

# Activity of the Financial Intelligence Unit



Financial Intelligence Unit

The goal of the activity of the Financial Intelligence Unit is to prevent the possibility of using the financial system of Latvia for money laundering and terrorism and proliferation financing.

The activities of the Financial Intelligence Unit are regulated by the Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing (Law).

## Basic tasks:



to summarise and analyse financial data, received reports on suspicious transactions;



to provide information to investigating institutions, prosecutor's office and court that may be used for the prevention, discovering, pre-trial criminal proceedings and/or prosecution of money laundering;

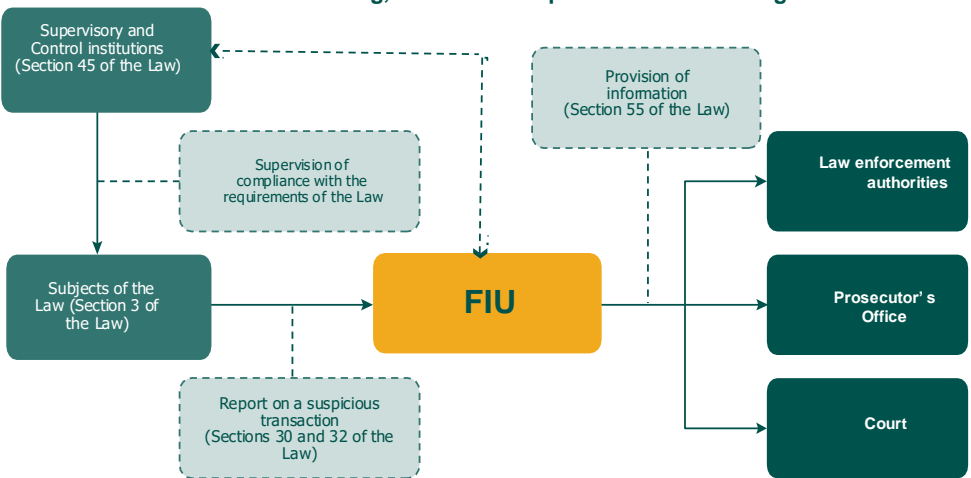


to develop studies and methodological materials on money laundering risks, trends, scope and methods;



to cooperate with international and foreign institutions involved in the prevention of money laundering.

## Scheme for prevention and combatting of money laundering, terrorism and proliferation financing



One of the main areas of Financial intelligence activities is **financial intelligence**. Financial intelligence is collection and analysis of data on the financial transactions performed by persons (both physical and legal). The goal of financial intelligence is to understand the essence of financial transactions in order to identify illegal activities, for example, money laundering, tax evasion, corruption, or other criminal offences.



The Financial Intelligence Unit has the right to freeze funds. Freezing of funds is a prohibition on any movement of funds and transactions as a result of which the scope, amount, location, owner, possessor of these funds might change in any way.

## Process from freezing of possibly illegally acquired funds to confiscation thereof and return them to the real owner:

- 1** Report of the subject of the law (for example, credit institution) to the Financial Intelligence Unit on suspicious transaction with or without refraining from execution of the customer's transaction.

The subject of the Law has a duty to immediately notify the Financial Intelligence Unit of each suspicious transaction. The reporting obligation also applies to funds that raise suspicions that they have been directly or indirectly acquired as a result of a criminal offence or are related to terrorism and proliferation financing or an attempt to carry out such activities, but are not yet involved in a transaction or its attempt, as well as cases when there was sufficient grounds to establish a suspicious transaction, but due to insufficient attention or negligence the reporting obligation has not been carried out.
- 2** An order of the Financial Intelligence Unit regarding the freezing of funds/material of the Financial Intelligence Unit – information to a pre-trial investigation institution or prosecutor's office.

The Financial Intelligence Unit has the right to issue an order on the freezing of funds, if there is a justified suspicion that a criminal offence is taking place or has been committed, including money laundering, terrorism and proliferation financing or an attempt to commit these criminal offences.
- 3** Decision of the pre-trial investigation institution or prosecutor's office on the arrest of property.

The decision of the responsible pre-trial investigation institution (law enforcement institutions or State security institutions) or prosecutor's office regarding initiation of criminal proceedings and decision on imposition of attachment on property (in pre-trial proceedings, an attachment shall be imposed on property with a decision of the person directing the proceedings, which has been approved by an investigating judge, but during prosecution the decision shall be taken by a court).
- 4** Recognition of property as criminally acquired and confiscation thereof.

Property may be recognised as criminally acquired by a court ruling that has entered into force or a decision of a public prosecutor regarding the completion of criminal proceedings.

After the final ruling in the criminal proceedings has entered into effect, the proceeds obtained as a result of confiscation of criminally acquired property shall be first used for ensuring and paying for the reimbursement of damages requested.

After a notification of the bailiff regarding the execution of confiscation of criminally acquired property has been received, including the reimbursement of damages to the victim and the payment of the debt of immovable property tax to a local government, the judge shall take a decision in writing on the recovery of funds not used for the reimbursement of damages to the victim and the payment of the immovable property tax debt to the local government from the person convicted for the benefit of the State. The decision shall not be subject to appeal.

## In 2020 the Financial Intelligence Unit received

**4833**

reports on suspicious transaction in both financial and non-financial sectors.



After performing financial intelligence

**12.87%**

or

**622**

cases the Financial Intelligence Unit made a decision on further transfer of the analysed information to law enforcement



	Opinion of the competent authority *	Information to be taken note of**	Additional information **	Total
The State Police	211	112	134	457
State Revenue Service Tax and Customs Police Department	11	44	12	67
State Security Service	3	41	3	47
Corruption Prevention and Combating Bureau	10	29	2	41
Specialised Public Prosecutor's Office of Organised Crime and Other Branches	-	5	-	5
Defence Intelligence and Security Service	-	2	2	4
Internal Security Bureau	-	1	-	1
<b>TOTAL:</b>	<b>235</b>	<b>234</b>	<b>153</b>	<b>622</b>

\* the opinion of the competent institution is a summary of information collected as a result of an in-depth analysis of the Financial Intelligence Unit to law enforcement agencies that include reasonable suspicion of money laundering. Based on this information, law enforcement agencies may initiate/initiate criminal proceedings.

\*\* Information at the disposal of the Financial Intelligence Unit on transactions and/or persons, which the law enforcement agencies can take note of, add to the already initiated criminal proceedings or initiate new ones.

\*\*\* Additional information is information, which the Financial Intelligence Unit has received, compiled and the analysed, resulting in establishing that it should be sent to law enforcement authorities for adding to any of the previously sent opinions (reports) of the competent authority of the Financial Intelligence Unit or criminal proceedings initiated by law enforcement agency.

More information on [www.fid.gov.lv](http://www.fid.gov.lv)