is published on the official website of the Office for Prevention and Fight against Money Laundering, with the exception of information attributed to state secret and which is classified as commercial, banking, tax, professional secret or personal data.

(10) The reporting entities are obliged to identify and assess the risks of money laundering and terrorism financing in their own field before :

a) launching and development of new products and services;

b) the use of new technologies or technologies under development , both for new and existing products and services.

(11) The authorities with supervision functions of reporting entities , on the basis of money laundering and terrorism financing risk assessment at national level, shall elaborate and publish the information on criteria and factors generating low and high risks of money laundering and terrorism financing in the activity of the supervised reporting entities , as well as the procedure for application of related due diligence measures depending on the identified risks that shall be reviewed periodically, but at least once a year.

(12) For the identification and ensuring of money laundering and terrorism financing risk assessment provided in par. (1), Office for Prevention and Fight against Money Laundering, the authorities with supervision functions of reporting entities, the law enforcement agencies and other competent institutions must maintain and update the statistical data in the form of a integral consolidated version in the field of their competence, which include at least:

(a) data to measure the dimension and importance of different sectors that fall within the domain of application of the present law, including the number of entities and persons, as well as data regarding the economic importance of each sector;

b) data to measure the at the each stage of reporting, investigation, criminal prosecution and judicial of national regime for combating money laundering and terrorism financing, including the number of reports regarding suspicious transactions, actions taken as a result of the concerned reports and, annually, the data regarding the number of investigated cases, number of persons under criminally investigation, number of persons convicted for money laundering or terrorism financing offenses, types of associated offenses and the value in MDL of the frozen, seized or confiscated goods;

c) data regarding the number of cross-border requests for information that were executed, received, rejected or partially or fully solved.

Article 7. Simplified customer due diligence measures

(1) The reporting entities shall apply simplified customer due diligence measures when, by their nature, they may have a low risk of money laundering or terrorism financing.

(2) Simplified customer due diligence measures include the customer due diligence provided in art. 5 par. (2) within a simplified procedure related to lower risk of money laundering and terrorism financing which include:

a) the verification of the identity of the customer and of beneficial owner after the establishment of business relationship;

b) reduction of the updating frequency of identification data;

c) reduction of the level of on-going monitoring of transaction or business relationship;

d) limitation in obtaining the information regarding the purpose and nature of business relationship.

(3) The reporting entity shall, on the basis of its own assessment, determine the factors generating the low risks of money laundering and terrorism financing and to determine the necessity of application of simplified customer due diligence measures, including if:

a) the customer is a public authority or state enterprise;

b) the customer is a company the securities of which are traded on a regulated market/multilateral trading system that imposes requirements in order to ensure adequate transparency of the beneficial owner;

c) the customer is a resident of jurisdictions provided in let. d) and e) that meet the requirements of international standards for prevention and combating money laundering and terrorism financing;

(d) the country of destination (jurisdiction) has an effective system for prevention and combating money laundering and terrorism financing according to international standards and is subject to regular assessments by relevant international organizations;

e) the country of destination (jurisdiction) has a reduced level of corruption and criminality according to official assessments;

f) the financial products and services are limited and well defined for a circle of customers, with the aim to increase the financial inclusion;

g) the life insurance policies include the annual premium which does not exceed 20000 MDL or the single premium which does not exceed the value of 50000 MDL;

h) at the purchase of insurance policies for pension systems there is no redemption clause and the policy cannot be used as a guarantee;

(i) at the purchase of pension systems, annuities or similar programs that provide pension benefits to employees, contributions are made through salary deductions and the norms of the system do not allow the rights of beneficiaries to be transferred.

(4) Simplified customer due diligence measures cannot be applied in case of existence of a suspicion regarding money laundering or terrorism financing.

(5) The reporting entity shall collect sufficient information in order to identify whether the customer, transactions or business relationships meet the conditions provided in par. (3) on the basis of the assessment of money laundering and terrorism financing risks at the national level and on the basis of criteria and factors established by the authority with supervision functions.

Article 8. Enhanced customer due diligence measures

(1) The reporting entities examine the economic purpose and meaning of all complex and unusual transactions, as well as the types of unusual transactions, apparently without legal or economic purpose. If the risk of money laundering or terrorism financing is high, the reporting entity applies enhanced customer due diligence measures proportional with the identified risk, increasing the intensity of business relationship monitoring, in order to determine whether the activity or transaction is unusual or suspicious.

(2) The reporting entities shall apply enhanced customer due diligence measures, in addition to those provided in art. 5, in situations which, by their nature, may present higher risk of money laundering or terrorism financing, at least in the manner established in this article, and in other situations, according to criteria and factors established by the authorities with supervision functions, including:

a) obtain additional information about the customer (type of activity, volume of assets, turnover, other information available in public sources, internet), as well as the frequent updating of the identification data of customer and beneficial owner;

b) obtain additional information about the nature and purpose of business relationship;

c) obtain information about the source of customer's goods;

d) obtain information about the purpose of activity or transaction in course of preparation, of execution or already executed;

e) obtain the approval of the person with senior management positions for initiation or continuation of business relationship;

f) carry out enhanced monitoring of business relationship by increasing the number and duration of performed verifications and by selection of activities and transactions that require additional examination;

g) requirement that the first payment of operations to be executed through an account opened on behalf of the customer at a financial institution that applies similar customer due diligence measures.

(3) On the basis of its own assessment, the reporting entity establishes the factors that generate higher risks and that determine the necessity to apply enhanced customer due diligence measures. The factors which generating high risks are:

a) business relationships taking place in unusual circumstances such as significant geographical distance between the reporting entity and the customer;

b) customer residing in jurisdictions with high risk of money laundering and terrorism financing;

c) customers that personally are not present for identification;

d) legal entities having the role of personal management of goods structures;

e) companies that have authorized shareholders or whose shares are in custody;

f) activities frequently involving cash in considerable proportions;

g) situations in which the ownership structure and control structure of the legal person are unusual or excessively complex, having in mind the nature of conducted activity;

h) banking services provided to a natural person on the basis of a personalized portfolio negotiated with the customer (personal banking) ;

i) products or transactions that could favour anonymity;

j) business relationships or non-face to face transactions, without certain protective measures, such as electronic signature;

k) payments received from unknown or unrelated third parties;

(l) new products and new business practices, including new mechanisms for distribution and use of new technologies or technologies in the course of development both for new products and pre-existing products;

(m) countries of destination (jurisdictions) that according to credible sources (mutual evaluations, detailed assessment reports or published monitoring reports), do not dispose an effective systems for prevention and combating money laundering and terrorism financing;

n) countries of destination (jurisdictions) that according to credible sources, have a high level of corruption or other criminal activities;

o) countries of destination (jurisdictions) subject to sanctions, embargoes or similar measures, established by relevant international organizations, in accordance with the commitments undertaken by the Republic of Moldova;

(p) countries of destination (jurisdictions) that provide funding or support for terrorism activities or on the territory of which the designated terrorism organizations are operating;

q) other factors identified within the assessment.

(4) In the cross-border correspondent banking relations, financial institutions, in addition to due diligence measures provided in art. 5, shall undertake measures which include:

a) the accumulation of sufficient information about the respondent institution, in order to fully understand the nature of its activity and to establish, the reputation of institution and quality of its supervision, from publicly available information;

b) evaluation of inspections carried out by the corresponding institution for the purpose of prevention and combating money laundering and terrorism financing;

c) obtain the approval of the person with senior management positions before the establishment of relations with the corresponding institutions;

d) the establishment, in written form, the responsibility of each institution;

e) establishment of the fact that the corresponding institution has verified the identity of customers which have direct access to the accounts of corresponding institution, has applied on-going due diligence measures regarding these customers and is able to provide, on request, relevant data on due diligence measures;

f) the application of sufficient protective measures in corresponding relationships with responding institutions that has insufficient policies, internal controls and procedures in the field of prevention and combating money laundering and terrorism financing.

(5) In transactions or in business relations with politically exposed persons, with members of families of politically exposed persons and with persons associated with politically exposed persons, the reporting entities, in addition to due diligence measures provided in art. 5, shall take measures including:

a) elaboration and implementation of appropriate risk management systems, including procedures based on risk assessment, in order to determine whether a customer, potential customer or the beneficial owner of a customer is a politically exposed person;

b) obtain the approval of the person with senior management positions in the establishment or continuation of business relations with such customers;

c) adoption of appropriate measures regarding determination of the source of goods involved in business relationship or in transaction with such customers;

d) carry out enhanced on-going monitoring of business relationship.

(6) The Office for Prevention and Fight against Money Laundering elaborates and publishes the list of functions that determine the feature of a politically exposed person at national level in accordance with the provisions of the present law.

(7) The reporting entities shall take measures in order to determine whether the beneficiaries of life insurance policy or annuities and/or, as the case may be, the beneficial owner of beneficiary are politically exposed persons. The concerned measures shall be adopted at the latest at the time of payment or at the time of fully or partial assignment of the policy. In case in which there were identified the higher risks, the reporting entities, in addition to customer due diligence measures provided in art. 5, undertake the following:

a) informs the person with senior management positions before the payment of income corresponding to insurance policy;

b) performs an enhanced examination of the entire business relationship with the insured person.

(8) The reporting entity, on the basis of money laundering and terrorism financing risk assessment at the national level, as well as on criteria and factors established by the authority with supervision functions, accumulates sufficient information in order to identify whether the customer, transactions or business relationships are meeting the conditions provided in par. (3) - (5).

Article 9. Record keeping

(1) The reporting entities shall keep, for a period of 5 years after the termination of business relationship, all data related to national and international activities and transactions to the extent that they can respond promptly to requests of Office for Prevention and Fight against Money Laundering , of authorities with

supervision functions of the reporting entities and law enforcement agencies. The kept data must be sufficient to allow the reconstitution of each activity or transaction in the manner in which it is necessary to serve as evidence in criminal proceedings, contraventions and any other legal proceedings.

(2) The reporting entities shall keep all documents and information about the customers and beneficial owners , obtained during customers due diligence measures, including copies of identification documents, archives of accounts and primary documents, business correspondence, results of analyses and researches conducted on identification of complex and unusual transactions, during the active period of business relationship and for a period of 5 years after its termination or after the date of the execution of occasional transactions. The reporting entities shall keep records of all documents and information about transactions within the time frame provided in this paragraph and, at the request of Office for Prevention and Fight Against Money Laundering or of the authorities with supervision functions of the reporting entities, for certain types of documents and information, the period of keeping of evidence may be extend for the requested period, but not more than 5 years.

(3) The reporting entities shall have efficient systems and procedures in order to respond rapidly and fully to all requirements and requests of Office for Prevention and Fight against Money Laundering and of the authorities with supervision functions of the reporting entities regarding the transactions and business relationships with customers.

(4) At the request of Office for Prevention and Fight against Money Laundering and of the authorities with supervision functions, the reporting entities are obliged to provide all relevant information regarding business relationships with customers and nature of such relationships.

(5) Office for Prevention and Fight against Money Laundering keeps the documents and information obtained on the basis of the implementation of present law for a period of 5 years. The procedure of the accumulation, keeping and archiving of information is established by order of the director of Office for Prevention and Fight against Money Laundering .

(6) Data and documents specified in par. (1), (2) and (5) are kept for 5 years in paper format and subsequently after up to 5 years – in electronic format, only for the purpose provided by the present law, and they are destroyed on expiration of keeping terms.

(7) Information that falls within the provisions of par. (2) may be kept only for a term necessary for achievement of the purpose provided by present law, in volume necessary and relevant for that. Upon reaching the proposed goal, the

information kept on the basis of present law should be destroyed in the appropriate manner.

Article 10. Performance by third parties

(1) Third persons are the reporting entities or their subsidiaries and representatives provided in art. 4 par. (1), residents or similar ones located in another country (jurisdiction) that are adequately supervised and meet requirements similar to those provided by present law.

(2) The reporting entities may use the information belonging to third parties in order to carry out the measures provided in art. 5 par. (2) let. a) -c) and art. 9, under the following conditions:

a) reporting entities dispose of the possibility to obtain immediately necessary information related to the measures provided in art. 5 par. (2) let. a) -c), owned by third parties;

b) reporting entities shall adopt and implement efficient procedures regarding the rapid access to copies of identification data and other documents related to the measures provided in art. 5 par. (2) let. a) -c), owned by third parties;

c) third parties are adequately supervised and meet requirements similar to those provided by present law;

d) third parties are not resident in high risk jurisdictions.

(3) Final responsibility regarding the implementation of measures provided in art. 5 par. (2) let. a)-c) belongs to the reporting entity that appeals to third parties.

(4) The insurer (reinsurer) is obliged to establish rules and procedures for customers identification, to ensure on-going training of its own stuff, including the insurance agent who is natural person and is responsible for all actions undertaken by insurance agent natural person for the purpose of implementation of provisions of the present law.

(5) Provisions of par. (1) shall not be applied to outsourcing or representation relationships in which, on the basis of a contractual arrangement, the outsourcing services provider or the agent should be considered as part of the reporting entity.

(6) List of high risk jurisdictions is elaborated, updated and published by Office for Prevention and Fight against Money Laundering on its official website.

(7) At request of the reporting entities, the third parties are obliged to provide, within a reasonable term, copies of the documents held as a result of the

application of customers due diligence measures provided in art. 5 par. (2) let. a)–c).

Article 11. Reporting of activities or transactions that fall under the provisions of the present law

(1) Reporting entities are obliged to inform immediately Office for Prevention and Fight against Money Laundering about suspicious goods, activities or transactions suspicious to be related to money laundering, to associated offences and to terrorism financing that are in course of preparation, attempting, accomplishment, or are already performed. Data on suspicious activities and transactions and suspicious goods are reflected in special forms, which shall be remitted to Office for Prevention and Fight against Money Laundering no later than 24 hours after the identification of action or circumstances generating suspicions.

(2) The reporting entities inform the Office for Prevention and Fight against Money Laundering about the client's activities or transactions carried out in cash, through a single transaction with value of at least 100000 MDL or through several cash transactions that seem to have a connection between them. Data on activities or transactions carried out in cash are reflected in a special form that shall be remitted to Office for Prevention and Fight against Money Laundering within 10 calendar days starting with the first day of the reporting month and ending on the last day of the calendar month.

(3) The reporting entities inform Office for Prevention and Fight against Money Laundering about customer's wire transactions performed through a single operation with the value of at least 500000 MDL. Data on these transactions are reflected in a special form, which shall be submitted to Office for Prevention and Fight against Money Laundering no later than the date of 15th of the following reporting month.

(4) The reporting obligations provided in par. r

(5) Special forms that fall within the provisions of the present law shall be confirmed by signature of the person that has completed them or by another means of identification and shall contain at least the following information:

a) series, number and date of the issue of identity document, address, data of the power of attorney and other data necessary for identification of person that carried out the transaction;

b) title name, fiscal code/state identification number of person, residence/domicile, series and number of identity document, necessary for

identification of person in whose name the transaction was carried out as well as contact data;

c) legal person identification data, data about the accounts and jurisdictions of the persons involved in activity or transaction, including data about the accounts of financial institutions;

d) type of activity or transaction;

e) client's IP address for non face to face ;

f) destination of payment and object of contract;

g) data about the reporting entity that carried out the transaction;

h) date and time of the execution of transaction or period of activity, their value;

i) name and position of the person who registered activity or transaction;

j) ground of suspicion.

(6) For the execution of the provisions of par. (1) - (3), the Office for Prevention and Fight against Money Laundering shall establish and maintain a secure channel for transmission and receiving of special form. Special form regarding the reporting of activities or transactions provided in par. (1) - (3) shall be transmitted through the secured channel to the Office for Prevention and Fight against Money Laundering according to the established procedure.

(7) In emergency cases it is allowed the verbal reporting of activities or transactions provided in par. (1) - (3), consisted of presentation of data from special form to the responsible stuff of the Office for Prevention and Fight against Money Laundering during a phone conversation, with the subsequent transmission of special form in electronic format, through the secured channel, but no more than 24 hour from the moment of verbal reporting.

(8) Form, structure as well as manner of reporting, receiving and confirmation of special forms are provided by the instruction and procedure regarding the reporting of activities or transactions specified in par. (1)-(3) and (7), which shall be developed and approved by the Office for Prevention and Fight against Money Laundering. .

(9) The suspicion regarding the activities and transactions is established on the basis of objective and subjective criteria, in accordance with national and international recommendations in the area, including on the basis of criteria on transactions with high risk or non-cooperating jurisdictions, on the lack of economic sense of transactions, on the lack of trust in persons that participate in activity or transaction, doubt referring to fairness, legality of their actions, the unusual way in which the activity or transaction is carried out, and on the basis of the risks identified as a result of evaluation carried out in their own field of

activity. The manner of the evaluation of suspicious activities and transactions is approved by the Government.

(10) Office for Prevention and Fight against Money Laundering and authorities with supervision functions of the reporting entities shall periodically provide the reporting entities with information on the results of the examination of the information received under present law.

(11) Provisions of par. (1) - (3) shall not be applied to the reporting entities provided in art. 4 par. (1) let. g) and k) only to the extent that this derogation relates to the information that the reporting entities receive from one of their customers or obtain in relation to him in the course of evaluation of the legal status of the respective customer or of the execution of the task of customer's defence or representation in trial proceedings or in connection with them, including of counselling regarding the initiation or avoidance of judicial proceedings, regardless of whether this information is received or obtained before, during or after trial proceedings.

Article 12. Prohibition of disclosure

(1) Before the expiration of the terms provided in art. 9 par. (1) and (2), the reporting entities, employees, persons with functions of responsibility and their representatives are obliged not to disclose to the customers or third parties the data on the transmission of information, under present law, to the Office for Prevention and Fight against Money Launderingand to the authorities with supervision functions of the reporting entities or data on executed analysis and financial investigations regarding the actions of money laundering, of associated offenses or of actions of terrorism financing that take place or may take place.

(2) The reporting entity, in accordance with instructions approved by the authorities with supervision functions, ensures the protection of employees and other natural persons that are not employed directly within the reporting entity, but that participate in its management and activity, from any threat or hostile action in relation to the transmission of information under the provision of present law.

(3) Employees of the Office for Prevention and Fight against Money Laundering are obliged not to disclosure to the third parties data of the persons of the reporting entities entrusted with execution of the present law. It is prohibited the disclosure to third parties of the information that constitutes commercial, banking, fiscal, professional secret or of personal data, except the cases provided by the present law.

(4) Disclosure of information for the purpose of the enforcing the present law by reporting entities or by employees, persons with functions of responsibility and their representatives, does not constitute a breach of the disclosure restrictions of information imposed by contract or by legislative act, or through an administrative act, and does not entitle liability even in case of non-confirmation of the suspicion of activity or transaction.

(5) The prohibition provided by par. (1) is not be applied:

(a) in case of the same customer and the same transaction in which involve two or more reporting entities indicated in art. 4 par. (1) let. a) - c), g), h) and k), located in the Republic of Moldova, or in case of the aforementioned reporting entities and similar institutions located in another country (jurisdiction) imposing requirements similar to those provided by present law, with condition to belong to the same professional category and to be subject of obligations related to professional secret and protection of personal data;

b) between the reporting entities indicated in art. 4 par. (1) let. g) and k), located in the Republic of Moldova, or in case of the aforementioned reporting entities and similar institutions located in other countries (jurisdictions) which impose requirements similar to those provided by present law, perform their professional activities, whether being employees or not, within the same legal person or broader structure to which the entity belongs and which has joint owners, management or compliance control;

c) if the reporting entities indicated in art. 4 par. (1) let. g) and k) try to discourage a client from engaging in illegal activities.

(6) The prohibition provided in par. (1) does not include disclosure of information to the Office for Prevention and Fight against Money Laundering and authorities with supervision functions of the reporting entities, including to self-regulatory body with supervision functions, nor disclosure for enforcing the law .

(7) The transmission of the information to the control authority of the processing of personal data, requested according its competence, is not considered to be disclosure/divulgation.

Article 13. Policies, internal controls and procedures

(1) The reporting entities establish policies, carry out internal controls and procedures in order to mitigate and manage effectively the money laundering and terrorism financing risks identified at national level, as well as, directly within the reporting entities.

(2) The policies, internal controls and related procedures are proportionate to the risk of money laundering and terrorism financing and to the nature and dimension of the reporting entities.

(3) The reporting entities shall approve their own programs for prevention and combating of money laundering and terrorism financing including in correspondence with recommendations and normative acts approved by the authorities with supervision functions that shall contain at least:

a) policies, methods, practices, written procedures, internal control measures and strict rules for prevention of money laundering and terrorism financing, including customers due diligence measures , complex and unusual transactions identification, of reporting, procedures of assessment and management of risks and other relevant measures in the field;

(b) names of persons, including of those with senior degree management positions, responsible for ensuring of the compliance of policies and procedures with legal requirements on prevention and combating of money laundering and terrorism financing ;

c) measures of the development of ethical and professional norms in the supervised sector and of the prevention of intentionally or non-intentionally use reporting entity, , by organized criminal groups or by their associates;

d) an on-going program for training of employees, rigorous selection of personnel on the basis of the criterion of high professionalism in their employment;

e) performing of independent audit regarding the testing of compliance of the reporting entity with policies, internal controls and related procedures.

(4) The reporting entities shall appoint persons in-charged with attributions of execution of the present law, including those with senior management positions, whose names and the nature and limits of their responsibilities shall be provided during 5 working days to the Office for Prevention and Fight against Money Laundering and to authorities with supervision functions provided in art. 15. The indicated persons, as well as other involved employees shall have access to the results of customer due diligence measures, including identification data and information on performed activities and transactions, as well as to other relevant data necessary for execution of the present law.

(5) The reporting entities communicate and implement provisions of own programs for prevention and combating of money laundering and terrorism financing within subsidiaries, paying agents and representations, including those located in other countries.

(6) For the purpose of prevention and combating of money laundering and terrorism financing, the reporting entities perform the exchange of data with their

held subsidiaries, paying agents and representations, upon conditions of compliance with requirements of present law.

(7) In case if the reporting entities have subsidiaries, paying agents or representative offices held in other countries (jurisdictions) in which minimum requirements regarding prevention and combating of money laundering and terrorism financing are less strict than those established in the present law, they implement the requirements of the present law, including those on data protection, to the extent that the law of the country (jurisdiction) permits it.

(8) In case in which the rules of law of another country (jurisdiction) do not permit implementation of the policies and procedures provided in par. (1)-(3), the reporting entities shall ensure that subsidiaries, paying agents and representations held in that country (jurisdictions) apply additional measures to mitigate the risks of money laundering or terrorism financing and inform the authorities with supervision functions about this fact. If the additional measures are not sufficient, the authorities with supervision functions of the reporting entities shall apply additional supervisory measures to the reporting entities that have subsidiaries, paying agents or representations, including measures by means of which impose the non-establishment or termination of business relationships, refusal to conduct transactions, and, if necessary, the interruption of activity in that country (jurisdiction).

(9) The authorities with supervision functions of the reporting entities shall elaborate regulatory technical standards specifying the type of additional measures mentioned in par. (8), as well as the minimal measures to be taken by the reporting entities in case in which the rules of law of another country (jurisdiction) do not allow the implementation of the measures provided in par. (8).

(10) Representatives of the reporting entities, including those with senior degree management positions, responsible for ensuring the compliance of policies and procedures with legal requirements on prevention and combating of money laundering and terrorism financing , must possess of the skills and abilities (fit and proper) in accordance with the requirements established by the authorities with supervision functions for application of the provisions present law. The authorities with supervision functions of the reporting entities shall carry out necessary verifications regarding their compliance with the established requirements.

(11) The reporting entity does not conclude labour contracts with persons, including those with senior degree management positions, responsible for ensuring of the compliance of policies and procedures with legal requirements on prevention and combating of money laundering and terrorism financing in case of a compromised reputation attestation. The reporting entity shall implement

appropriate measures for correction of the established situation if the results of verifications carried out by the authorities with supervision functions of the reporting entities established clear circumstances that bring suspicions regarding the credibility of the mentioned responsible persons.

(12) If the person responsible for ensuring of the compliance of policies and procedures with legal requirements on prevention and combating of money laundering and terrorism financing was not appointed, the responsibilities (duties) in this area are taken over by the executive senior manager, and in his absence– by the person that replaces him.

(13) Reporting entities ensure appropriate conditions for all employees to be able to inform, rapidly and anonymously, the persons including those with senior degree management positions, responsible for ensuring of the compliance of policies and procedures with legal requirements on prevention and combating of money laundering and terrorism financing about the breaches of the provisions of present law.

(14) The requirements related to internal control, elaboration and implementation of policies, own programs on prevention and combating of money laundering and terrorism financing shall be established and approved by the authorities with supervision functions of the reporting entities.

Article 14. Rules of transparency

(1) State registration authority, according to the established procedures, verifies, registries, records and updates the data regarding the beneficial owners of legal entities and individual entrepreneurs at their registration, at registration of modifications in incorporation documents of legal persons, at state registration of persons subject to reorganization and their removal from State register.

(2) Legal persons and individual entrepreneurs are obliged to obtain and hold of adequate, correct and up-to-date information on their beneficial owner, including details of interests generating benefits for them, to submit to the state registration authority the requested information regarding the beneficial owner and to inform immediately about change of their data.

(3) It is prohibited the state registration of legal entities and individual entrepreneurs in the absence of data about the beneficial owner and/or if the presented information is untrue or incomplete.

(4) On detection of non-authenticity or non-compliance of the information about the beneficial owner of the legal entities or of the individual entrepreneurs

after the state registration, provisional measures shall be applied in respect of their goods in accordance with the provisions of art. 33.

(5) The data accumulated by state registration authority, including those regarding the beneficial owners , are provided, upon request, to Office for Prevention and Fight against Money Laundering , to the authorities with supervision functions of the reporting entities and to the reporting entities provided in art. 4 only for the purpose of enforcing of present law, as well as to other persons in case of the existence of a legitimate interest.

(6) The state registration authority shall ensure prompt and unlimited access to the held data, according to the established procedures, for the Office for Prevention and Fight against Money Laundering e, authorities with supervision functions of the reporting entities and reporting entities provided in art.4, without informing the accessed entity.

(7) The authorities with supervision functions of the reporting entities shall maintain, monitor and update periodically the data on beneficial owners of the supervised entities.

(8) The reporting entities do not rely exclusively on the data of state registration authority in order to meet the requirements related to customers due diligence measures , but are using the risk-based approach.

(9) The competent authority, during the registration of non-commercial organization, shall verify whether the founder, administrator or beneficial owner is not included in the list of persons, groups and entities involved in terrorism and proliferation of weapons of mass destruction activities mentioned in art. 34 par. (11).

(10) The non-commercial organization shall be registered by the competent authority only if there is no suspicion of the affiliation of its founder, administrator or beneficial owner to persons, groups and entities involved in terrorism and proliferation of weapons of mass destruction activities.

(11) In case of the establishment of any pertinent suspicions regarding affiliation of the founder, administrator or beneficial owner of the non-commercial organization to terrorism entities and organizations, the competent authority shall notify immediately the Office for Prevention and Fight against Money Laundering and the Intelligence and Security Service.

(12) In case of investment companies, the person managing the investment company is obliged to obtain and hold adequate, accurate and up-to-date

information including the identity of customers, their beneficial owner, data on performed investments and identity of the founders and beneficiaries of the investment company.

(13) The person that manages the investment company shall disclose the status that he has and shall provide the reporting entities in due time with the necessary information within the application of customers due diligence measures.

(14) National Commission of Financial Market identifies, keeps records and updates annually the data provided in par. (12) including data on beneficial owners of the performed investments.

(15) The persons that manage the investment company are obliged to submit to the National Commission of Financial Market the information provided in par. (12).

(16) Data collected by the National Commission of Financial Market, including those regarding the beneficial owners of the performed investments, are available, upon request of the Office for Prevention and Fight against Money Laundering and for the reporting entities provided in art. 4 only for the purpose of enforcing the present law.

(17) National Commission of Financial Market ensures for the Office for Prevention and Fight against Money and for the reporting entities indicated in art. 4 prompt and unlimited accesses to the held data, without alerting the investment company.

(18) The reporting entities shall do not rely exclusively on data of the National Commission of Financial Market in order to meet the requirements related to customers due diligence measures , but are applying the risk-based approach.

(19) National Commission of Financial Market establishes the procedure and the manner of identification, keeping the record of the information regarding the beneficial owners of the investment companies, as well as establishes the rules of access of the public authorities and third parties to the concerned information.

(20) The State Tax Service creates, manages and updates the Register of payment and banking accounts of natural and legal persons.

Chapter III

COMPETENCE OF AUTHORITIES AUTHORIZED WITH ENFORCEMENT OF THE LAW

Article 15. Authorities with supervision functions of the reporting entities

(1) Regulation and control of the enforcement manner of the present law are ensured by the following authorities with supervision functions of the reporting entities:

a) National Bank of Moldova - for the reporting entities provided in art. 4 par. (1) let. a), b) and i);b) National Commission for Financial Market - for the reporting entities provided in art. 4 par. (1) let. c);

c) Notary Chamber - for notaries provided in art. 4 par. (1) let. g);

d) Union of Lawyers of the Republic of Moldova - for lawyers provided in art. 4 par. (1) let. g);

e) Ministry of Finance - for audit entities provided in art. 4 par. (1) let. d) and k);

f) State Chamber for Marking Supervision (State Assay Office) - for entities provided in art. 4 par. (1) let. f);

g) Ministry of Economy and Infrastructure - for reporting entities provided in art. 4 par. (1) let. j);

h) Office for Prevention and Fight against Money Laundering - for entities provided in art. 4 par. (1) let. e), h) and l), within the limits of monitoring and verification of compliance with the provisions of the present law.

(2) For the purpose of the enforcing of provisions of the present law, of other normative acts, as well as of the requirements of international standards in the this area, the authorities with supervision functions of the reporting entities, within the limits of the competences:

a) issue orders, decisions, instructions and other normative acts in the field of prevention and combating of money laundering and terrorism financing , in the cases provided by the law;

b) approve and publishes guidelines and recommendations necessary for the supervised reporting entities for implementation of the provisions of the present law;

c) monitors and verifies the application of the provisions of the present law, of the subordinated normative acts , of the own programs of the reporting entities and of the instructions regarding the application of customers due diligence measures, identification of customer and beneficial owner, reporting, keeping of data on activities and transactions, as well as on the execution of measures and procedures related to internal control.

(3) Authorities with supervision functions, based on the results of the assessment of risk profile related to supervised reporting entities, shall use the risk-

based approach to ensure that the extent of taken measures in relation to them are proportional to the identified risks. The risk profile is reviewed periodically as well as when there are major events or changes in the management in the activities of the reporting entities.

(4) During the use of the risk-based approach, the authorities with supervision functions shall at least:

a) identify and clearly understand the sectorial and national risks of money laundering and terrorism financing;

b) have access to all relevant information on sectorial, national and international risks related to customers, products and services of the reporting entities;

c) determine the frequency and intensity of direct and indirect supervision, depending on risk profile of the reporting entities and risks of money laundering and terrorism financing.

(5) In case if the reporting entities do not respect the obligations provided by the present law, the Office for Prevention and Fight against Money Laundering and authorities with supervision functions of the reporting entities may apply measures and sanctions provided by legislation. Application of the mentioned sanctions does not exclude the possibility of execution, under the legislation in force, of other measures for the purpose of prevention and combating of money laundering and terrorism financing..

(6) For prevention and combating of money laundering and terrorism financing, the authorities with supervision functions of the reporting entities are obliged:

a) to ascertain if the reporting entities use policies, methods, practices, written procedures, internal control measures and strict rules on identification of customers and beneficial owners;

b) determine if the reporting entities comply with their own programs focused towards prevention and, where appropriate, identification of money laundering and terrorism financing activities;

c) to inform reporting entities about money laundering and terrorism financing transactions, including new methods and trends in this area;

d) to identify the existence of money laundering and terrorism financing facilities possibilities of the reporting entities, and to take, where appropriate, additional measures for prevention of their illegal use and to inform the reporting entities about the potential risks;

e) to notify other authorities with supervision functions of the reporting entities on identified violations in the area of money laundering and terrorism financing, in order for taking measures of withdrawal permissive acts, issued for entrepreneurial activity.

(7) Office for Prevention and Fight against Money Laundering shall coordinate the manner of application of the provisions of par. (1)-(6). Office for Prevention and Fight against Money shall notify the authorities with supervision functions of the reporting entities as soon as risks related to activity of the supervised entities have been identified.

(8) Authorities with supervision functions of the reporting entities, within the limits of the competences established by legislation, shall take sufficient measures in order to prevent the establishment of the control or obtainment of majority of shares and/or of controlling quota or holding of management functions of beneficial owner of the reporting entity by the criminals and organized criminal groups, their accomplices and/or shareholders that act in concert.

(9) For the purposes of par. (8), during the constitution, reorganization of the reporting entity or during the increase of share capital, the authorities with supervision functions, with the support of the Office for Prevention and Fight against Money Laundering , identify and verify natural persons and entities intending to become associates (shareholders), the source of goods and financial means used for contribution to share capital.

(10) Authorities with supervision functions provided in par. (1) let. a) -g) shall inform immediately, but not later than 24 hours, Office for Prevention and Fight against Money Laundering in case if during the inspections carried out by them at the reporting entities provided in art. 4 par. (1) or in any other manner, discovers the facts that may be related to money laundering or terrorism financing, based on procedures and criteria elaborated by the Office for Prevention and Fight against Money Laundering jointly with the authorities with supervision functions.

Article 16. Limitation of action of legally protected secrets

(1) Information obtained from the reporting entities, under the present law, by the Office for Prevention and Fight against Money Laundering is used only for the purpose of prevention and combating of money laundering , associated offense and terrorism financing.

(2) Transmission of materials, documents, including electronic ones, notes and analytical reports administered managed by the Office for Prevention and Fight against Money Laundering to criminal investigative authority, prosecutor’s office, court, authority with supervision functions of the reporting entities or to other national competent authorities from other countries (jurisdictions), in the manner and under conditions established by the present law, cannot be qualified as disclosure of commercial, banking, tax, professional secrecy or personal data.

(3) Information obtained on the basis of the present law and transmitted (disseminated) by Office for Prevention and Fight against Money Laundering to law enforcement authorities, court, authorities with supervision functions or other competent authorities cannot be disclosed without prior written consent, of the Office for Prevention and Fight against Money Laundering and cannot also be admitted as evidence within criminal investigation and cannot be the basis of sentence, except for the own conclusions formulated as a result of financial investigations carried out under the present law.

(4) Legal provisions concerning commercial, banking, fiscal, professional secret or personal data cannot be an obstacle for access in any form and receive for the purpose of enforcing the present law, by the Office for Prevention and Fight against Money Laundering and authorities with supervision functions of the reporting entities of information (documents, materials, etc.) about the activities and transactions of natural and legal persons.

(5) Direct access of third parties to information resources held by the Office for Prevention and Fight against Money Laundering is prohibited. Only employees of the Office for Prevention and Fight against Money Laundering have access to information from databases held by the Office and have the right to process this information upon prior authorization obtained from the management of the Office.

(6) The information exchange between Office for Prevention and Fight against Money Laundering and reporting entities, related to enforcement of the present law, shall be protected so as to guarantee the full securement of information requests.

(7) Office for Prevention and Fight against Money Laundering, authorities with supervision functions of the reporting entities, reporting entities, their employees shall be liable, according to legislation in force, for disclosure, contrary to requirements of the present law, of commercial, banking, fiscal, professional secret or personal data, for damage caused by unlawful disclosure of data obtained in the exercise of function.

(8) Reporting entities, employees, persons with functions of responsibility and their representatives are exempted from disciplinary, civil, contravention and criminal liability as a result of the application of customers due diligence measures, of termination of business relationships, application of provisional measures of transmission in good faith of the information to Office for Prevention and Fight against Money Laundering and authorities with supervision functions of the reporting entities, as well as result of the performing of other actions for the purpose of the execution of the provisions of present law provisions, except the

cases when these actions were committed with bad faith, from negligence and/or abuse of official position.

(9) Provisions of par. (8) are applied to operations of the processing of personal, provided that the entities mentioned in this paragraph can prove the purpose, legal basis and causal link between the processed information and carrying out of proposed tasks.

Article 17. National and international cooperation

(1) National and international cooperation in the area of prevention and combating of money laundering and terrorism financing shall be performed on the basis of mutual assistance principle, according to the legislation of the Republic of Moldova, based on the cooperation agreements and international treaties to which the Republic of Moldova is a party.

2. National cooperation shall be ensured:

a) at operational level - between the Office for Prevention and Fight against Money Laundering, authorities with supervision functions of the reporting entities, law enforcement, judicial and other competent authorities;

b) at the level of policies and programs - between Office for Prevention and Fight against Money Laundering, Government, Parliament, competent authorities, as well as specialised associations.

(3) The information exchange between the Office for Prevention and Fight against Money Laundering and law enforcement authorities shall be performed through a liaison officer, in compliance with the present law. The procedure of the obtaining and processing of information is regulated by a joint interdepartmental order.

(4) At international level, the Office for Prevention and Fight against Money Laundering may perform, ex officio or upon request, transmitting, receiving or exchange of information and documents with competent authorities of other countries (jurisdictions), regardless of their status, based on the principle of reciprocity or on cooperation agreements, being conditioned by the compliance to the same confidentiality requirements as provided in the present law.

(5) Within national and international cooperation, the Office for Prevention and Fight against Money Laundering and authorities with supervision functions of the reporting entities shall perform the information exchange on their own initiative or upon request.

(6) At examination and processing of the information and documents received by the Office for Prevention and Fight against Money Laundering within the international cooperation shall be applied legal examination and processing regime provided for information obtained under the present law.

(7) For all the information received within national and international cooperation, the Office for Prevention and Fight against Money Laundering, authorities with supervision functions of the reporting entities and law enforcement authorities shall to present provider, within reasonable terms, with detailed information on the outcome of their examination.

(8) The Office for Prevention and Fight against Money Laundering responds to requests for information if they are sufficiently motivated by suspicions of money laundering, associated offences and terrorism financing. In case if there are factual reasons to suppose that transmission of such information would have a negative impact for on-going financial investigations or analyses or, in exceptional circumstances, in case if the disclosure of information would clearly be disproportionate to legitimate interests of a natural or legal person or would be irrelevant to the purposes for which it was requested, the Office for Prevention and Fight against Money Laundering refuse to follow the request for information.

(9) Use of information, obtained within national and international cooperation and provided by the Office for Prevention and Fight against Money Laundering, for purposes other than those initially requested shall be subject to prior written approval of the Office for Prevention and Fight against Money Laundering.

(10) The Office for Prevention and Fight against Money Laundering may perform indirect exchange of information within national and international cooperation, accessing different sources of information held by other public institutions and entities.

(11) The Office for Prevention and Fight against Money Laundering and authorities with supervision functions may refuse the request for information if it is not formulated in accordance with the provisions of the present law or if the requestor applies standards lower than those stipulated by the present law in the area of prevention and combating money laundering and terrorism financing.

Chapter IV

OFFICE FOR PREVENTION AND FIGHT AGAINST MONEY LAUNDERING

Article 18. Organization and status of the Office for Prevention and Fight against Money Laundering

(1) The Office for Prevention and Fight against Money Laundering (hereinafter referred to as *Office*) is an independent public authority in relation to other legal and natural persons, indifferently of the type of ownership and legal form of organization, functioning as an autonomous and independent central specialized authority.

(2) The purpose of the Office is to prevent and combat money laundering and terrorism financing and contribute to ensuring the security of the State in accordance with the present law.

3) The Office executes its functional attributions freely, without any external, political or governmental interference that may compromise its independence and autonomy, it is also sufficiently equipped with human, financial and technical resources to ensure efficient activity at national and international level.

(4) The Office is legal entity under public law, has a seal with the image of State Emblem of the Republic of Moldova, treasury account and other attributes necessary for the execution of obligations on the basis of the law.

(5) Headquarter of the Office is located in Chisinau municipality.

(6) Structure and the limit personnel of the Office shall be approved by the Government, at the proposal of the director of the Office.

(7) Office is composed from management, personnel and contracted staff.

Article 19. Attributions of the Office

(1) For the purpose of enforcing of the provisions of present law, the Office has the following powers:

a) receives, records, analyses, processes and submits to competent authorities the information regarding the suspicious activities and transactions of money laundering, associated offences and terrorism financing, reported by the reporting entities, as well as other relevant information obtained under the provisions of the present law;

b) informs the competent law enforcement authorities immediately as it establishes pertinent suspicions related to money laundering, terrorism financing or other offenses that resulted in the obtainment of illicit goods, as well as the Intelligence and Security Service in the area related to terrorism financing;

c) notifies the reporting entities, authorities with supervision functions of the reporting entities and other competent authorities regarding the risks related to money laundering and terrorism financing, new trends and typologies in the area of money laundering and terrorism financing, infringements established in the areas of competence and gaps in normative acts related to prevention of risks of money laundering and terrorism financing;

d) conducts financial investigations for the purpose of identification of the source of goods suspected of money laundering and terrorism financing;

e) submits, according to legal provisions, proposals on the improvement of legal framework in force and its adjustment to international regulations and standards of prevention and combating money laundering and terrorism financing;

f) issues, , orders, regulations, recommendations, instructions and guidelines for the purpose of enforcement the present law;

g) supervises the compliance of the reporting entities with the provisions of the present law, including the reporting of suspicious activities and transactions;

h) initiates, organizes and participates in the training of reporting entities and authorities with supervision functions of the reporting entities regarding the implementation of the provisions of the present law;

i) coordinates activity of the competent authorities in the area of prevention and combating money laundering and terrorism financing;

j) cooperates and performs the information exchange with national authorities and institutions, from other countries (jurisdictions), as well as with international organizations in the area of prevention and combating money laundering and terrorism financing;

k) represents the Republic of Moldova at different specialized international forums and organizations, as well as accumulates, prepares and presents to international organizations the national progresses in the area of prevention and combating money laundering and terrorism financing;

l) participates in preparation and organization of practical and scientific conferences, seminars and exchange of experience in the area, at national and international level;

m) creates and maintains an information system in its area of its activity, including the official web site, and ensures its functionality, as well as protection, security and limited access to held data;

n) collects and analyses statistical material on the effectiveness of the system of prevention and combating of money laundering and terrorism financing , including number of suspicious activities and transactions reports, data on the application of provisional measures, the value of seized and/or confiscated goods originated from money laundering and terrorism financing offences;

o) elaborates national policy documents in the area of competence, including the National Strategy for Prevention and Combating Money Laundering and Terrorism Financing, and coordinates their implementation;

p) initiates, coordinates, supervises and participates in the process of national risk assessment of money laundering and terrorism financing;

q) submits requests to competent authorities on the removal of causes and conditions that impede the efficient implementation of national policies and programs in the area;

r) issues freezing orders of the performing by the reporting entities of activities or transactions suspected of money laundering, associated offences, terrorism financing and proliferation of mass destruction weapons or freezing orders on suspicious goods;

s) verifies and ascertains the correctness of application by the reporting entities of the provisions of the present law, of the own programs of the reporting entities and issued instructions;

t) ascertains and examines contraventions according to its competence and initiates procedures of pecuniary sanction application;

u) applies contravention sanctions, pecuniary and other types of sanctions, according to competence, for noncompliance with the provisions of the present law;

v) provides information held on suspicious activities and transactions, under the terms and conditions of this law, upon the request of criminal investigative authorities;

w) performs other attributions under the present law.

(2) Employees of the Office are not allowed to perform other remunerated activities except for scientific, didactic, sports and creative activities.

(3) The Office shall elaborate and submit to the Government, by April 30th, the annual activity report, which shall be published subsequently on the official website of the Office.

(4) National public authorities, authorities with supervision functions of the reporting entities, shall provide the Office free and online access to information resources, including those containing data, necessary for achieving the purpose of the present law.

(5) The Office shall examine information about suspicious activities and transactions of money laundering or terrorism financing, received from sources other than those provided under art. 4, inclusively on the basis of self-notification.

Article 20. Rights of the Office

(1) The Office, on the basis, limits and for the purpose provided by the present law, has the right:

1) to require the reporting entities of:

a) application of customer due diligence measures according to the risk associated with certain customers, products, services, jurisdictions and business relationships;

b) application of provisional measures;

2) to request and receive within the time limit specified in the request:

a) necessary information and documents available to the reporting entities, their customers and public administration authorities for the purpose of determination of the suspected nature of activities or transactions;

b) information held by the reporting entities on the monitoring of complex and unusual activities and transactions, application of customer due diligence measures, beneficiary owners and business relationships;

c) information from natural and legal persons, resident and non-resident, concerning the activities and transactions performed or in course of preparation;

d) explanations from natural and legal persons concerning business relations and source of goods involved in suspicious activities and transactions money laundering, associated offences and of terrorism financing;

e) documents related to customer due diligence measures, programs and internal control;

f) relevant information from the competent authorities on the outcome of the examination of the disseminations submitted in accordance with provisions of the present law;

3) to require the competent authorities to carry out controls for the purpose to establish economic reason of operations, nature of business relationships, source of goods, beneficiary owner and the compliance with tax regime within the limits of their competence;

4) to request the Court within the territorial jurisdiction of the Office residence to extend the term of freezing of suspicious activities or transactions or the term of freezing of suspicious goods, in cases provided in art. 33 par. (4);

5) to maintain access to necessary information resources and manage official web site, where relevant information on the activity is published;

6) to request necessary information from the competent institutions, including similar offices or institutions from other countries (jurisdictions), and submit responses to the received requests;

7) to sign agreements, memoranda on cooperation and information exchange with national authorities, competent offices from other countries (jurisdictions) and specialized international organizations.

(2) The rights provided in par. (1) shall be exercised by the Office, including the requests received from offices with similar competences from other countries (jurisdictions).

Article 21. Appointment and dismissal of the Office management

(1) The Office is managed by a director and two deputy directors.

(2) The position of director and deputy director of the Office are public dignity functions, regulated by special legislation.

(3) Director of the Office is appointed by the Government for a five-year term.

(4) The candidate for the position of director of the Office shall meet cumulatively the following requirements:

a) holds the citizenship of the Republic of Moldova and is resident of its territory;

b) holds diploma of bachelor degree and master degree in law, economics or management, or holds a diploma equivalent to a master degree in respective areas. ;

c) has at least 7 years of work experience related to the area of the detained education degrees;

d) has an impeccable reputation;

e) meets the medical requirements for the exercise of position;

f) is not and has not been member of any political party for the past 2 years, , is not and has not been employed within permanent authorities of any political party;

g) has no criminal record;

h) knows the state language;

i) knows the principles of the functioning of financial, financial-banking, financial-nonbanking system and of the activity of designated non-financial business and professions;

j) knows international and European standards in the area of prevention and combating money laundering and terrorism financing.

(5) The Deputy director of the Office shall be appointed by the Government, at the proposal of the director, for a five-year term and shall meet cumulatively the following requirements:

a) holds the citizenship of the Republic of Moldova and is resident of its territory;

b) holds diploma of bachelor degree and master degree in law, economics or management, or holds a diploma equivalent to a master degree in respective areas. ;

c) has at least 5 years of work experience related to the area of the detained education degrees;

d) has an impeccable reputation;

e) meets the medical requirements for the exercise of position;

f) is not and has not been member of any political party for the past 2 years, is not and has not been employed within permanent authorities of any political party;

g) has no criminal record;

h) knows the state language;

i) knows the principles of the functioning of financial, financial-banking, financial-non-banking system and of the activity of designated non-financial business and professions;

j) knows international and European standards in the area of money laundering and terrorism financing prevention and combating.

(6) Director and deputy directors of the Office shall be immovable during the exercise of their mandate.

(7) Mandate of the director of the Office and deputy director of the Office terminated in case of:

a) resignation;

b) death;

c) expiration;

d) loss of citizenship of the Republic of Moldova;

e) reaching the retirement age;

f) dismissal.

(8) The grounds mentioned in par. (7) let. a)-e) shall be ascertained at the meeting of the Government by adoption of a decision that takes note of the cause leading to termination of mandate.

(9) Dismissal of the director or the deputy director of the Office shall take place if :

a) did not provide the declaration of property and personal interests or refused to submit it;

b) has become a member of a political party;

c) the sentence of conviction in respect to him remained final and irrevocable;

d) for health reasons, has no possibility to exercise the duties for a period more than 6 months consecutively;

e) has been declared as a disappeared person, in accordance with legislation.

(10) Dismissal of the director is performed by the Government.

(11) Dismissal of the deputy director is performed by the Government, upon the proposal of the director.

(12) The positions of the director and deputy director of the Office are incompatible with any other remunerated activity, excepting scientific, didactic, sports and creative activities.

Article 22. Powers of the Office management

(1) Director:

a) manages, organizes and controls the Office activity and is responsible for execution of the Office duties;

b) takes decisions concerning the receipt, recording, analysis, processing and dissemination to the competent authorities of the information on suspicious activities and transactions of money laundering, associated offences and terrorism financing, presented by the reporting entities as well as otherrelevant information obtained under the provisions of the present law;

c) takes decisions on the initiation, performing and completion of financial investigations;

d) represents the Office in relations with other national authorities and organizations, similar institutions from other countries (jurisdictions) and specialized international organizations;

e) initiates and signs, cooperation agreements with national authorities and organizations, similar institutions from other countries (jurisdictions) and specialized international organizations, in accordance with the legislation;

f) establishes and assigns the duties of the deputy directors;

g) appoints the employees of the Office, modifies, suspends and terminates, the working relations, according to the legislation,;

h) approves the employment scheme of the personnel of the Office in accordance with the structure and limit of personnel approved by the Government;

i) solves the issues related to establishment of salary increases and granting of bonuses, according to legislation;

j) approves the Regulation on the Activity of the Office for Prevention and Fight against Money Laundering;

k) approves methodologies, instructions, guidelines and recommendations for the activity of the Office as well as for the reporting entities and the supervisory authorities;

l) ensures the confidentiality and protection regime of state, commercial, banking, professional and personal data secrecy;

m) approves the annual activity plan of the Office;

n) presents the annual activity report to the Government;

o) initiates, carries out and adopts decisions on disciplinary cases concerning violation of professional obligations, discipline and professional conduct of the Office personnel.

2) In exercise of the duties stipulated in par. (1), the director of the Office issues orders, decisions and instructions.

(3) The deputy directors shall be directly subordinated to the director of the Office and shall organize the activity of the Office within the limits of the assigned attributions . In the absence of the director, his duties shall be exercised by the Deputy director, appointed by order of the director.

Article 23. Appointment in a position within the Office personnel

(1) Personnel of the Office is composed of public servants with special status, public servants and contracted staff, employed on competitive basis in accordance with the legislation.

(2) The public position with special status shall be exercised in the manner established by Law No. 158/2008 on public service and status of public servant, unless this law does not stipulate otherwise.

(3) The contest for appointment within the Office personnel shall be organized according to Regulation approved by order of the director of the Office.

Article 24. Probation period

(1) At the employment of a person within the Office personnel, may be established a probation period of 6 months . The probation period does not include the time spent on sick leave or other periods when the employee was absent from work place for well-founded reasons with documentary evidence.

(2) The clause regarding the probation period shall be provided in the employment order. In the absence of this clause, it is considered that the employee has no probation period.

(3) Only one probation period can be established during activity of the Office personnel.

(4) The probation aims to integrate the personnel in activity of the Office, to form professional training in practical terms, to acknowledge with the specificity

and the requirements of the Office, as well as verification of his professional knowledge, skills and aptitudes in the process of function exercise.

(5) The probation period shall not be applied to the person appointed in a managerial position.

(6) The assessment procedure of the personnel's activity shall be initiated for at least 18 working days before the end of the probation period and which consist of evaluating of the level of knowledge of the specificity and the requirements of the Office activity, obtained practical experience, behaviour demonstrated during the fulfilment of tasks and duties stipulated in job description in order to determine whether or not he or she sustained the probation period.

(7) The assessing procedure of the personnel's activity during the probation period shall be established by order of the director of the Office.

Article 25. Basis for termination of activity within the personnel of the Office

(1) Activity within the Office personnel shall terminate in the case of:

a) resignation;

b) expiration of individual labour contract;

c) transfer to another public authority;

d) appointment of the personnel in an elective function;

e) inability to perform the duties, ascertained by specialized medical examination;

f) the employee has not obtained at least the "satisfactory" rating after the probation period;

g) inconsistency with the held position, determined by the management of the Office, if a vacant inferior position is missing or the proposed function is rejected;

h) serious or systematic violation of discipline;

i) concealment of facts that can impede employment;

j) remaining of a sentence of conviction as final and irrevocable ;

k) loss of citizenship of the Republic of Moldova;

l) death.

(2) It is not admitted dismissal of the personnel during the stay on holiday or medical leave, except for the case stipulated in par. (1) let. g).

Article 26. Impeccable professional reputation

Under the terms of the present law is considered to have no impeccable professional reputation and cannot candidate to any position within the Office the person:

a) who has a criminal records, including executed, or who was exempted from criminal liability or punishment, including by amnesty or pardon act;

b) who has been deprived of the right to occupy certain positions or to exercise a certain activity, as a principal or complementary punishment, by the final court decision;

c) in respect of whom there was stated, by a final act, violation of the legal regime of the conflicts of interest, incompatibility and restrictions.

Article 27. Guarantees and right to professional risk in the exercise of attributions

(1) Director, deputy directors and personnel of the Office shall not be liable for the performed actions, in order to enforce the provisions of the present law in situation of a justified professional risk, even if they have caused damages, including patrimonial, to the rights and interests protected by the law. The risk is considered to be justified if the actions are objectively derived from the known information, facts and circumstances and the scope of the law could not be achieved by actions that would not involve the risk, taking the all possible measures to prevent negative consequences.

(2) During exercising of service attributions, director, deputy directors and personnel of the Office cannot be caught, arrested or brought to contravention or criminal liability except on the request of General Prosecutor.

Article 28. Inadmissibility of interference in the activity of employee

(1) During exercising of attributions, the employee of the Office shall subordinate only to his direct manager. No one else has the right to exercise interferences in his activity.

(2) The requests of the employee of the Office addressed to natural and legal persons and actions taken by him shall be considered legitimate as long as the authority or the person with function of responsibility, empowered to carry out the control over his activity and respecting of the legality during this activity, does not demonstrate the contrary.

Article 29. Pension insurance

Retirement of the employees of the Office shall be carried out in accordance with legislation in force.

Article 30. Social protection

(1) Social protection of the employees of the Office shall be carried out in accordance with Law No. 158/2008 regarding the public function and status of civil servant and Law No. 289/2004 on compensations for temporary labour incapacity and other social insurance benefits.

(2) In case of death of employee during the exercise of function, his family and dependent persons shall receive a single allowance equivalent to financial means of maintenance for 10 years of the deceased in his last position within the Office. Minors that have been under custody of deceased shall receive an additional monthly allowance equivalent to average sum of his monthly salary in his last function until they reach the age of 18.

(3) Damage caused to the goods of the employee of the Office or to the goods of his relatives up to the 1st degree in connection with the exercise related to the of his service attributions shall be integrally repaired, with the right of recourse against the guilty persons. The amount of the concerned financial means shall be determined and granted on the basis of irrevocable court decision.

(4) Employees of the Office have the right for medical assistance and medical treatment (outpatient and hospital) on behalf of the state in the manner established by the Government.

(5) Employees of the Office shall be mandatory insured from the state budget and other sources provided for this purpose.

Article 31. Vacation

(1) The vacation of employees of the Office shall be granted according to the legislation.

(2) The employees of the Office receive the following vacation:
a) annual leave of 35 calendar days;
b) additional leave:
- of 5 calendar days – for length of work from 5 years to 10 years;
- of 10 calendar days –length of work from 10 to 15 years;
- of 15 calendar days –length of work of over 15 years;
c) medical leave on the basis of a certificate issued by medical institution. For the period of medical leave, for employee it is kept the monthly average salary.

(3) To employees of the Office shall be granted also other vacation under the conditions of law.

Article 32. Financing of activity of the Office

(1) The Office is financed from the state budget as well as from other extra-budgetary sources according to the legislation.

(2) The Office estimates the expenditures related to its activity and plans its annual budget.

(3) The Office has its own budget, shall be elaborated, approved, executed and reported in accordance with the legislation on public finances and budgetary-fiscal responsibilities.

(4) Financing and technical-material support of the Office shall cover the estimated cost of all its activities so that it can effectively, efficiently and fully exercise its activities, including those related to representation and participation to the specialized international organizations.

(5) The size and the manner of remuneration of the employees which are working within the Office shall be determined in accordance with the provisions of Law No. 355/2005 regarding the salary system in the budgetary sector and of Law No. 48/2012 on the salary system for civil servants.

(6) For the employees of the Office shall be established an additional monthly spore for activity performance based on responsibilities.

(7) The activity of the Office shall be subject to the control of the Court of Accounts.

Chapter V

PROVOSIONAL MEASURES AND LIABILITY

Article 33. Provisional measures

(1) In accordance with attributions , the reporting entities, the Office, the law enforcement and judicial authorities shall apply efficient measures for identification, tracing, freezing, seizing and confiscation of goods obtained from money laundering, other from associated offences, from terrorism financing and proliferation of weapons of mass destruction.

(2) The reporting entities, ex officio or by the request, shall refrain from execution of activities and transactions with goods, including financial means, for a period of up to 5 working days if they establish reasonable grounds of suspicious that actions of money laundering, other associated offences, terrorism financing or mass destruction weapons proliferation, in the course of preparation, attempting, accomplishment or already performed, and shall immediately inform the Office, but not later than 24 hours after the moment of refraining.

(3) The measures applied according to provisions of par. (2) are terminated ex officio on the basis of written and confirmed permission of the Office.

(4) In the case of establishment of reasonable grounds of suspicious of money laundering or associated offences, terrorism financing or proliferation of weapons of mass destruction-, on the basis of information received in accordance with the provisions of present law, including the requests of the competent authorities of other jurisdictions, for the purpose of the application of provisional measures, the Office issues decisions on freezing of the execution of suspicious activities or transactions, as well as decisions on freezing of suspicious goods, for a period of up to 30 working days, and inform the natural or legal person which constitute subject of freezing.

(5) Upon the receipt of decision of the Office, the reporting entity is obliged:

a) to record the decision, indicating the exact date and time;

b) to freeze immediately the execution of suspicious activities or transactions, to freeze suspicious goods within the term specified in the decision, except for account supplying operations;

c) to inform immediately the Office regarding the value of the frozen goods, including the available funds in the bank accounts;

d) upon the receiving order from the customer or his representatives on execution of certain activities, transactions or operations with the frozen goods, to inform the customer about the reason of freezing, number of decision, date of issuing and issuer of decision and to communicate immediately this fact to the Office.

(6) Decision on freezing of the execution of suspicious activity or transaction or the decision on freezing of suspicious goods shall become enforceable upon its receive by the reporting entity.

(7) The Office may cancel the decision on freezing of the execution of suspicious activity or transaction or the decision on freezing of suspicious goods until the expiration of indicated term if the reasons and conditions that justified the issuance of these decisions have disappeared.

(8) The Office, until the expiration of the term of decisions stipulated in par. (4), using motivated request, claim the court in territorial jurisdiction in which has the residence, about prolongation of the decision term if, in the stage of financial investigations and verifications of the source of the goods involved in activities or transactions, the initial suspicions are confirmed, if the Office is awaiting the answers to the request sent to foreign institution, or if the owner, possessor of goods or their representative avoids to disclosure the complete information on the legality of the source of the goods which constitute the object of verification, as well as in other circumstances that impede to establish of the source of goods that constitute the object of verification.

(9) The court, on the basis of decision, disposes the prolongation or rejection of the prolongation of the freezing decision of the execution of suspicious activity or transaction or of the freezing of suspicious goods on the basis of a motivated request submitted by the Office at least one day before the expiration of the term of decisions provided in par. (4). Prolongation of the term established by the judge can not exceed 60 working days on each case separately. About decision of the judge on the prolongation of the term of freezing shall be brought to attention of natural or legal person in respect of whom the freezing was disposed.

(10) Before the expiration of the term provided in par. (9), the Office shall take all necessary measures, in accordance with the provisions of present law, in order to disseminate the materials to the competent authorities for adoption of subsequent decisions.

(11) Decisions of the Office, issued on the basis of the provisions of par. (4) could be claimed in appeal using the administrative litigation procedure, and decision of the judge on the prolongation or rejection of the prolongation of the term of decisions provided in par. (4) could be claimed in appeal, in the manner established by legislation, by the person that is considered to be injured in rights.

(12) Administrative litigation court or, as the case may be , the appeal court may order the suspending of the execution of decisions of the Office provided in par. (4) and, respectively, of decisions of the judge on prolongation of the term only based on the request of person that is considered to be injured in rights, simultaneously or after submission claiming of the appeal and only in case in which the following conditions are met cumulatively:

a) the reasons invoked in support of the appeal are pertinent and well founded;

b) are presented the arguments that circumstances of dispute require an urgent order of the suspending of the execution of the contested act in order to

avoid serious and irreparable prejudice of the interests of persons that are considered injured in rights;

c) damage that may be caused exceeds the public interest pursued by issuing of the contested act.

(13) The claim for suspending of the contested acts, submitted in accordance with par. (12), shall be examined no later than 5 working days after submission, with mandatory citation of the parties, and the court shall deliver a motivated decision on suspending or refusal of the suspending of the contested acts execution.

(14) The reporting entities identify the activities, transactions, persons and entities suspected of money laundering, associated offences, terrorism financing or proliferation of weapons of mass destruction, subject to provisional measures provided in par. (2), applying own programs for prevention and combating money laundering and terrorism financing.

(15) If, within the terms indicated in par. (4) and (9), there were not identified beneficial owners of the goods in respect of which there were applied provisional measures, the Office shall request the court from the territorial jurisdiction in which it has residence the freezing of the execution of suspicious activity or transaction or freezing of suspicious goods before the identification of the beneficial owner, but not more than one year.

(16) If beneficial owners of the goods were not identified within the term of up to one year since the date of application of provisional measures provided in par. (15), the Office or Prosecutor's Office request the court of the territorial jurisdiction in which they have residence to order the transfer these goods in the property of state proportionally to the quota held by the unidentified beneficial owner. The funds obtained as a result of sale, according to the established procedure, of the respective goods will be transferred to state income. Beneficial owners of goods can claim their restitution or their equivalent value within 3 years since the date of the transfer of the goods in state property.

(17) Through derogation from the provisions of par. (2), the reporting entity, based on written permission of the Office, carries out suspicious activity or transaction when refraining from their execution is impossible or may create impediments to trace the beneficiaries of an suspicious activity or transaction of money laundering, associated offences, terrorism financing or proliferation of weapons of mass destruction-. These provisions do not affect the obligations resulting from the execution of financial sanctions related to terrorism activities and proliferation of weapons of mass destruction-.

Article 34. Implementation of targeted financial sanctions related to terrorism activities and proliferation of weapons of mass destruction-

(1) The reporting entities shall immediately apply restrictive measures in respect of goods, including of those obtained from or generated by goods owned or held or controlled, directly or indirectly, by persons, groups and entities included in the list mentioned in par. (11), as well as by legal entities which are owned or controlled, directly or indirectly, by such persons, groups and entities.

(2) The reporting entities shall refrain from performing of activities and transactions in the favour or benefit, directly or indirectly, of the persons, groups and entities included in the list mentioned in par. (11), as well as legal entities which are owned or controlled, directly or indirectly, by whose persons, groups and entities.

(3) The restrictive measures provided in par. (1) and (2) shall be immediately applied and shall be maintained for an undetermined period. These shall be removed only on the date indicated in the decision on removal of restrictive measure communicated by the Office in accordance with par. (10).

(4) The reporting entities shall transmit without delay the information on the application of restrictive measure to the Office, not later than 24 hours since the moment of restrictive measure application, which in its turn shall inform not later than 24 hours, the Intelligence and Security Service and Ministry of Foreign Affairs and European Integration for transmission of information to competent bodies and authorities of the United Nations Organization and European Union.

(5) The reporting entities accept additional payments, provided by a third party, or increase of the value of goods to which were applied restrictive measures provided in par. (1) and (2) and prolong the applicability of restrictive measures to additional goods. Information on the prolongation of restrictive measures to additional goods shall be transmitted without delay, not later than 24 hours, to the Office, which acts in accordance with par. (4).

(6) In case of any doubts or suspicious which do not allow to establish a firm certitude of the identity of the person, group or entity included in the list mentioned in par. (11), the reporting entities inform the Office about this without delay, in a period of not later than 24 hours. Within the term of not later than 24 hours, the Office, after consultation of the Intelligence and Security Service, informs the reporting entity about the necessity of application or non-application of restrictive measures.

(7) The reporting entities do not establish business relations with the persons, groups or entities involved in terrorism activities and proliferation of weapons of mass destruction- included in the list mentioned in par. (11). About the refusal of establishing business relations with them, the reporting entities shall inform the Office without delay, in term not later than 24 hours, by presenting all data held regarding this case.

(8) On the request of person, group, entity or any other interested party, the Office , in coordination with the Intelligence and Security Service, may authorize the performance of payments from the amount of goods subject of restrictive measures for:

a) ensuring of minimum living standard according to official indices estimated for the Republic of Moldova;

b) urgent medical treatment;

c) payment of taxes and duties to budget and mandatory insurance premiums;

d) other extraordinary expenses or related to maintenance of goods to which the restrictive measures have been applied.

(9) The decision of the Office on authorization or refusal of the authorization of payments mentioned in par. (8) can be claimed in the administrative litigation procedure and the decision of judge can be claimed on appeal in the manner established by the legislation.

(10) The decision on removal of restrictive measure shall be adopted by the Intelligence and Security Service on the basis of the amendments on the exclusion of one or more persons, groups or entities from the lists mentioned in par. (11) let. a)-c) or of amendments of the list mentioned in par. (11) let. d) in case of disappearance of criteria that formed the basis for the inclusion of person, group or entity in the supplementary list. The decision shall be taken immediately, but no later than 24 hours from the moment of amendment and shall be communicated to the Office for subsequent information of the reporting entity that applied restrictive measure.

11. The list of persons, groups and entities involved in terrorism activities and proliferation of weapons of mass destruction that are subject of targeted measures shall include:

a) list of the United Nations Security Council regarding the persons, groups and entities involved in terrorism activities;

b) list of the United Nations Security Council regarding the persons, groups and entities involved in proliferation of weapons of mass destruction activities;

c) list of the European Union regarding the persons, groups and entities involved in terrorism activities;

d) supplementary list of the Intelligence and Security Service regarding the persons, groups and entities involved in terrorism activities.

(12) Lists of the United Nations Security Council and of the European Union regarding the persons, groups and entities involved in terrorism activities and proliferation of weapons of mass destruction shall be applied directly and have immediate effect on the territory of the Republic of Moldova.

(13) The supplementary list of the Intelligence and Security Service regarding the persons, groups and entities involved in terrorism activities shall be applied and take effect immediately after its publication on the official web site of the Service.

(14) Criteria forming the basis of the identification, listing and delisting of certain categories from supplementary list shall be approved by the Intelligence and Security Service. The supplementary list includes:

(a) natural persons that commit or attempt to commit a terrorist act, participate in such an act or facilitate its commitment;

b) groups or entities that commit or attempt to commit a terrorist act, participate in such an act or facilitate its commitment;

c) legal persons, groups or other entities owned or controlled by one or more persons, groups or entities mentioned in let. a) and b);

d) natural or legal persons, groups or other entities acting on behalf of or at the order of one or more persons, groups or entities mentioned in let. a) and b).

(15) The Intelligence and Security Service informs the concerned persons, groups and entities about the fact of their listing, reasons for listing and legal ways for claiming of decision.

(16) The Intelligence and Security Service shall elaborate, update and publish in Monitorul Oficial of the Republic of Moldova the consolidated list of persons, groups and entities involved in terrorism and in proliferation of weapons of mass destruction activities which includes all categories of the lists mentioned in paragraph (11) let. a)-d).

(17) The information on the amendment of the lists mentioned in par. (11) let. (a)-(d), related to listing or delisting of one or more persons, groups or entities, shall be transmitted immediately by the Intelligence and Security Service to the reporting entities, authorities with supervision functions of the reporting entities and to the Office.

(18) In order to ensure the applicability and legal effect of the lists of persons, groups and entities involved in terrorism and in proliferation of weapons

of mass destruction activities, in accordance with par. (12) and (13), the reporting entities shall monitor the official web sites of the United Nations Organization, of the European Union and of the Intelligence and Security Service.

Article 35. Sanctions

(1) The breaching of the provisions of the present law shall be subject of disciplinary, pecuniary, contravention, criminal or other types of liability in accordance with the legislation in force.

(2) In case of non-compliance of the provisions of the present law and the acts subordinated to this law, in respect to reporting entities provided in art. 4 par. (1) let. a)-l) the following types of sanctions are applied:

a) public statement in mass media referring to natural or legal person and nature of breaching;

b) prescription through which the natural or legal person is required to terminate the respective behaviour and to refrain from repeating it;

c) withdrawal or suspension of authorization, license of activity, in case in which the activity of the reporting entity constitutes the object of authorization or licensing;

d) temporary ban to hold management positions in the reporting entities by any person with senior degree management positions in the reporting entity or by any other natural person declared liable for the breach;

e) pecuniary sanctions in the form of fine:

- in twice amount of the value of benefit derived from the breach of the obligations provided by the present law, in case in which the respective benefit can be determined, or in the amount of equivalent in lei of the sum of up to 1000000 euro, calculated according to the official exchange rate of Moldovan leu at the date of the commitment of breach;

- in the amount up to the equivalent in lei of the sum of up to 5000000 euro, calculated at the official exchange rate of Moldovan leu at the date of the commitment of breach, or 10% of the turnover for the previous year – for the reporting entities under art. 4 par. (1) let. a), c), h) and i).

(3) During applying the sanctions provided in par. (2) shall be taken into consideration the gravity,, duration and frequency of breach, intention, degree of responsibility, financial capacity of subject, benefit obtained as a result of breach, prejudice caused to third parties by breach, cooperation of subject, previous breaches.

(4) The sanctions provided in par. (2) let. a)-d) are applied by the authorities with supervision functions, specified in art. 15 par. (1) let. a)-h), in accordance with the normative acts regulating the supervision activity.

(5) Authorities with supervision functions of the reporting entities, during the application of the sanctions provided in par. (2), carried out consultations on the decision of publication of the decision on the applied sanctions with the Office, by respecting the provision of the legislation on the protection of personal data.

(6) Pecuniary sanctions provided in par. (2) let. e) are applied by the competent authorities.

(7) The fines shall be applied to legal, natural persons and persons with senior management positions.

(8) Decisions on application of fine may be claimed in the administrative litigation procedure, in the manner established by the legislation, by the person that is considered to be injured in rights, in compliance with the procedure provided in art. 33 par. (12) and (13).

(9) The published information regarding the applied sanctions shall be kept on the official web site of the authorities with supervision functions of the reporting entities and of the competent authorities for at least 5 years.

(10) The sanctions provided in par. (2) let. e) shall be applied in accordance with the law on the procedure of establishment of breaches in the area of money laundering and terrorism financing and manner of the application of fine.11) Legal persons are liable based on the provisions of par. (2) let. (e) for breaches committed for their benefit by any person acting individually or as part of an authority of the respective legal person and that holds a senior management position within the legal person on the basis of:

a) power to represent the respective legal person;

b) power to take decisions on behalf of the respective legal person;

c) power of the exercise of control within the respective legal person.

(12) Legal persons are also held liable when lack of supervision or control by a person mentioned in par. (11) made it possible to commit the breaches subject to liability provided in par. (2) let. e)for their benefit by a person under the authority of legal person.

Article 36. Protection of personal data

(1) Processing of personal data on the basis of the present law is carried out under the conditions of Law No. 133/2011 on the protection of personal data.

(2) The actions provided by the present law, which involve the processing of personal data, fall within the activity specified in art. 2 par. (2) let. d) of the Law No. 133/2011 on the protection of personal data.

(3) Subject of personal data shall be restored in the restricted rights only upon termination of the situation that justifies their processing under present law, but not more than 5 years since the date of processing of personal data.

(4) The Office may transmit cross-border personal data, under the conditions provided in art. 32 par. (7) and par. (9) let. e) of the Law No. 133/2011 on protection personal data , to countries (jurisdictions) that provide an adequate level of protection of personal data. During the transmission of personal data the Office informs about the confidential nature of the transmitted data, the obligation of the processing of personal data for a period necessary for achievement of the purpose for which it was transmitted, as well as the necessity to inform without delay in case of security incidents appearance

(5) The control over the compliance of personal data processing in accordance with the requirements of the present law shall be performed by the competent authority of control of personal data processing.

(6) The access to the automated recording systems containing personal data shall be carried out with the authorization of the authority of control of personal data processing.

Article 37. Final and transitional provisions

(1) The present law shall enter into force on the date of its publication, with the exception of the art. 35 par. (2) let. e), which will enter into force on the date of the adoption of the law on the procedure of establishment of breaches in the area of money laundering and terrorism financing and manner of the application of fine, and of the art. 14 par. (20), which will enter into force on January 1st, 2019.

(2) Sanctions provided in art. 35 par. (2) let. (e) shall be applied only to breaches admitted since the date of entry into force of the law on the procedure of establishment of breaches in the area of money laundering and terrorism financing and manner of the application of fine.

(3) On the date of entry into force of the present law, the Law No. 190/2007 on prevention and combating money laundering and terrorism financing (Monitorul Official of the Republic of Moldova, 2007, No. 141-145, article 597) shall be abrogated.

(4) All rights and attributions of the National Anticorruption Centre and of the Office for Prevention and Fight against Money Laundering as a part of the National Anticorruption Centre in the area of prevention and combating money laundering and terrorism financing resulting from the treaties and agreements, include international, set out before the entry into force of the present law, shall be transferred to the newly created Office.

(5) During a period of 6 months from the date of publishing of the present law, the Government will present to the Parliament proposal for amendment of the legislation in force to harmonize it with the provision of the present law.

(6) The Government, in a period of of 30 days:

a) will appoint the director and deputy directors of the newly created Office under the conditions of the present law;

b) will approve the structure and the staff-limit of the newly created Office, upon the proposal of the director of the Office

c) will identify and provide to the newly created Office the premises and resources appropriate to the performance of its attributions.

(7) The National Anticorruption Centre will transmit, within 20 days from the date of publication of the present law, from its management to the management of the newly created Office, financial means and goods used in the area of prevention and combating money laundering and terrorism financing by the Office for Prevention and Fight against Money Laundering of the National Anticorruption Centre.

(8) Byway of derogation from art. 23 and 24, within 30 days from the date of entry into force of the present law, the personnel of the Office for Prevention and Fight against Money Laundering of the National Anticorruption Centre shall be employed, by transfer, within the Office, in the newly created positions in accordance with labour legislation.

(9) Head of Office for Prevention and Fight against Money Laundering and its deputy head that are in carrying out their attributions on the date of entry into force of the present law, shall exercise their attributions until the appointment of the director and deputy directors of the newly created Office, in accordance with the present law.

(10) The newly created Office, within 6 months from the date of publication of the present law, will adopt the acts, regulations, guidelines necessary for the enforcing of the present law.

(11) The entities provided in art. 15, within 4 months from the date of publication of the present law, will harmonize their normative acts in accordance with the present law.

(12) The entities provided in art. 4 par. (1), within 6 months from the date of publication of the present law, will adopt the documents of internal policy in accordance with the present law.

(13) Before the establishment of the protected electronic channel, the reporting entities shall submit to the newly created Office the special form regarding the reporting of activities or transactions provided in art. 11 par. (1) - (3) in the written form, in paper format.

PRESIDENT OF THE PARLIAMENT

ANDRIAN CANDU

22/12/2017