



Financial Intelligence  
Unit of Latvia

# Financial Integrity Newsletter

Foreword by **Toms Platacis**,  
Vice-Chair of MONEYVAL,  
Head of the FIU Latvia

**“Latvia maintains one  
of the most effective  
AML/CFT/CPF systems  
internationally.”**

Interview with **Nicola Muccioli**,  
Chair of the MONEYVAL,  
Director of the FIU San Marino

**“Latvia has developed a  
strong understanding of its  
ML/TF risks and has taken  
the necessary measures to  
mitigate them.”**

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- Conference “New Round: Link. Learn. Latvia.” in review
- Lessons from Latvia’s evaluation: Key strengths and best practices
- MONEYVAL evaluation report: Latvia’s effectiveness assessment ratings and recommendations

# Foreword

The publication of the MONEYVAL 6th Round Mutual Evaluation Report marks an important milestone for Latvia's AML/CFT/CPF framework.

Today, Latvia maintains one of the most effective AML/CFT/CPF systems internationally. The report recognises not only Latvia's strong level of technical compliance with FATF standards, but also the demonstrated effectiveness of the system across almost all Immediate Outcomes.

Financial Intelligence Unit of Latvia was entrusted to lead and coordinate the national evaluation process. Throughout the assessment, we worked closely with institutions across the country and maintained intensive cooperation with the MONEYVAL Secretariat and the Assessment team.

This extensive engagement with national authorities, the private sector and the Assessment team ensured that the findings

reflect an accurate and well-substantiated assessment of Latvia's system.

With the report now published, the next phase begins. A mature AML/CFT/CPF system must remain dynamic, risk-based and forward-looking. It must intervene decisively where risks are highest, while avoiding unnecessary burden where risks are objectively low. Applying the risk-based approach with precision will remain essential as we continue to strengthen Latvia's reputation and maintain alignment with the highest international standards.



**Toms Platacis**

Vice-Chair of MONEYVAL, Head of the FIU Latvia

## **Terms, abbreviations and definitions**

AML – Anti-Money Laundering

AML/CFT/CFP – Prevention of Money Laundering and Terrorism and Proliferation Financing

EBRD – European Bank for Reconstruction and Development

EU – European Union

EPPO – European Public Prosecutor's Office

FATF – Financial Action Task Force

FIU – Financial Intelligence Unit

FSRB – FATF Style Regional Bodies

KRA – Key recommended action

MER – MONEYVAL Evaluation Report

MENAFATF – Middle East and North Africa Financial Action Task Force

MONEYVAL – Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism

# What is a mutual evaluation

The objective of a mutual evaluation is to assess how effectively a country prevents and combats ML/TF/PF, and how well it complies with the FATF Recommendations, which are the global AML/CFT standards.

More specifically, mutual evaluations aim to:

- assess technical compliance with the 40 FATF Recommendations (laws, regulations, etc)
- identify strengths, weaknesses and vulnerabilities in the national framework
- evaluate effectiveness of a country's AML/CFT system in practice
- provide recommendations for improvement to strengthen the country's system and protect the global financial system from abuse

The MONEYVAL 6th Round Mutual Evaluation Report on Latvia was adopted in June 2025 and published on 19 February 2026.

It assesses Latvia against FATF standards to determine the effectiveness of the country's AML/CFT/CPF framework, as well as its compliance with the FATF Recommendations during the period from 11 November 2017 to 15 November 2024.

Latvia was the first country globally to undergo assessment under the new evaluation round, setting an important precedent for the international AML/CFT assessment process.



In the 6th Round of MONEYVAL Mutual Evaluations, the main focus is on assessing the effectiveness of countries' AML/CFT/CPF systems in practice, rather than only the existence of laws and regulations.

Latvia's Mutual Evaluation was conducted by the Assessment team of evaluators comprising experts from a number of FATF and MONEYVAL member states and members of the FATF and MONEYVAL Secretariats.

# MONEYVAL evaluation report: Latvia

## Effectiveness assessment ratings

Assessment of risk, coordination and policy setting

Rating: High

International Co-operation

Rating: Substantial

Financial Sector and Virtual Asset Supervision and Preventive Measures

Rating: Substantial

Non-financial Sector Supervision and Preventive Measures

Rating: Moderate

Transparency and Beneficial Ownership

Rating: High

Financial Intelligence

Rating: High

Money Laundering Investigations and Prosecutions

Rating: Substantial

Asset Recovery

Rating: High

Terrorist Financing Investigations and Prosecutions

Rating: Substantial

Terrorist Financing Preventive Measures and Financial Sanctions

Rating: Substantial

Proliferation Financing Financial Sanctions

Rating: High

*High – minor improvements needed*

*Substantial – moderate improvements needed*

*Moderate – major improvements needed*

*Low – fundamental improvements needed*

## Timeline | Latvia



### 21–22 March 2024

MONEYVAL country training

### 22 April 2024

Latvia submitted Technical Compliance questionnaire

### 15 May 2024

Latvia's oral presentation on risk, context and materiality

### 29 July 2024

Latvia submitted Effectiveness questionnaire

### 4–15 November 2024

On-site visit of MONEYVAL Assessment Team

### 14–16 April 2025

Face-to-face meeting

### 10–13 June 2025

Joint FATF/MONEYVAL Plenary

**February 2026**

Publication of Latvia's MER

# Recommendations on how to improve the AML/CFT/CPF system

One of the objectives of each evaluation is not only to provide a comprehensive overview of the strengths of a country's AML/CFT system, but also to identify areas where further improvements are needed and to propose recommended actions to address them, including key recommended actions which are prioritised, taking into account the country's risks and context.

In this evaluation, Latvia has received two KRAs in relation to the non-financial sector's supervision and preventive measures. Compared with the previous evaluation cycle, Latvia has significantly reduced the number of recommended actions.

This reflects the substantial reforms implemented in recent years and indicates notable progress in strengthening the country's AML/CFT/CPF framework and its effectiveness in practice.

## What's next

According to the results of Latvia's mutual evaluation, Latvia was placed in the regular follow-up and is required to report back to MONEYVAL in June 2028 on the implementation of two key recommended actions\* related to non-financial sector supervision and preventive measures.

*\*Key recommended actions from focus on implementing a risk-based approach to combat money laundering and terrorist financing, requiring countries to identify risks, apply customer due diligence, maintain records, and report suspicious transactions.*

## Interview

### **Strong coordination, strong results: Latvia's AML/CFT progress in focus**

Nicola Muccioli has closely followed Latvia's efforts to strengthen its AML/CFT system. Over the last years, he has witnessed the country's reforms and its preparations for the new round of evaluation. In this interview, he shares his perspective on Latvia's progress, the results of the evaluation, and the lessons that other jurisdictions may draw from Latvia's experience.



**Nicola Muccioli**

Chair of the MONEYVAL, Director of the San Marino Financial Intelligence Unit

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#### **Latvia's voluntary participation and coordinated progress in strengthening AML/CFT system**

Latvia's decision to volunteer as the first jurisdiction worldwide to be assessed in the new round demonstrated both openness to peer review and confidence in the reforms implemented in recent years.

The report's findings point to significant progress and reflect the considerable efforts made by the competent authorities. These achievements are particularly noteworthy given the relatively short timeframe in which

important structural and legislative changes were introduced.

It is clear that this was a coordinated and determined approach across Latvian institutions. They underscore the value of sustained political commitment, effective policy direction and high-level national coordination, and close operational cooperation among domestic institutions. Taken together, these elements have contributed to strengthening the effectiveness and resilience of Latvia's AML/CFT system.

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## **Beyond ratings: broader outcomes and context in assessing AML/CFT effectiveness**

Talking about that, Latvia's assessment has raised the bar very high; I am not referring only to the results achieved in terms of MER ratings, but also to the broader outcomes highlighted in the report.

These include not only the improvements in the effective application of preventive and repressive AML/CFT measures, but also the overall coordination, scale and scope of the activities carried out by the authorities involved in Latvia's AML/CFT framework.

Each country has its own context, and it is not always appropriate to simply compare numbers between jurisdictions when assessing the effectiveness of AML/CFT systems. It is essential to understand the specific risks, context and circumstances of each country and to interpret the MER in that regard.

In respect of Latvia's MER, one can clearly see that the country has developed a strong understanding of its ML/TF risks and has taken the necessary measures to mitigate them.

Maintaining updated and responsive policies to address emerging risks will therefore remain an important task for Latvia going forward.

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## **Lessons from Latvia's evaluation: importance of early preparation and broad institutional involvement**

Countries benefit from ensuring that all institutions involved in the AML/CFT framework clearly understand their respective roles and work together effectively. Public-private cooperation and awareness within the private sector are also important for a smooth evaluation process. Full engagement and commitment by all interlocutors during the assessment, together with the availability of adequate resources, allow countries to effectively demonstrate how their AML/CFT systems operate in practice.

At the same time, it is important to draw lessons from previous evaluation rounds, where Financial Intelligence Units were sometimes expected to manage most aspects of the evaluation process. Latvia clearly demonstrated that a broader institutional involvement across the entire AML/CFT framework is essential.

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### **Strengthening AML/CFT integrity through international cooperation**

It is often said that a chain is only as strong as its weakest link. Latvia's AML/CFT system is certainly not the weakest link, either in Europe or globally. The results of your MER prove the contrary. This is why the FATF global network — which includes the FATF and the FATF-style regional bodies, such as MONEYVAL — plays such an important role.

By supporting jurisdictions worldwide in implementing the FATF standards and assessing their AML/CFT systems, this network helps strengthen the integrity of the global financial system.

At the European level, it is essential that countries maintain robust AML/CFT systems capable of protecting their financial sectors and economies from criminal abuse. Latvia's experience and progress contribute positively to strengthening safeguards across Europe.

I particularly appreciate the openness with which Latvian authorities have shared their evaluation experience with peers. By sharing both the challenges and successes encountered during the process, Latvia demonstrates maturity and reinforces the idea that strengthening AML/CFT safeguards at the European level requires cooperation and collective effort.

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### **Need for continuous adaptation and focus on emerging AML/CFT risks**

While the report recognises substantial progress, every AML/CFT system must continuously adapt to evolving risks and international standards. Latvia regularly conducts ML/TF and PF risk assessments,

and the authorities are expected to continue refining their approach to address emerging risks to which the country finds itself exposed.

In areas where risks are higher, further actions may be necessary.

At the global level, the FATF has highlighted several important issues that all countries should continue to address, including asset recovery measures, application of AML/CFT measures by virtual asset service providers (VASPs), measures against cyber-enabled fraud, beneficial ownership transparency, and the application of a risk-based approach.

I would also like to highlight the important work carried out by the Council of Europe in supporting national AML/CFT systems, notably through the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198, the Warsaw Convention).

The forthcoming additional protocol to this Convention, developed with contributions from MONEYVAL, is expected to further strengthen both national and international asset recovery cooperation mechanisms. I hope that all MONEYVAL members – including Latvia - will consider the benefits of becoming parties to this new legal instrument once the protocol is open for signature and ratification.

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# Global AML community gathers in Riga to discuss the new evaluation round



More than 300 experts, practitioners, and decision-makers from over 50 countries gathered on 21 January 2026 for the international conference “New Round: Link. Learn. Latvia.” organised by the FIU Latvia to discuss how the new round of MONEYVAL evaluations can move from assessment towards meaningful action in addressing financial crime and sanctions evasion.

The conference brought together senior representatives from key international and European institutions,

including MONEYVAL, MENAFATF and other FSRB, the Egmont Group, the European Commission, AMLA, EPPO, EBRD, Head of Delegations to FATF, MONEYVAL, and FSRBs, Head of FIU’s, central banks and global financial institutions, alongside experts from the private sector and academia.

In addition, Financial Intelligence Units from 30 countries continued discussions the following day during a closed working session hosted by the FIU Latvia, focusing on practical preparations for the new round of evaluations of AML/CFT systems.





# Lessons from Latvia's evaluation: Key strengths and best practices of Latvia's AML/CFT/CPF system

Latvia's evaluation of its AML/CFT/CPF system highlights a set of immediate outcomes that demonstrate both compliance with international standards and the practical effectiveness of institutions. These outcomes reflect the system's ability to prevent, detect, and address financial crime, as well as to implement targeted financial sanctions. The assessment also identifies

key strengths and best practices, including a strong risk-based approach, effective inter-institutional cooperation, and high-quality financial intelligence.

This section summarises the main lessons learned, positioning Latvia's experience as a valuable reference for further system development and for other jurisdictions.

## IO1. Assessment of risk, coordination and policy setting

### Strong political commitment and institutional support

Latvia demonstrates sustained political commitment to understanding and mitigating financial crime risks, supported by structured budgeting and resource allocation aligned with AML/CFT/CPF priorities.

### Continuous and inclusive risk understanding

Latvia maintains an evolving understanding of ML, TF and PF risks by combining multiple data sources and ongoing analysis going beyond regular NRA process. The risk assessment process is highly inclusive, involving a wide range of relevant stakeholders across authorities, supervisory bodies and the private sector.

## **Strong linkage between risk assessment and national policy responses**

Findings from the NRA and other risk analyses are translated into national and institutional AML/CFT/CPF action plans, ensuring that policy measures, supervision priorities and operational activities are aligned with identified risks.

## **Effective national coordination mechanisms**

Latvia has established well-functioning mechanisms for policy and operational coordination, including its PPP (CCG) mechanism, enabling competent authorities to respond collectively to evolving risks and ensuring consistent implementation of the risk-based approach.

**Rating: High**

## **IO2. International co-operation**

### **Strong operational role of FIU Latvia in international intelligence exchange**

FIU Latvia actively exchanges financial intelligence with foreign FIUs and plays a central role in supporting both domestic and foreign investigations. FIU Latvia is a global leader, initiating projects like the International Financial Intelligence Task Force (IFIT). IFIT involved FIUs from 25 jurisdictions, exchanging data, and identifying ML typologies. The IFIT contributed to the freezing of EUR 120 million and confiscation of EUR 25 million globally in the IFIT countries abroad. The case earned international recognition, including the Egmont Group's Best Case Award in 2022.

## **Ability to support complex cross-border financial investigations**

Latvia has demonstrated the capacity to cooperate in large and complex international cases, including those involving sophisticated financial structures and multiple jurisdictions.

**Rating: Substantial**

## **IO3. Financial sector and virtual asset supervision and preventive measures**

### **Strong risk-based supervision of the financial sector**

Latvia demonstrates a high level of supervisory effectiveness, with supervision clearly aligned with risk assessments. Supervisory measures are targeted at higher-risk areas and reflect a strong understanding of risks within financial institutions.

### **Effective supervisory approach supported by guidance and training**

Supervisory authorities cooperate closely with each other, as well as with the FIU and LEAs, enabling better risk identification and coordinated supervisory responses. And maintain regular dialogue with reporting entities, providing guidance and outreach that support a better understanding of AML/CFT obligations.

**Rating: Substantial**

## **IO4. Non-financial sector supervision and preventive measures**

### **Improving understanding of ML/TF risks and AML/CFT obligations**

Supervisors have effectively promoted understanding of national and sectoral ML/TF risks and AML/CFT requirements, including higher-risk non-financial sectors.

## **Risk-based supervision and guidance**

Supervisory authorities and self regulated professional bodies provide sector-specific guidance and training, helping non-financial sector better understand risks and apply preventive measures proportionately.

## **Strengthening compliance culture**

Increased engagement between authorities and the non-financial sector is gradually improving compliance practices and the effectiveness of preventive measures.

**Rating: Moderate**

## **IO5. Transparency and beneficial ownership**

### **Highly transparent beneficial ownership system**

Latvia's centralised, accessible, and actively used beneficial ownership register represents a strong example of how transparency of legal persons can effectively support financial intelligence, supervision and investigations.

### **Verification and data quality mechanisms**

Beneficial ownership information is subject to verification through a multi-pronged approach, including cross-checks against multiple data sources, supervisory controls, and discrepancy reporting, which together help ensure the reliability and accuracy of the register and improve data quality by keeping the information accurate, adequate, and up to date.

## **Effective use of beneficial ownership information by authorities**

Law enforcement, the FIU and supervisory authorities actively use beneficial ownership data in financial intelligence, customer due diligence and investigations, supporting the detection of complex ownership structures and potential misuse of legal entities.

## **Assessment of risks related to legal persons and foreign legal persons**

Latvia conducts regular risk assessments of legal persons, including foreign legal persons, as part of its National Risk Assessment, and has also carried out dedicated assessments focusing specifically on foreign legal persons and foreign legal arrangements with sufficient links to Latvia, following changes to Recommendations 24 and 25.

**Rating: High**

## **IO6. Financial intelligence**

### **Modern FIU in practice: technology, innovation and effective financial intelligence**

FIU Latvia ensures innovative secure co-operation platforms such as the CCG and the OpCEN.

#### **CCG**

CCG is a PPP platform that brings together competent authorities and obligated entities to ensure effective cooperation and exchange information. Its key strength is its flexibility, as it can be convened within minutes with the relevant stakeholders, while operating under a clear legal framework that ensures secure information sharing and protection of sensitive data.

## **OpCEN**

OpCEN is an innovative initiative established by FIU Latvia to support the handling of complex financial crime cases. It provides a secure collaborative environment where FIU analysts, LEAs and prosecutors can work together during criminal investigations, strengthening information exchange, joint analysis and operational coordination. The platform operates within a secure office space that allows analysts temporary access to their respective IT systems while maintaining strict confidentiality and system integrity through separate access credentials, encrypted data transfer and robust information-handling procedures.

## **BlackBox**

BlackBox - an innovative electronic gateway developed by FIU Latvia that enables LEAs to quickly verify whether relevant information is held in FIU databases. The system allows LEAs to conduct preliminary checks to identify the existence of relevant information at the disposal of FIU before submitting formal requests for detailed analysis. This reduces unnecessary information requests and makes cooperation between the FIU and LEAs more efficient.

## **FIU's dissemination - Conclusions of Competent Authority**

Investigators and prosecutors in Latvia regularly rely on FIU analytical products known as "Conclusions of the Competent Authority." These comprehensive, evidence-based reports - FIU's disseminations are prepared on the basis of financial intelligence and analytical findings and are admissible in court. They explain complex financial schemes, methods used by perpetrators and links to broader criminal activities, and often serve as a basis for the initiation of criminal proceedings, as well as supporting investigations, prosecutions and asset confiscation.

**Rating: High**

## **IO7. Money laundering investigations and prosecutions**

### **Risk-aligned prioritisation and proactive identification of ML from multiple sources**

Identification of suspected ML is done through various means, i.e., FIU disseminations, parallel financial investigations, formal or informal incoming foreign requests, criminal intelligence, crossborder currency and cash seizures, submissions by a person, information provided by supervisors, open source information and others. It is supported by the parallel financial investigation guidelines which are regularly updated. Investigators also rely on innovative tools and cooperation mechanisms like the Black-Box, OpCEN and CCG involving all relevant parties, including private sector entities like banks. Prioritisation of ML cases is conducted according to General Prosecutor's Office Guidelines and internal LEA guidelines, which are regularly updated in line with the risk assessments.

### **Legal tools to achieve higher effectiveness of prosecutions and convictions: Supreme Court decisions regarding admissibility of circumstantial evidence**

Latvia prosecutes stand-alone ML without knowledge of the underlying predicate offences. In order to ensure a unified understanding of ML provisions the Supreme Court issued an explanatory note emphasising that the criminal origin of the funds may also be proved by indicative or circumstantial evidence, as well as on the basis of the facts established in each particular case.

**Rating: Substantial**

## **IO8. Asset recovery**

### **Confiscation of proceeds, instrumentalities, and property of equivalent value as a policy objective**

Asset recovery and confiscation are among the strategic priorities, ensuring that criminal proceeds are systematically targeted throughout investigations and prosecutions. Authorities view confiscation as a central tool for disrupting criminal activity, rather than merely a secondary outcome of criminal proceedings. This approach is reflected in the guidelines of LEAs and in the Handbook on Confiscation and Handling of Criminal Property, which is regularly updated following reviews of the asset recovery framework to ensure its continued effectiveness.

### **Proactive use of FIU freezing powers**

A notable strength of Latvia's asset recovery framework is the proactive use of FIU Latvia's power to freeze suspicious funds at an early stage. The FIU may order a temporary freezing measure, preventing the rapid movement or dissipation of assets before investigators can act.

During the freezing period, FIU Latvia conducts an in-depth operational analysis, gathering additional intelligence from reporting entities, foreign FIUs, LEAs and national information systems to substantiate the suspicion of criminal activity. In complex or high-profile cases, the FIU may convene CCG meetings to present the case to LEAs.

If the analysis confirms a reasonable suspicion that a criminal offence has been committed or that the funds are of criminal origin, FIU Latvia issues a formal freezing order and disseminates a "Conclusions of the Competent Authority", enabling further investigation and application of provisional measures.

## **Complimentary use of both NCBC and conviction-based confiscation mechanisms**

The dual approach combining conviction-based confiscation and NCBC enables Latvia to effectively deprive criminals of the proceeds and instrumentalities of crime, as well as property of equivalent value.

NCBC proceedings can be initiated in situations where the identity of the offender has not yet been established, where there is insufficient evidence to bring a suspect to criminal liability, or where objective circumstances prevent prosecution in the near future, for example if the suspect has absconded or resides abroad. In such cases, authorities are required to demonstrate the illicit origin of the property, without needing to prove an individual's guilt or the specific predicate offence. This mechanism enables faster and more focused decisions on confiscation, streamlining proceedings and preventing unnecessary delays.

**Rating: High**

## **IO9. Terrorist financing investigations and prosecutions**

### **Maintaining a high level of preparedness**

Although the overall TF risk in Latvia is assessed as low, authorities maintain a high level of preparedness, ensuring that TF cases can be detected and investigated when they arise. This is demonstrated by several initiatives and policy and guidance documents, for example on TF investigations, which also emphasise the importance of using objective factual circumstances when proving intent and knowledge by the perpetrator of a TF offence.

## **Strong national coordination through the CFT Task Force**

CFT Task Force brings together the FIU, LEAs, security services and supervisory authorities to coordinate responses to TF risks. The CFT Task Force facilitates rapid information exchange, ongoing TF risk assessment and coordinated action, ensuring that authorities maintain strong preparedness and a shared understanding of emerging TF threats.

**Rating: Substantial**

**IO10. Terrorist financing investigations and prosecutions**

**Rating: Substantial**

**IO11. Proliferation financing financial sanctions**

**Rating: High**

## **Implementation of targeted financial sanctions related to terrorist and proliferation financing without delay**

Latvia ensures the immediate implementation of UN targeted financial sanctions through the Law on Sanctions, under which UN Security Council resolutions become binding upon adoption. A well-structured communication system, using the MFA website, the Official Gazette, the FIU Latvia sanctions search engine, and email alerts, ensures that updates are quickly disseminated to competent authorities and reporting entities.

## **Centralised coordination through FIU Latvia**

Since April 2024, FIU Latvia has been designated as the national competent authority responsible for the implementation of international, EU and national sanctions, supported by dedicated staffing and resources.

In this role, the FIU oversees key aspects of sanctions implementation, including operating the online sanctions search engine, processing exemption requests, issuing binding decisions on the freezing or unfreezing of assets, and providing guidance and training to reporting entities. This centralised model reflects Latvia's adaptive and risk-responsive approach to sanctions governance, strengthening coordination and clarity across the system.

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