Financial Intelligence
Unit of Latvia

2025 Annual Report

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Introduction

01

Introduction

In 2025 the FIU continued its engagement across several key areas. In line with our mission – to safeguard the security of our country and its financial system, we continued to develop financial intelligence, ensure the effective implementation of sanctions, and enhanced cooperation with national and international partners. At the same time, we continued our work as part of the 6th round MONEYVAL evaluation that had already started in 2024.

COLLABORATION — AND MOST IMPORTANTLY THE QUALITY OF THAT COLLABORATION — WAS THE DEFINING FACTOR BEHIND THE RESULTS WE ACHIEVED ACROSS ALL AREAS OF OUR WORK IN 2025.

The joint MONEYVAL and FATF plenary meeting held on 13 June 2025, at which Latvia's MER was adopted, finalized the process led by FIU for over two years. Throughout this period, substantial effort was devoted to demonstrate, in a coherent, well-reasoned and credible manner, both the compliance of Latvia's AML/CFT system with international standards and, even more importantly, its overall effectiveness. Having received a distinctly positive evaluation and restored the reputation of Latvia's financial sector internationally, I would like to express my sincere gratitude to everyone involved for their cooperation, dedication and support!

As Russia's military aggression and full-scale invasion of Ukraine continued, sanctions implementation remained a key priority throughout 2025. The FIU continued to strengthen the sanctions implementation framework, analyse potential sanctions violations, coordinate the exchange of information with national and international partners, and provide methodological support to the private sector.

Over the course of the year, the FIU's analytical work also contributed to the further development of both the EU and Latvian sanctions regimes. This included identifying sanctions circumvention risks, particularly in the energy sector, preparing information on "shadow fleet" vessels for inclusion in EU sanctions lists, and contributing to the development of Latvia's national sanctions framework against Russia. Once again, these efforts highlighted the crucial importance of effective collaboration in this field.

In the field of financial intelligence, the financial environment continued to evolve. Alongside increasingly complex schemes, comparably simple fraud cases continued to pose a significant threat due to their scale and frequency. To ensure effective detection and prevention of financial crimes, the FIU continued to strengthen cooperation with all partners – law enforcement and supervisors, as well as with private sector partners both in Latvia and internationally. I am particularly pleased to see an increase in the numbers of reports submitted by the non-financial sector, which is directly related to the FIU's targeted cooperation with entities in this sector, including through training, feedback and the introduction of simplified reporting procedures in 2024.

The cooperation platform OpCEN, which ensures close and operational cooperation between the FIU and law enforcement authorities in the investigation of complex financial crime, continued to play a significant role in strengthening the effectiveness of financial intelligence. The in-depth analytical work carried out within OpCEN in 2025 enabled the identification of complex and

significant flows of criminal proceeds, the tracing of cryptocurrency transactions, and supported the initiation of criminal proceedings, including in cases involving the provision of professional money laundering services. Notably, 2025 featured the first OpCEN case that featured participation by the private sector.

Alongside operational and analytical work, 2025 was also a year of organisational development for the FIU. With the active involvement of all employees, we developed the institution's operational strategy for the next five years, continued to invest in the professional development of our staff, and improved workflow management and data processing to ensure even more efficient and effective financial intelligence. We remain committed to strengthen our position as a professional, analytically strong and trusted intelligence institution in the fight against domestic and cross-border financial crime, guided by our shared values – people, courage, patriotism and cooperation.

Looking ahead to 2026, we will continue strengthening our analytical capacity, enhancing sanctions monitoring mechanisms and further developing a risk-based approach across all areas of activity. One of the key priorities will also be the development of a new NRA, which will be carried out in close cooperation with competent authorities, supervisory institutions and the private sector by assessing and identifying Latvia's ML, TF and PF risks. We will also continue investing in the technological development and innovation, further improving data analytics and information processing, and analytical tools in order to identify financial crime more efficiently, while providing high-quality support to our cooperation partners in Latvia and abroad.

International cooperation will remain equally important in the current year. As financial crime continues to have a strong cross-border dimension, effective information exchange and coordinated action between law enforcement authorities, foreign competent bodies and international organisations remain essential. I am pleased that the FIU Latvia was among the first financial intelligence units to ensure representation within AMLA, and we will continue to actively participate in international working groups and experience-sharing initiatives, contributing to the strengthening of overall financial security.

In conclusion, I would like to express my sincere gratitude to all FIU partners for their cooperation, support and the results achieved together in 2025. Special thanks to my FIU team for the professionalism, sense of responsibility and determination demonstrated in our daily work. Together, we continue to strengthen the security of Latvia's financial system and build an environment in which financial integrity forms an integral part of national security and sustainable development.

TOMS PLATACIS
Head of the FIU Latvia

FIU OPERATIONS IN 2025: **SUMMARY**

REPORTS AND DECLARATIONS RECEIVED

5,539
suspicious transaction reports received

807
sanctions violation reports received

99,460
threshold declarations

612
number of analytical materials disseminated to LEAs, SCAs and other institutions

10
strategic and
12
tactical analysis studies

COLLABORATION AND RESEARCH

296
CCG meetings

260
LEA employees and prosecutors attended CCG meetings

65
FIUs of countries with which operational cooperation has been carried out

4,948
Black-Box searches

EDUCATION AND PROFESSIONAL GROWTH

38 FIU employees participated in
60 training events as lecturers, reaching an audience of more than
2,200 people

3,081
registered users on FIU Training Platform

COMMUNICATION ON THE FIU SANCTIONS WEBSITE

over **1 million**
visits to the FIU sanctions website in 2025

36
news highlights published

197 thousand
unique users visited the page

56
FAQs published

153
media responses and interviews

TOP VIDEO CONTENT: INTERNATIONAL CONFERENCE “GUARDING THE GATE: SANCTIONS, EXPORT CONTROLS AND BUSINESS RESPONSIBILITIES”. CONFERENCE RECORDINGS IN LATVIAN AND ENGLISH HAVE BEEN **VIEWED 4.8 THOUSAND TIMES.**

General description

02

Status, priority lines of action, main functions of the FIU

The FIU is the leading authority **responsible for** preventing the use of the financial system of the Republic of Latvia for ML/TF/PF. The FIU conducts financial intelligence in order to identify and analyse the risks associated with financial crimes in a timely manner and to ensure the exchange of information between the institutions involved.

According to the AML/CFT/CFP Law, **the main task** of the FIU is to prevent the use of the financial system for money laundering, as well as for the financing of terrorism and proliferation. To accomplish this task, the FIU receives and analyses information on potential financial crimes, including suspicious transactions, and ensures its use in the prevention and detection of criminal offences.

The information prepared as a result of the analysis is transferred to the investigating authorities, the Prosecution Office and the court for use in criminal proceedings. In addition to operational activities, the FIU coordinates public-private cooperation mechanisms in the field of AML/CFT/CFP and conducts the national AML/CFT/CFP risk assessment. The FIU also provides proposals for the improvement of policy planning documents and regulatory framework, as well as develops strategic research in the field of financial crime prevention.

The FIU is an independent institution of direct administration under the supervision of the Cabinet of Ministers **since 1 January 2019.** The Cabinet of Ministers exercises institutional supervision through the Minister for the Interior. Supervision does not apply the performance of the tasks and exercise of rights assigned to the FIU, nor does it cover the internal organisation of the FIU. The principles of independence and decision-making autonomy of the FIU are enshrined in the regulatory framework, following the recommendations of the FATF and the principles of the Egmont Group of Financial Intelligence Units.

The FIU is the competent authority for matters relating to the implementation of international and national sanctions **since 1 April 2024.** Competence of FIU Latvia for matters relating to the implementation of sanctions is established by the amendments to the Law on International Sanctions and National Sanctions of the Republic of Latvia of 8 December 2023, which entered into force on 1 April 2024. These amendments were introduced to ensure that there is a single initial point of contact and a single central authority in matters related to sanctions implementation, thus facilitating and simplifying communication between the private and public sectors.

MISSION

We are committed to ensure the security of the country and the financial system

VISION

A secure and prosperous Latvia in a peaceful world

VALUES

PEOPLE

PATRIOTISM

COURAGE

COOPERATION

The core functions of the FIU are financed from the budget programme 43.00.00. “Operation of the Financial Intelligence Unit”. In addition, several projects co-financed by EU policy instruments and foreign financial assistance have been implemented. More detail in the chapter “Financial Management of the Financial Intelligence Unit of Latvia”.

Key performance indicators in 2025

03

Financial Intelligence

One of the main goals of the FIU is to prevent the possibility of using the Latvian financial system for ML/TF/PF. This objective is pursued by the FIU through financial intelligence. Financial intelligence involves evaluating suspicious transactions and other information received, as well as obtaining, receiving, recording, processing, collecting, storing and analysing information. This information is provided by the FIU to the LEAs, the Prosecution Office and the court and may be used for prevention, detection, pre-trial investigation or trial of ML/TF/PF or attempts to commit these acts, as well as other related criminal offences.

Financial intelligence is based on three main elements:

Information provided by obliged entities under the AML/CFT/CPF Law – reports of suspicious transactions and threshold declarations, as well as information provided by persons and cooperation institutions referred to in Section 31 of the AML/CFT/CPF Law.

Effective analysis of suspicious transaction reports and threshold declarations, analysis of other related information, as well as measures implemented by the FIU to prevent ML, including freezing of funds, monitoring of transactions and cooperation with obliged entities under the AML/CTF/CPF Law, LEAs, SCAs and foreign cooperation partners.

Transfer of a **high-quality financial intelligence result** (comprehensively analysed, fact-based information) to **LEAs,** which may serve as a basis for initiating criminal proceedings in connection with the identified ML and other criminal offences and their detection.

Suspicious transactions reports and threshold declarations

In order to receive high-quality suspicious transactions reports that correspond to Latvia's ML risk profile, the FIU annually implements various measures to promote a common understanding of the nature of suspicious transactions and submission of reports by the obliged entities under the AML/CTF/CPF Law, organising regular training and feedback meetings, as well as developing and updating methodological materials.

In 2025, the FIU received **5,539** suspicious transaction reports from obliged entities under the AML/CFT/CFP Law

↑ about **0,7%** more than in 2024

and

↑ about **4,1%** more than in 2024, reaching the highest number to date

99,460 threshold declarations have been received

OBLIGATED ENTITIES UNDER THE AML/CTF/CPF LAW are – specific sectors and professional service providers, which, in accordance with the law, have obligations to prevent ML/TF/PF. The obliged entities are divided into two large groups: the financial sector (for example, credit institutions, payment institutions) and the non-financial sector (for example, outsourced accountants, sworn notaries).

REPORT – information provided by the obliged entity under the AML/CFT/CFP Law to the FIU about a transaction or activity that gives rise to suspicion of a possible ML/TF/PF. The report includes information about the transaction or activity, the persons involved in it, as well as the reasons why the transaction or activity in question is considered suspicious. The report to the FIU must be provided immediately after the suspicion has been identified and may cover both planned and already completed transactions.

THRESHOLD DECLARATION – information provided by the obliged entity under the AML/CFT/CFP Law to the FIU on a transaction that meets the criteria for the type and amount of the transaction specified in laws and regulations. Such declarations are submitted by the obligated entities under the AML/CFT/CFP Law in certain sectors, such as credit institutions, currency exchange providers and gambling operators. The submission of the threshold declaration does not require suspicion of the criminal origin of the funds or any other criminal offence. Its submission does not relieve the obliged entity under the AML/CFT/CFP Law from the obligation to also submit a suspicious transaction report if such suspicions arise.

No significant changes were observed in the total number of reports on suspicious transactions received compared to 2024.

To promote the timely detection of potential criminal offences by non-financial sector obliged entities under the AML/CFT/CFP Law, the FIU developed reporting procedures specifically tailored to this sector, as well as organised targeted training. As a result, there is a gradual increase in the proportion of reports submitted by the non-financial sector relative to the total number of reports. Compared to 2022, the number of reports submitted in 2025 has increased by 36%, while compared to 2024 – by 11%. It is important to emphasise that the information at the disposal of the non-financial sector regarding suspicious transactions is important in the analysis process due to the fact that the information at their disposal complements the data at the disposal of the financial sector, providing a broader view and facilitating the detection of possible criminal offences.

Analysing the structure of the 2025 reports by different groups of non-financial sector obliged entities, it is found that:

59%

of the reports were received from outsourced accountants and operators of lotteries and gambling, while the most significant increase was observed in the group of sworn notaries, auditors and lawyers.

The non-financial sector reports most often do not identify a specific predicate offence, but in cases where it is identified, the most common are tax crimes, ML, failure to provide information about the beneficial owner, and violations of international and national sanctions.

The increase in the number of reports submitted by the non-financial sector obliged entities indicates the strengthening of understanding regarding AML/CTF/CPF requirements and reporting discipline, which can be seen as a positive indicator of the development and resilience of Latvia's financial system.

Trends in reports with refraining from executing a transaction

In 2025, the trend observed in the previous two years changed – the decrease in the number of reports in which the obliged entities under the AML/CTF/CPF Law had refrained from executing a transaction. Overall, in 2024 and 2025, compared to previous years, a significant decrease in the number of received reports with refraining from executing a transaction is observed, which is mainly due to a decrease in the number of such reports from credit institutions undergoing liquidation. However, in 2025, compared to 2024, the number of such reports increased by about 23%, reaching **187**. This is mainly due to the increasing number of fraud cases involving the use of electronic means of communication and the digital environment.

Taking into account the amendments made to the Criminal Law, the Law on the Procedures for the Coming into Force and Application of the Criminal Law, and the Law on International Sanctions and National Sanctions of the Republic of Latvia, in 2025, the FIU published guidelines "Reporting

Suspicious Transactions and Refraining from Execution of Suspicious Transactions". The aim of the guidelines is to ensure, in a timely manner, a unified understanding among obliged entities under the AML/CFT/CFP Law regarding changes in the procedure for reporting sanctions violations, the decriminalization of certain sanctions violations, as well as to address identified shortcomings related to reporting suspicions of violations in the field of tax compliance.

Annual breakdown of the number of suspicious transaction reports with refraining from executing a transaction submitted by obliged entities under the AML/CTF/CPF Law

YEAR	NUMBER OF SUSPICIOUS TRANSACTION REPORTS	INCLUDING THE NUMBER OF REPORTS WITH REFRAINING FROM EXECUTING A TRANSACTION
2021	5,715	893
2022	6,384	1,037
2023	6,108	234
2024	5,501	152
2025	**5,539**	**187**

Annual breakdown of threshold declarations submitted by the obliged entities under the AML/CTF/CPF Law

YEAR	NUMBER OF THRESHOLD DECLARATIONS
2021	62,420
2022	91,382
2023	90,278
2024	95,518
2025	**99,460**

Despite the increase in the number of reports with refraining from executing a transaction in 2025, the FIU adopted decisions to freeze funds for a fixed period of time in the amount of EUR 870,000.[1] This is in line with the trend previously forecasted by the FIU – a decrease in the amount of frozen funds, taking into account the change of Latvia's risk profile, i.e., from the ML risk stemming from Latvia's historic status as a regional financial centre to the risk of ML arising from threats posed by domestic criminal offences. As a result of the change in the risk profile, the risk that funds leave the Latvian financial system uncontrollably, without the possibility of subjecting them to further restrictive measures, has decreased. Thus, the immediate freezing of funds is not always the optimal course of action, and the timely provision of information to LEAs becomes more important, allowing for a reasonable balance between the possibility of obtaining evidence of the perpetrators' guilt and the resolution of asset-related matters.

Amount of frozen funds in relation to reports disseminated to LEAs compared to previous years – frozen funds

YEAR	AMOUNT OF FROZEN FUNDS (MILLION, EUR)
2021	209.63
2022	357.25*
2023	91.68*
2024	49.72*
2025	**0.87***

* Value of financial instruments not included

While in 2025 the proportion of frozen funds of natural persons has increased to about 18% (+17% compared to 2024) of all frozen funds, the trend of the previous year's total amount of funds frozen for natural persons has continued, decreasing by about 26.5%. In turn, the total amount of frozen funds for legal entities fell by about 98.6%. Similar to the previous year, in 2025, most of the orders issued for the freezing of funds consisted of fraud cases, but in 2025 the proportion of funds frozen due to fraud increased significantly – to about 17.3% (by more than 16% compared to 2024).

[1] The amount applies only to freezing orders for a certain period of time, for which information has been transferred to LEA for deciding on the initiation of criminal proceedings and the application of seizure of funds. The amount does not include the value of the frozen financial instruments, as it is not always accurately quantifiable at the time of freezing and may change over time, thus creating discrepancies between the amount of funds and property seized and confiscated at later stages of the proceedings.

Breakdown of frozen funds in 2025 by type of person compared to 2023 and 2024

YEAR	NATURAL PERSON (EUR)	LEGAL PERSON (EUR)
2023	18,571,365.52	73,108,782.23
2024	210,974.27	49,510,717.60
2025	**155,019.48**	**714,532.56**

In 2025, funds and financial instruments of legal persons registered in Canada, the United Kingdom, Ireland, the British Virgin Islands and Latvia were frozen. In none of the cases did the countries of registration of the legal persons coincide with the countries of the passport of their beneficial owners, namely Ukraine, Russia, Turkmenistan and Ireland. In turn, in the context of natural persons whose funds and financial instruments were frozen, it should be noted that their passport countries were Latvia, Azerbaijan, Ukraine, Russia and Cameroon. Most of the frozen funds of natural persons were funds owned by natural persons in Latvia. For more information on funds frozen abroad, see “Cooperation with Partnering Institutions Abroad”.

Information provided to LEAs, SCAs and other institutions

In 2025, as a result of the FIU’s analysis, the FIU disseminated a total of **612** analytical reports to various LEAs and other institutions

↑ about **18,4%** more than in 2024

including

86 conclusions of the competent authority,
406 risk information reports, and
120 additional information reports

With the change of Latvia’s risk profile and the more frequent structuring of the proceeds of crime outside Latvia’s financial system, the number of conclusions of the competent authority sent to LEAs by the FIU on the conduct of ML requesting initiation of criminal proceedings continues to decrease. At the same time, the FIU is able to effectively identify, analyse and transfer to LEAs, the supervisors and other institutions information useful for the implementation of their functions, which, after the performance of additional activities within the competence of the institutions, may result in the initiation of criminal proceedings.

Number of analytical reports disseminated to LEAs, SCAs and other institutions

YEAR	CONCLUSION OF THE COMPETENT AUTHORITY	RISK INFORMATION REPORTS	ADDITIONAL INFORMATION REPORTS
2021	190	91	113
2022	265	149	155
2023	171	264	130
2024	109	323	85
2025	**86**	**406**	**120**

Considering the proportion of criminal offences allegedly committed in suspicious transaction reports and requests received by the FIU, he financial intelligence activities carried out by the FIU in 2025 and the analytical materials sent to LEAs as a result thereof were mainly related to

fraud and cybercrime

violation of sanctions

evasion of tax payments and payments equivalent thereto

ML resulting from these criminal offences

as well as

This is also demonstrated by statistics on the main recipients of analytical reports disseminated by the FIU.

Breakdown by institutions of analytical reports disseminated to LEAs, SCAs, and other institutions in 2025

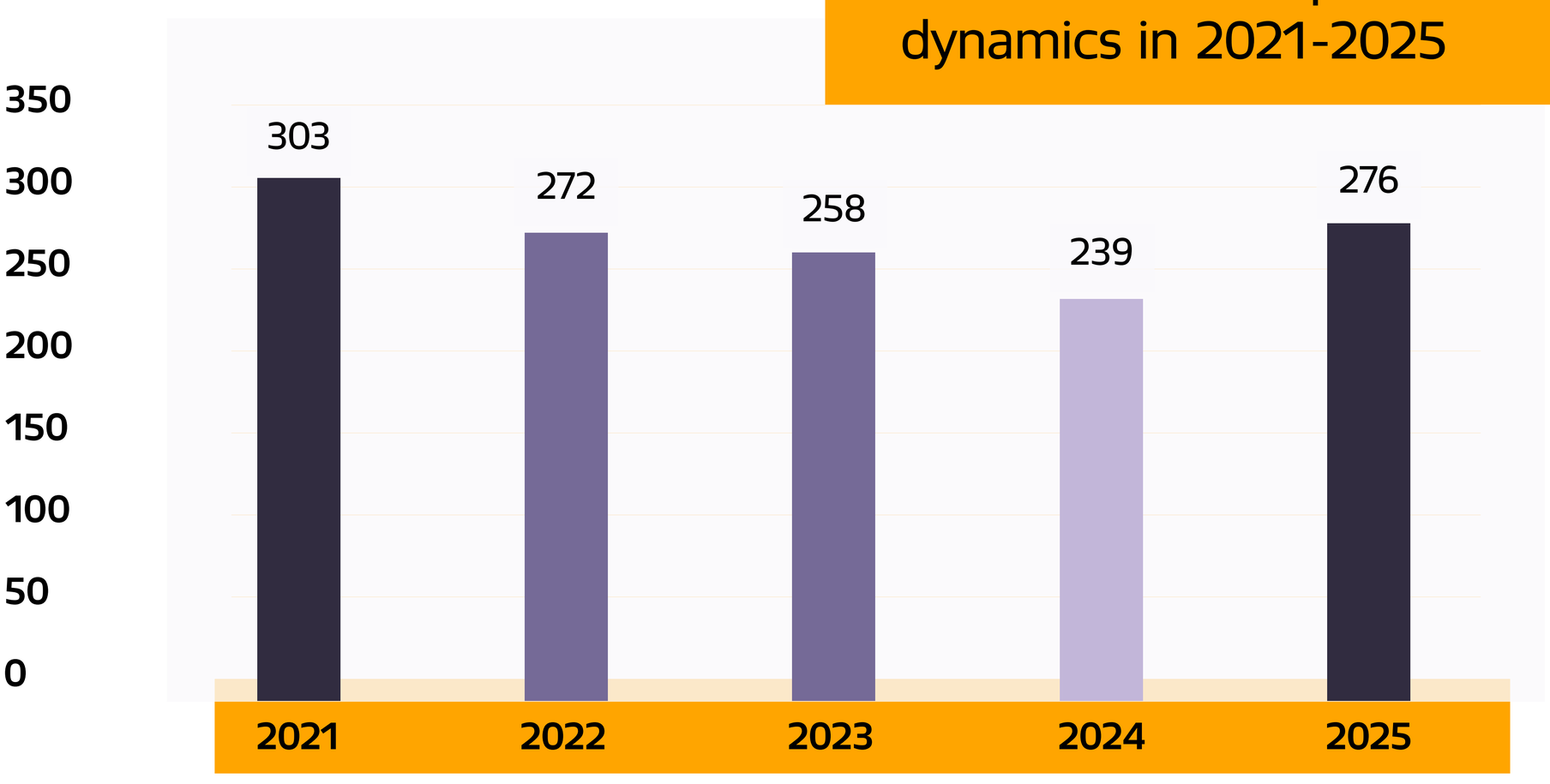
INSTITUTION	CONCLUSION OF THE COMPETENT AUTHORITY	RISK INFORMATION REPORTS	ADDITIONAL INFORMATION REPORTS	TOTAL
STATE POLICE (SP)	73	157	39	269
NATIONAL SECURITY AUTHORITIES	12	102	24	138
TAX AND CUSTOMS POLICE (PREVIOUSLY - SRS TCPD)	0	81	42	123
CORRUPTION PREVENTION AND COMBATING BUREAU (CPCB)	0	20	8	28
STATE BORDER GUARD	0	10	5	15
STATE REVENUE SERVICE CUSTOMS DEPARTMENT (SRS CD)	0	15	0	15
PROSECUTION OFFICE	1	4	1	6
MILITARY POLICE	0	5	1	6
LATVIJAS BANKA	0	6	0	6
STATE REVENUE SERVICE (SRS)	0	2	0	2
INTERNAL SECURITY BUREAU	0	3	0	3
LATVIAN PRISON ADMINISTRATION	0	1	0	1
TOTAL	86	406	120	612

Replies to LEA requests

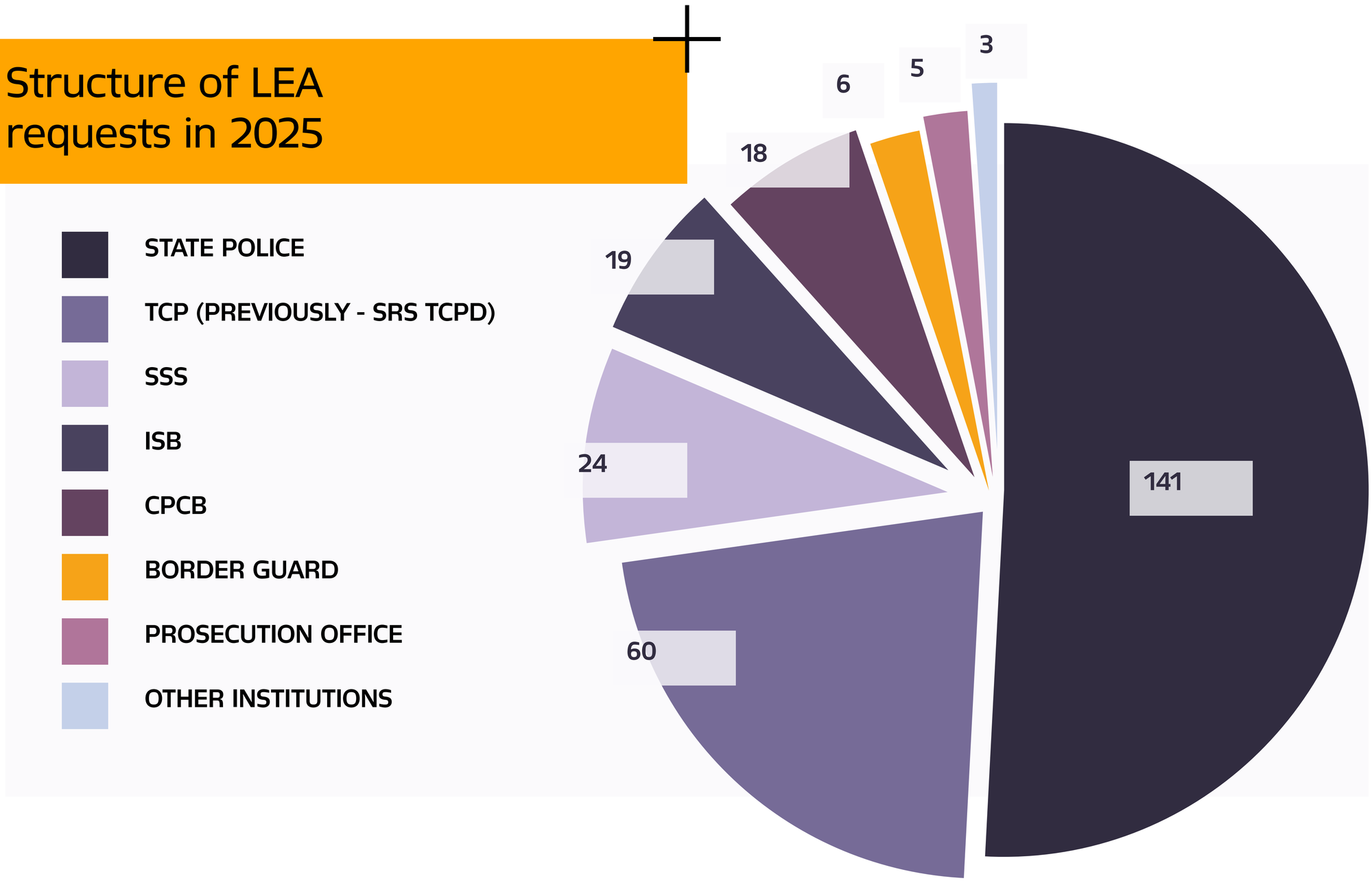
In accordance with Section 56(1) of the AML/CTF/CPF Law, at the request of bodies performing operational activities, investigating authorities or Prosecution Office, in operational activities or criminal proceedings, the FIU shall provide the information at its disposal or obtain information from foreign authorised institutions.

In 2025, the FIU received 276 requests from LEAs, state security institutions and the Prosecution Office.

Trends in LEA request dynamics in 2021-2025



Structure of LEA requests in 2025

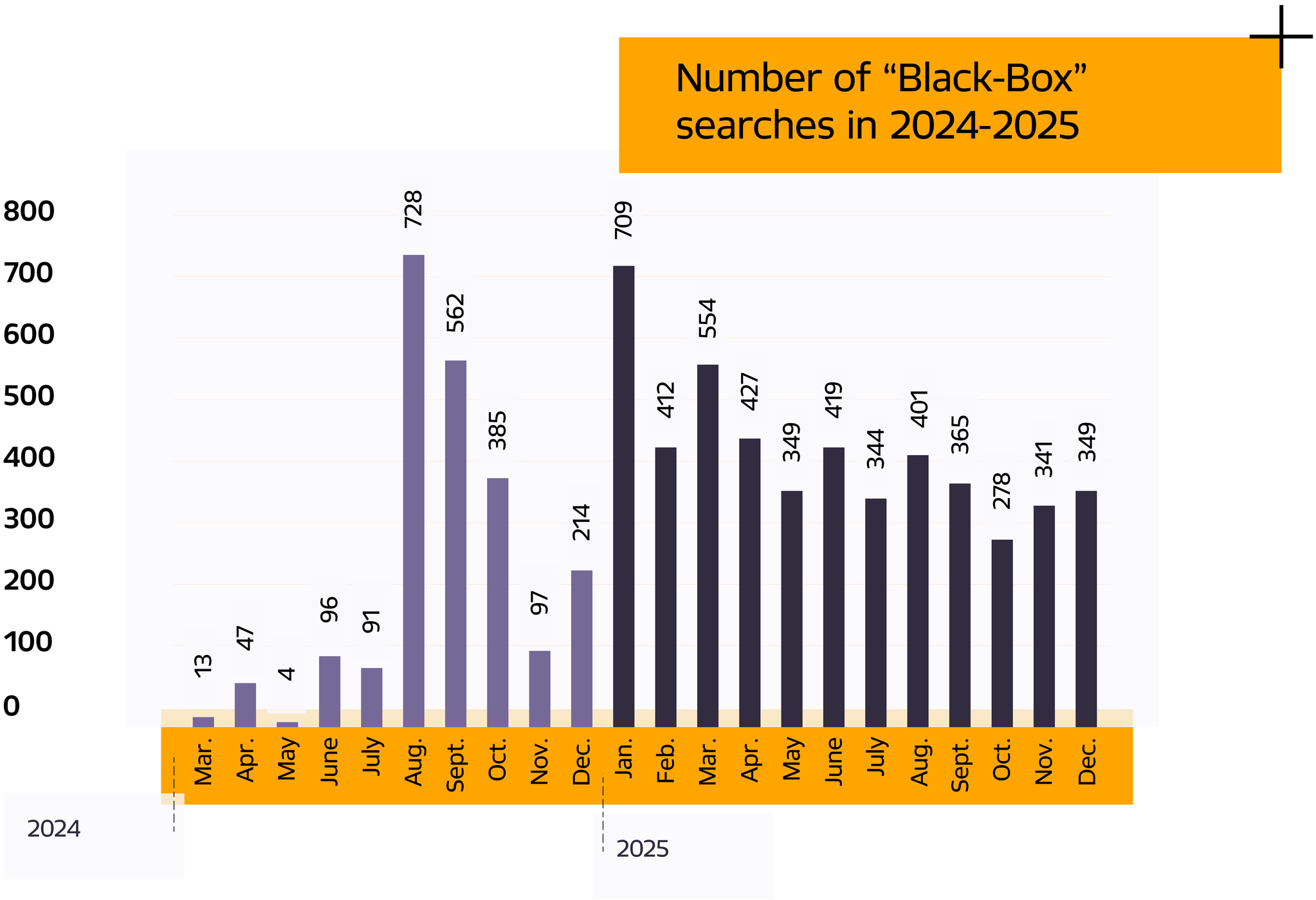


FIU data finder “Black-Box”

In 2024, the FIU data finder “Black-Box” was created – a technical solution that provides LEAs that have concluded an agreement with the FIU, with a possibility of matching of the data at LEA disposal with thedata available in the FIU database on a *hit/no-hit* basis.

The “Black Box” enables LEA officials, within the framework of operational activities or criminal proceedings, to securely obtain information on whether the FIU holds data on a natural or legal person, or on an account in a financial or credit institution, in order to decide on submitting a request to the FIU in accordance with Section 56 of the AML/CFT/CFP Law.

In 2025, the “Black-Box” was used by national security authorities, the European Public Prosecution Office, and seven LEAs. Since the launch of the “Black-Box”, the authorities have conducted 7,185 searches, of which 4,948 in 2025.



Below is an overview of the most frequently observed typologies and trends in ML as part of the operational analysis carried out by the FIU.

Tax evasion

In the context of tax evasion and evasion of equivalent payments thereto in 2025, cases have been identified where legal persons registered in Latvia use legal persons registered in other EU Member States that do not carry out real economic activities in order to declare transactions that have not actually taken place with them and make payments to their accounts for these transactions. In this way, it is ensured that legal persons registered in Latvia make a conditional distribution of profits without paying enterprise income tax, but then receive the funds back in cash or otherwise from a profession provider of ML services in exchange for remuneration.

At the same time, the flow of funds was also detected in the opposite direction. Namely, legal persons registered in Latvia that have obtained cash by not fully showing their revenue in accounting and tax returns and avoiding payment of value added tax, need to “inject” working capital into their accounts.

To ensure this goal, cash is placed at the disposal of representatives of legal persons registered in other EU Member States that do not carry out real economic activity. After that, non-cash funds are transferred from the accounts of these legal persons to legal persons registered in Latvia.

Considering that such transactions are usually subject to a 0% value added tax rate, a Latvian legal person does not have to pay value added tax to the state budget. Thus, it can keep in cash the value added tax actually collected from customers, but not declared and not paid into the state budget.

The distribution of work remuneration which has not been indicated in account records of legal persons and has not been declared by the legal persons to employees (“envelope salary”) by paying salary in cash or by transferring it to the employee’s account held with a credit institution or financial institution in Latvia or abroad, while also evading the payment of personal income tax and compulsory state social security insurance contributions, has remained a common type of criminal offence in the field of taxes and payments equivalent thereto. For the commission of these criminal offences, accounts opened abroad by legal persons registered in Latvia and not declared to the SRS are often used, or the work remuneration is paid through legal persons registered in other EU Member States, but not engaging in actual economic activity, or through the accounts of officials and owners of Latvian legal persons themselves, masking the work remuneration as the issuance of loans, repayment of previously purportedly issued loans that had not actually been issued or as other payments.

Violation of sanctions

Although in 2025 there was a significant increase in both the number and proportion of reports on suspicious transactions received by the FIU and the operational analyses conducted in relation to violation of targeted financial sanctions - through various means directly or indirectly making funds or economic resources available to persons, entities or bodies subject to sanctions - the FIU has mainly identified ML in cases involving violations of sectoral sanctions.

Targeted financial sanctions stipulate that:

1. all funds and economic resources belonging to, owned, held or controlled by any natural or legal persons, entities or bodies listed in the relevant sanctions legislation shall be frozen.

2. no funds or economic resources shall be made available, directly or indirectly, to or for the benefit of natural or legal persons, entities or bodies listed relevant sanctions legislation.

Sectoral sanctions:

are generally sanctions imposed against specific goods or services, such as bans on the supply of services or on the import or export of goods, or other types of prohibitions.

During operational analyses, the FIU has identified several cases of violation of sectoral sanctions related to the movement of goods by organizing the export of the sanctioned goods to Russia and Belarus through third countries and receiving payment for the sanctioned goods through legal persons registered in third countries in order to conceal and disguise the true recipient of the goods and the criminal origin of the funds received for the goods. It has also been established that legal persons registered in Latvia and their representatives use accounts opened in third countries that are not bound by EU sanctions for the purpose of hiding transactions involving goods that are subject to sanctions, as well as criminal proceeds. In additional, legal persons are also specifically established in order to use them for the purpose of exporting sanctioned goods to Russia and Belarus.

The number of identified violations of sectoral sanctions related to the prohibition to provide certain types of services to legal persons established in Russia and Belarus has also increased. These violations were committed by natural persons as employees and officials of the respective legal persons, and as a result, the amount of the proceeds of crime – the work remuneration received – has also increased. The work remuneration received by natural persons is often withdrawn in cash in Russia or Belarus and delivered to Latvia, where it is converted into euros and paid in cash into accounts opened in Latvia or transferred in non-cash form to accounts opened in Latvia using accounts opened by natural persons in third countries.

Fraud, cybercrime and related ML

The most frequently analysed crimes against property in 2025 were fraud cases committed using electronic means of communication or in the digital environment. Fraud is carried out in a variety of ways, including by phone scams and phishing, fraudsters posing as brokers, representatives of credit institutions or LEAs, placing false ads about the sale of goods, or setting up fake online stores. As a result of the fraud, the victims themselves make transfers to accounts or crypto-asset addresses controlled by the fraudsters or provide the fraudsters with access to the victims' internet banking. As a growing trend, the use of artificial intelligence and deepfakes to commit fraud has been observed, with fraudsters pretending to be relatives of the victims who are in an emergency situation.

Fraudulent funds in the form of transit payments are distanced from their original place of origin, often using "money mules", who in their accounts opened in Latvia and foreign accounts receive funds defrauded from legal persons and natural persons from other EU Member States. They are further immediately transferred to "money mule" accounts held with foreign payment institutions, other natural persons or crypto-asset service providers, converted into crypto-assets, or withdrawn in cash.

Often, "money mules" illegally transfer to other persons the data necessary for the use of the internet banking linked to their accounts, and the above-mentioned actions with the fraudulent funds are actually carried out by third parties. Notwithstanding the foregoing, also in such cases, "money mules" actively participate in ML by opening accounts with other credit institutions or foreign payment institutions, providing third parties with access to the internet banking or bank payment card linked to the accounts, as well as providing credit institutions with false information about the origin of the received funds, for which criminal liability is provided.

The analysis has also been carried out in connection with the large-scale fraud of various EU structural funds, which is committed by providing false information or documents about the subject of the project, participants, etc. In turn, the defrauded funds are further laundered using fictitious intermediaries or fictitious transactions.

Other predicate criminal offences

In addition to the above, in 2025, the FIU has also identified cases of ML related to criminal offences in the immigration area (providing in bad faith the right to legally reside in Latvia, another EU Member State, a country of the European Economic Area or Switzerland, as well as provision of the right to illegally reside in Latvia), illegal circulation of excise goods, unregistered business activities, as well as criminal offences committed by public officials related to corruption in the field of public procurement, decision-making in circumstances of conflict of interest, illegal political party financing, etc.

Professional ML

Also in 2025, the FIU has identified cases where ML is offered as a service provided by professional ML service providers. Transactions involve the use of infrastructure created by professional ML service providers, in which ML resulting from criminal offences is carried out by transferring financial funds to the accounts of legal persons or formations managed by the service providers in different jurisdictions.

Although the main use of ML services was in the context of tax evasion and and evasion of payments equivalent thereto, in 2025 instances were also identified where laundering of funds obtained as a result of violation of sectoral sanctions related to the movement of goods took place, while also concealing the fact of violation of sanctions.

FIU support to LEAs in particularly complex and large scale cases

In 2025, the FIU provided support to LEAs in a number of particularly complex and large scale cases related to criminal offences committed by organized groups: professional ML service providers, investment fraud, cybercrime, illegal circulation of narcotic substances and psychotropic substances, as well as excise goods, smuggling, violation of sanctions, tax evasion and evasion of payments equivalent thereto, and other criminal offences. Operational analyses identified the members of organised groups and related persons, as well as evaluated the flows of funds obtained as a result of criminal offences, detecting signs of ML and criminal assets, thus ensuring the possibility to seize the proceeds of crime, real estate or other assets and prevent their further use, the risk of alienation, concealment and other criminal activities.

Cooperation with partnering institutions abroad

04

Cooperation with partnering institutions abroad

Effective financial intelligence relies on identifying and analysing transaction flows. In the context of a globalised financial environment characterised by the widespread use of cross-border payments, foreign financial and payment institutions are often involved in the ML schemes. Thus, timely and accurate information on the movement of funds in the accounts of foreign banks and payment institutions is crucial for ensuring a full analysis in the operation of the FIU. The acquisition of relevant information is possible through targeted international cooperation with foreign financial intelligence units.

The FIU activities on the international level are carried out within the framework of the international Egmont Group of Financial Intelligence Units – which unites 182 national financial intelligence units. Participation in this network provides a secure and protected exchange of information, allowing the FIU to request and receive data on accounts, transactions, information on beneficial owners of funds, as well as to provide equivalent information to foreign partners by fulfilling their information requests.

In 2025, the FIU sent **534** requests to foreign colleagues, mainly on suspicion of ML, tax evasion, fraud and violations of international sanctions

the number of requests sent has increased

↑ by more than **25%**

compared to 2024, when **423** requests were sent to foreign partners

There has been a significant increase in requests related to suspected fraud and violations of international sanctions.
The number of requests received from LEAs has also increased, when LEAs require support in identifying funds flows or freezing funds abroad.

In 2025 in cooperation with Latvian LEAs at the request of the FIU funds were frozen abroad with a total of more than **EUR 300,000** on accounts held with foreign banks and payment institutions - primarily in fraud cases.

Achieving such results is facilitated by the FIU's excellent international reputation, close cooperation with foreign financial intelligence units and the ability to react promptly in non-standard situations. Through international financial intelligence cooperation channels, the FIU can expeditiously transfer information to foreign partners, thereby ensuring timely action and providing significant support to LEAs in identifying the flows of funds, including **PREVENTING THE FURTHER CIRCULATION OF PROCEEDS OF CRIME IN THE GLOBAL FINANCIAL SYSTEM** and facilitating the return of funds to victims.

In turn, the number of requests from foreign cooperation partners received by the FIU continues to decrease moderately. In 2025, the FIU received 154 requests from foreign financial intelligence units, which was

↓ by **20%** less than a year earlier

Requests were mainly received for suspected ML, fraud, and violation of international sanctions

THE DECREASE IN THE NUMBER OF REQUESTS RECEIVED FROM FOREIGN PARTNERS INDICATES THAT THE RISKS AND, ACCORDINGLY, THE FINANCIAL FLOWS INHERENT TO REGIONAL FINANCIAL CENTRES HAVE SIGNIFICANTLY DECREASED IN THE LATVIAN FINANCIAL SYSTEM, TAKING INTO ACCOUNT THE CHANGE IN LATVIA'S RISK PROFILE.

In 2025, the FIU cooperated with foreign services from 65 countries. International cooperation remained active, while its structure and emphasis changed. The number of requests sent by the FIU to foreign financial intelligence units increased significantly, especially in cases involving fraud and violations of international sanctions, as well as providing increasing support to LEAs. Overall, these trends continue to demonstrate the key role of the FIU in preventing and combating cross-border financial crime.

International cooperation dynamics in three years

YEAR	REQUESTS RECEIVED	REQUESTS SENT	SPONTANEOUS REPORTS RECEIVED	SPONTANEOUS REPORTS SENT	PREPARED ANSWERS
2023	253	577	282	102	259
2024	192	423	335	70	205
2025	**154**	**534**	**361**	**74**	**157**

Closest FIU foreign cooperation partners

Lithuania

Belgium

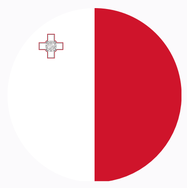
Estonia

The United Kingdom

Poland

Germany

Ukraine


Malta

In 2025

The network of cooperation partners reflects Latvia's evolving risk profile. As the risk related to the historical role of Latvia as a regional financial centre in international financial flows decreases, the importance of cooperation with countries with which Latvia has close economic and financial relations, as well as intensive circulation of cross-border financial transactions increases.

The countries of the Baltic region and other EU Member States are important partners in terms of close economic integration, active use of financial services and a significant volume of cross-border transactions. At the same time, cooperation with countries with a rapidly developing payment services sector and a large number of new payment service providers is essential, which increases the dynamics of cross-border payment flows and the associated ML risks.

Cooperation with Lithuanian and Belgian partnering institutions, with which the most intensive exchange of information takes place, is particularly important for the FIU. Such intensity of cooperation is due to the fact that Latvian natural persons and legal persons are relatively more likely to use the services offered by credit institutions and financial services providers of these countries, including digital financial platforms, the operation of which is often licensed in other EU countries. This creates a constant need for the analysis of cross-border financial flows and customer activities and the coordinated exchange of information in the field of financial intelligence.

Evaluation of international cooperation

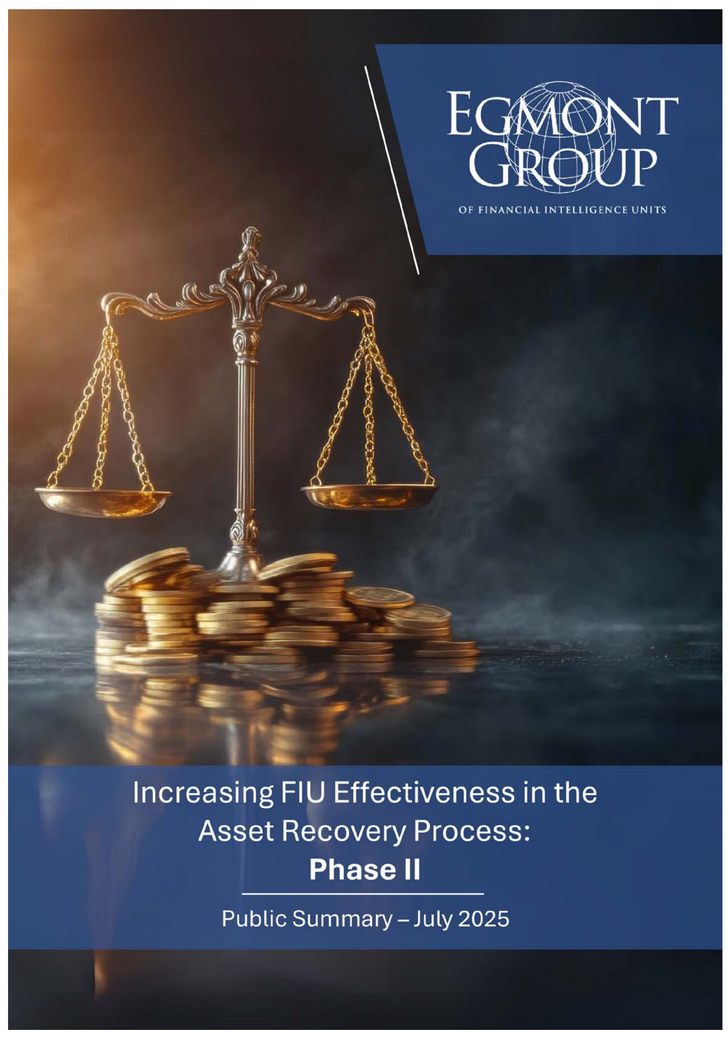
In order to maintain high quality of provided international cooperation, the FIU also conducted the annual survey of foreign cooperation partners on evaluation of the FIU activities in the international context in 2025. The results of the survey indicate that the FIU's international cooperation was appreciated, reaching an average rating of Foreign FIUs highly appreciate the quality of the answers provided by FIU Latvia, emphasizing their accuracy, structure, and usefulness. Particular emphasis is placed on the timeliness, promptness, and completeness of responses, as well as the high standards of cooperation over several years.

9.3 out of 10

Formats of international cooperation

In 2025, the FIU participated in the work of the Egmont Group and the EU Financial Intelligence Units Platform in order to ensure continuous knowledge of the latest developments in the AML/CTF/CPF field and active involvement of the FIU in international financial intelligence unit cooperation. Participation in the Egmont Group provided an opportunity for the FIU to participate in discussions on the latest trends in cross-border crime, to contribute to thematic working groups and projects, as well as to exchange experience and best practices with foreign partners.
In addition to institutional cooperation, the FIU representatives also participated in several international operational working groups focused on the prevention of violations of international sanctions and TF risks, thus strengthening Latvia's contribution to joint international security efforts.

In 2025, the Egmont Group approved and published a project report "Increasing FIU Effectiveness in the Asset Recovery Process" (Increasing FIU Effectiveness in the Asset Recovery Process). The report was produced as part of an international project carried out by authorised financial intelligence authorities and led by the FIU. 15 national financial intelligence units participated in the project working group, as well as the information provided by 59 countries was analysed in total. Within the framework of the project, the role of financial intelligence units in the recovery of criminal proceeds, international and national cooperation tools, asset freezing powers and procedures, IT analytical solutions, as well as access to information were analysed. The conclusions of the project are supplemented with examples of the best practice that allows to gain practical insight into the process of effective recovery of funds. The report contains recommendations that countries and their financial intelligence units should implement in order to improve asset recovery and ensure international cooperation in this area.



Latvia’s experience in combating ML at the EU level

At the EU level, in 2025, the launch of the newly established Anti-Money Laundering and Terrorist Financing Authority (AMLA) was an important step in the fight against financial crime.
The establishment of the AMLA marks a new stage in the EU’s approach to AML/CTF/CFP by strengthening a coordinated and uniform supervisory system across the EU.

Among the first AMLA experts, Latvia is also represented by a FIU colleague. Participation in the work of AMLA provides an opportunity to represent Latvia’s experience in the field of AML/CFT/CFP, as well as to contribute to the formation and development of a common European financial security system.

Photo: amla.europa.eu

Strategic and tactical analysis and research

05

Strategic and tactical analysis and research

One of the functions of the FIU is to perform strategic analysis of ML/TF/PF trends and typologies, as well as to enhance methods for detecting and disrupting such activities.[2] The objective of the FIU's activities is **to analyse and add value** to the information received and available to it, by tailoring the analysis to the type, volume and intended use of the information, in line with the FATF Recommendations.[3]

The findings of the strategic analysis help to define not only the lines of action of the FIU as the leading authority in the field of AML/CTF/CPF, but also inform other competent authorities and obliged entities under AML/CTF/CPF Law on priorities and risk issues.

Tactical analysis is based on the assessment of information available to the FIU (such as suspicious transaction reports and threshold declarations) in a holistic manner, rather than on an individual basis, including by supplementing the analysis with open source information and information provided by the cooperation partners. The purpose of tactical analysis is to facilitate the effective use of financial intelligence to combat ML/TF/PF.

Whereas previously tactical analyses were mainly conducted in relation to tax crimes and ML, in 2025 the FIU implemented tactical analysis projects covering a broader range of predicate offences, including sanctions evasion, immigration-related and public procurement-related crimes, as well as the laundering of fraud proceeds through extensive money mule networks.

Tactical Analysis

Analyzes data and information.

Focuses on specific matters.

Leads to **specific conclusions.**

Strategic Analysis

Identifies new trends: discovers patterns, trends, and new risks related to AML/CFT activities.

Provides risk information to policymakers, FIUs and supervisory authorities.

Strengthens the financial system by preventing vulnerabilities and reducing risks. Helps develop long-term strategies to effectively combat financial crimes.

[2] Section 51(1)(4) of the AML/CTF/CPF Law: https://likumi.lv/ta/id/178987-noziedzigi-iegutu-lidzeklu %20legalisation-and-terrorism-and-proliferation-finance-novers-legislation
[3] The FATF Recommendations, updated October 2025. Additional explanation for recommendation 29: https://www.fatf-gafi.org/content/dam/fatf-gafi/recommendations/FATF%20Recommendations%202012.pdf.coredownload.inline.pdf?nocache=true

FIU’s strategic and tactical analysis research in 2025

Guidelines “Reporting Suspicious Transactions and Refraining from Execution of Suspicious Transactions”, 3rd updated edition

The Guidelines have been developed with the aim of enhancing understanding of obliged entities under the AML/CTR/CPF Law regarding the identification and reporting of suspicious transactions, including the obligation to refrain from executing transactions, in accordance with the applicable regulatory framework. The material provides explanations of indicators of suspicious ML/TF/PF transactions, as well as guidance on the fulfilment of the reporting obligation, thereby promoting consistent and high-quality reporting practices across the financial and non-financial sectors. The Guidelines have been updated and supplemented with information on reporting in the areas of taxation and sanctions, and include practical examples and case studies.

Methodological Material “Guidelines on the Prevention of Terrorism and Proliferation Financing”, updated edition

The Guidelines have been developed in cooperation with the SSS, the SRS and Latvijas Banka with the aim of promoting a common understanding of the prevention of TF and PF prevention, as well as clarifying the requirements and responsibilities established in the AML/CTF/CPF in relation to the identification and mitigation of these risks. The Guidelines provide an explanation of the measures to be taken to identify and report suspicions related to TF and PF, to assess the need to refrain from executing transactions in accordance with the applicable legal framework, and implement an effective internal control system. The Guidelines are supplemented with practical examples and recommendations to support the implementation of the requirements set out in the AML/CTF/CPF, including ensuring compliance with international standards.

Risk Assessment “Money Laundering Risk Assessment in Real Estate and Construction Sector”

In the Risk Assessment, the real estate and construction sectors are assessed jointly, taking into account their close interlinkages, the high level of the shadow economy in the construction sector, its limited supervision in the AML context and the resulting increased vulnerability. The aim of the Risk Assessment is to enhance understanding of competent authorities, obliged entities under AML/CTF/CPF Law and other stakeholders regarding ML risks associated with the construction and real estate sectors, as well as the business operating within them, including obliged entities under AML/CTF/CPF Law. By identifying the risks associated with both sectors, stakeholders involved in AML can manage these risks in a targeted manner by applying a risk-based approach.

Risk Assessment “Money Laundering Risks Related to Environmental Crime”

The Risk Assessment examines environmental crimes in Latvia, taking into account the associated risks of ML, including identified threats, vulnerabilities and potential financial flows. Within the scope of the analysis, economic sectors posing the highest potential risk were evaluated, considering Latvia’s economic trends, geographical location and available natural resources, as well as findings from international research observations. The aim of the Assessment is to enhance the understanding of competent authorities, obliged entities under AML/CTF/CPF Law and other stakeholders regarding ML risks related to environmental crime in Latvia. The Risk Assessment concludes that Latvia does not face high ML risk in relation to environmental crimes, including the laundering of proceeds derived from criminal activity both domestically and abroad.

Strategic and tactical analysis with restricted access status

One of the strategic and tactical analysis areas of the FIU is the analysis carried out upon the request of SCA, LEA and other authorities on specific issues, such as obliged entities under AML/CTF/CPF Law, sectors, etc. In addition, within the framework of tactical analysis, the FIU assesses the number, quality and trends of suspicious transaction reports submitted by obliged entities under AML/CTF/CPF Law. In 2025, the FIU produced strategic and tactical analysis information as well as on-demand studies such as:

ANALYSIS OF CASH FLOWS

the tactical analysis builds on studies conducted in previous periods on the shadow economy focusing on the mechanism for generating funds of the shadow economy and the hidden (criminal) economy, as well as on clarifying their origin. Within the framework of this analysis, specific cases have been identified where there are suspicions of tax evasion and the payment of undeclared wages (envelope salaries).

TYPOLOGIES AND INDICATORS OF CRIMINAL ACTIVITY IN THE AREA OF EXCISE GOODS, ILLICIT TRAFFICKING IN NARCOTIC DRUGS AND PSYCHOTROPIC SUBSTANCES

material developed within the framework of the CCG. The working group brought together experts from the public and private sectors. The purpose of the material was to enhance the availability and quality of financial intelligence, as well as to improve the identification of suspicious transactions and activities related to the illicit circulation and smuggling of excise goods, narcotic drugs and psychotropic substances. The working group developed typology and indicator material, supplemented with case examples and recent trends in this area.

ANALYSIS OF PAYMENTS TO AND FROM HIGH-RISK TERRORIST FINANCING JURISDICTIONS

material developed to identify TF risks associated with higher-risk transactions through the analysis of financial flows. Tactical analysis strengthens the capacity of competent authorities to timely identify transactions posing an elevated TF risk. The analysis was carried out in cooperation with the SRS, Latvijas Banka and the SSS.

HIGHER-RISK TRANSACTIONS

payments related to higher-risk transactions in the real estate sector were analysed. Information on certain identified transactions has been transferred to LEAs and the SRS for further use.

The above-mentioned materials are classified as restricted access status.

Other strategic analysis materials

The NATO Strategic Communications Centre of Excellence, in cooperation with the FIU and other partners, developed a study “Social Media Manipulation for Sale: 2025 Experiment on Platform Capabilities to Detect and Counter Inauthentic Social Media Engagement”.

The study, based on empirical research, analyses the prevalence of social media manipulation and the ability of social media platforms to detect and mitigate inauthentic activity. The study was conducted as part of a regular, annual research aimed at assessing the role and responsibility of social media platforms in safeguarding the information space against artificially generated influences.

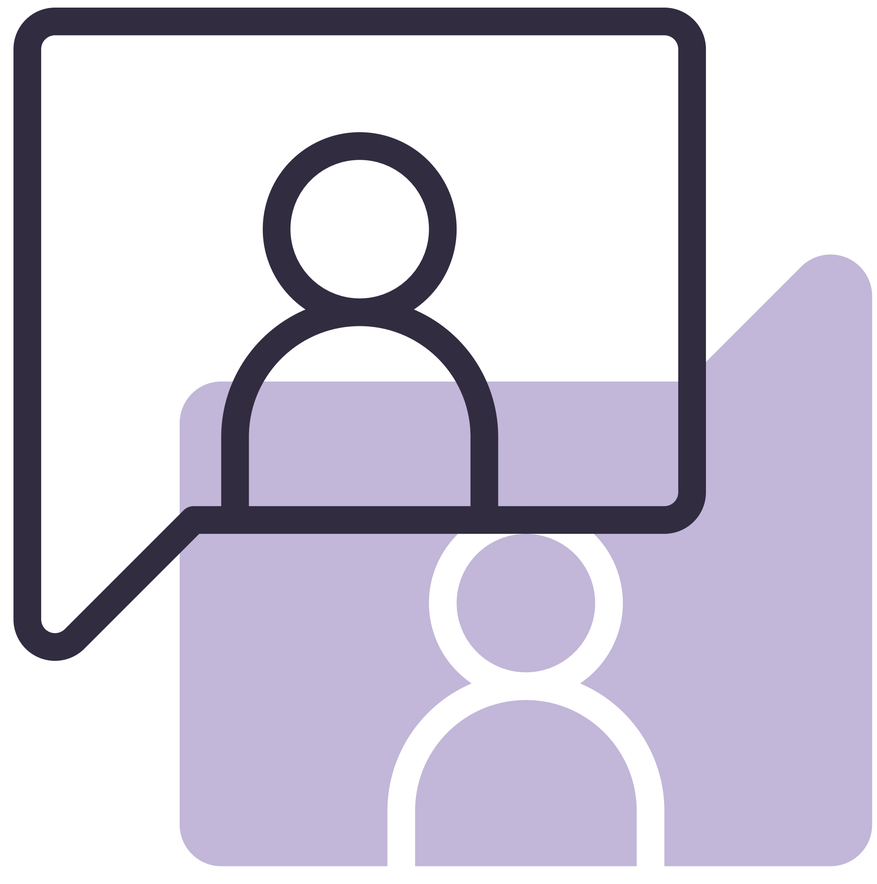
Providing feedback

The FIU provides annual feedback on the number and quality of suspicious transaction reports to SCAs and obliged entities under AML/CTF/CPF Law by organizing individual meetings.

In 2025, the FIU organised feedback meetings with all SCAs. During these meetings, the FIU provided its assessment of the number and quality of reports submitted in 2024 by the entities operating in the sectors supervised by the SCAs. The supervision activities and other topical issues, past and future cooperation with the FIU, as well as planned training activities were also discussed.

In 2025, feedback meetings were held with 16 obliged entities under AML/CTF/CPF Law, including 10 credit institutions, representing the sector from which the largest number of reports of suspicious transactions is received. The FIU provided feedback to obliged entities under AML/CTF/CPF Law on the suspicious transaction reports and threshold declarations they had submitted. Both qualitative and quantitative indicators of reporting were discussed and analysed, including specific examples of suspicious transaction reports, their content, quality, timeliness and other relevant indicators.

In 2026, the FIU continues to develop a solution that will enable obliged entities under AML/CTF/CPF Law to monitor their reporting rates online, including the number of suspicious transaction reports submitted, as well as to access anonymised information on overall sectoral trends in reporting dynamics and typologies. Initially, the solution is being developed for the credit institution sector, thus providing immediate feedback on reporting statistics.



Cooperation platforms

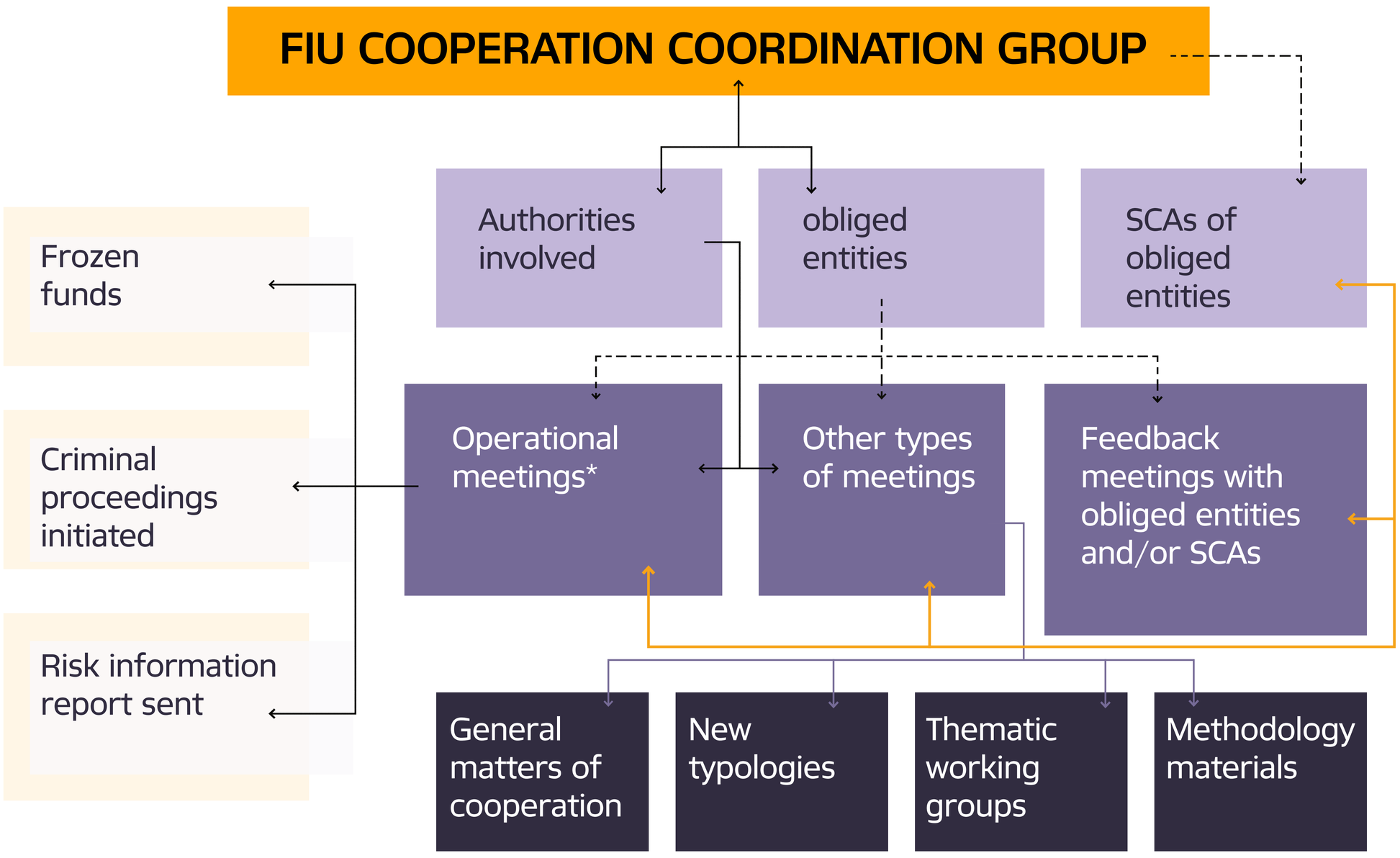
06

The activities of the CCG as a form of public-private partnership

The performance of the FIU functions is not possible without effective cooperation with LEAs, including the national security authorities, the Proesecutor's office of the Republic of Latvia, as well as with obliged entities under AML/CTF/CPF Law and the SCAs. In accordance with Section 55 of the AML/CTF/CPF Law, the purpose of such cooperation is to promote the effective performance of the tasks assigned by laws and regulations of the institutions involved, obligated entities under AML/CTF/CPF Law and the SCAs.

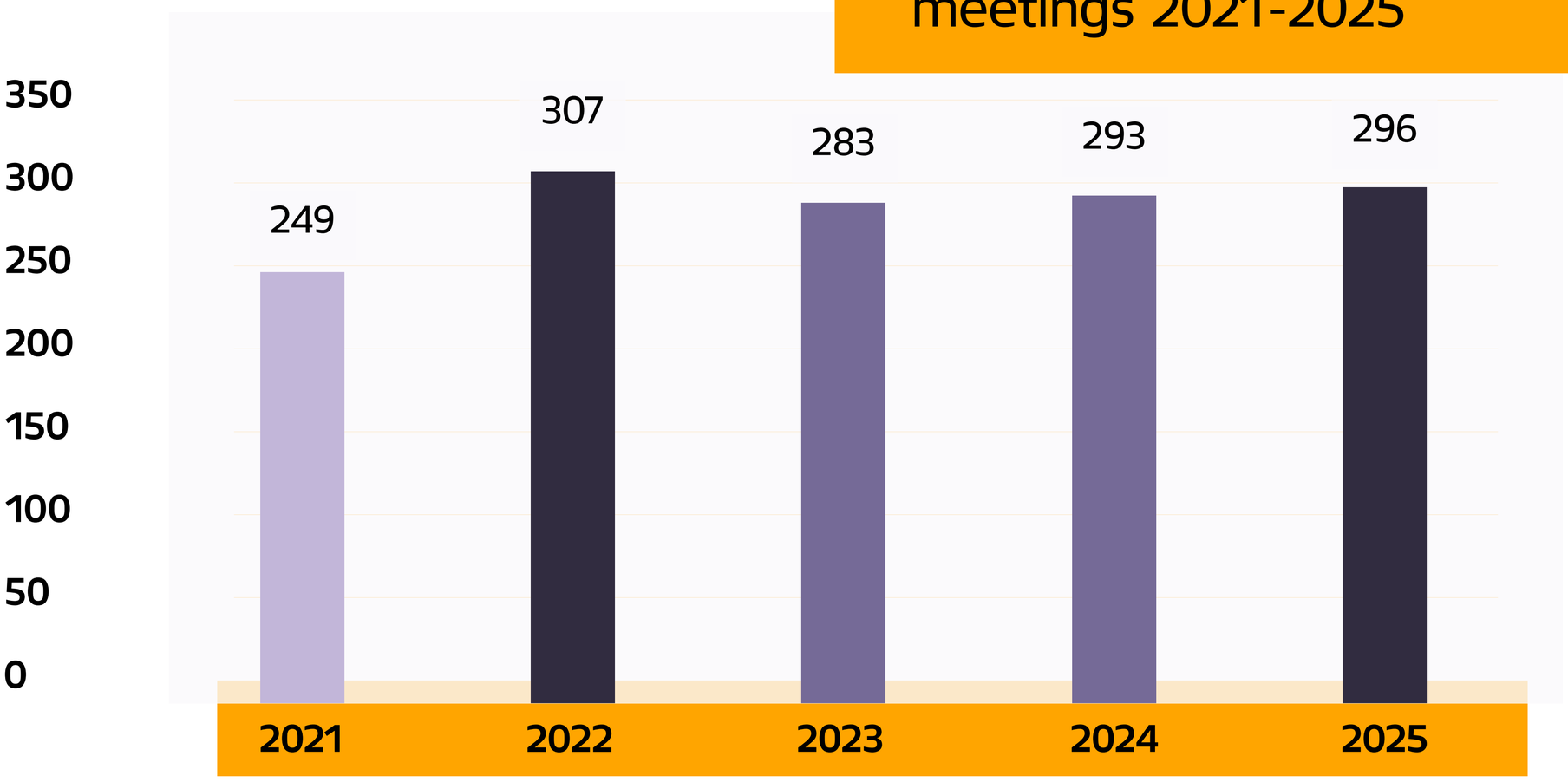
The AML/CTF/CPF Law stipulates that the FIU coordinates the cooperation of the authorities involved (subjects of operational activities, investigative institutions, Proesecutor's Office, SRS and SCAs), as well as obliged entities under AML/CTF/CPF Law by convening the CCG.

Despite reinforcement of the name "cooperation coordination group" in the AML/CTF/CPF Law, suggesting that the CCG has a relatively stable composition, the CCG is essentially an inter-institutional cooperation platform under Section 55 of the AML/CTF/CPF Law, coordinated by the FIU. This model provides an opportunity to meet representatives of various authorities that are competent to discuss and decide on a particular issue.



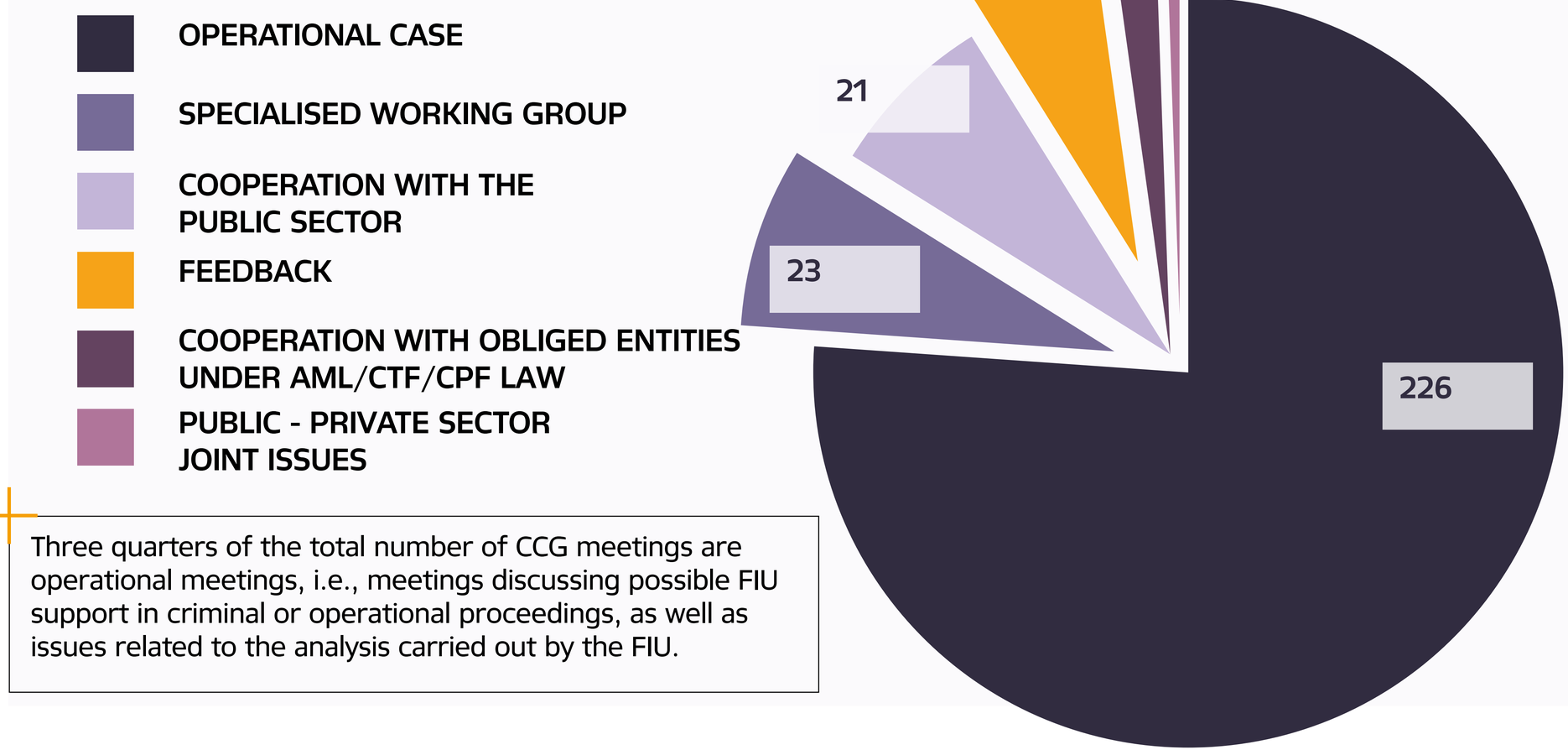
*Information exchange relating to the ML/TF/PF, attempted ML/TF/PF or other related criminal offence or suspicious transaction

Dynamics of the CCG meetings 2021-2025



Since 2018, when the first CCG meeting was held, a total of 1,724 meetings have taken place. The number of meetings has reached approximately 300 CCG meetings a year in recent years. The large number of meetings in general were facilitated by the possibility to hold meetings remotely, allowing urgent meetings to be called immediately. An essential factor is also the flexibility to tailor the composition of participants to the needs of each specific meeting as well as the ability to hold multiple meetings simultaneously. In 2025, a total of 260 representatives of LEA and prosecutors participated in the meetings of the CCG, many of them on multiple occasions.

Content of the CCG meetings



Three quarters of the total number of CCG meetings are operational meetings, i.e., meetings discussing possible FIU support in criminal or operational proceedings, as well as issues related to the analysis carried out by the FIU.

PARTICIPATION OF LEAs (INCLUDING NATIONAL SECURITY AUTHORITIES) AND THE PROSECUTION OFFICE IN CCG meetings

INSTITUTION	2021	2022	2023	2024	**2025**	**TOTAL**
LEAs AND THE PROSECUTION OFFICE TOGETHER:	**186**	**274**	**266**	**275**	**313**	**1314**
SP	71	81	99	109	**134**	**494**
INCLUDING ECCD	45	40	53	57	**71**	**266**
INCLUDING OCCD/ OSCSCED	13	19	23	21	**18**	**94**
INCLUDING REGIONAL ADMINISTRATIONS	12	10	18	22	**37**	**99**
PROSECUTION OFFICE	34	53	46	51	**46**	**230**
INCLUDING EPPO		7	10	19	**9**	**45**
CPCB	38	70	42	37	**33**	**220**
SSS	17	34	43	38	**35**	**167**
TCD (PREVIOUSLY - SRS TCPD)	20	21	28	26	**43**	**138**
ISB	1	4	2	5	**4**	**16**

The significant increase in the number of CCG meetings with the SSS can be explained by the intensive cooperation in the field of sanctions, reflecting the current geopolitical situation. On the other hand, a higher number of CCG meetings with the SP, compared to previous years, is due to the fact that SP officers are better informed on the possibilities of the CCG, as well as their active use of the right to initiate the convening of a CCG meeting.

Specialised CCG working groups

In 2025, 23 meetings of the specialised working groups took place in CCG format. Of these, nine were Sanctions Working Group meetings, while another nine were dedicated to the initiation of the 2026 National AML/CTF/CPF Risk Assessment. Meetings were also held by the Working Group on Tax Crimes, the Working Group on the Prevention and Combating of Illicit Trafficking in Excise Goods, Narcotic Drugs and Psychotropic Substances, as well as other working group meetings on issues such as the prevention of TF and enhancing the cooperation between the FIU, LEA and SCA in cases involving potential professional ML service providers that are obliged entities under AML/CTF/CPF Law.

More detailed information on the meetings of the Sanctions Working Group, which includes representatives of the FIU, the TCD (previously - SRS TCPD), the SRS CD, the Prosecutor General's Office, Latvijas Banka and seven credit institutions, is available in the section "FIU Work and Role in the Sector of Sanctions".

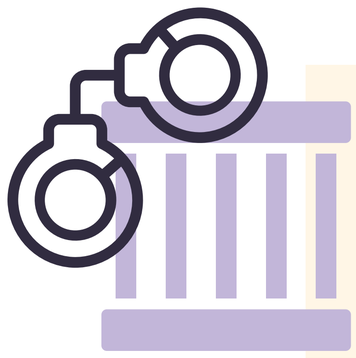
More detailed information on the results of the Working Group on Tax Crimes, as well as the Working Group on the Prevention and Combating of Illicit Trafficking in Excise Goods, Narcotic Drugs and Psychotropic Substances, is available in the section on strategic and tactical analysis.

OpCEN

OpCEN is an FIU initiative designed to ensure the cooperation, analysis and exchange of information, as well as the planning of activities between the FIU and LEA within the framework of specific financial intelligence, criminal proceedings or operational process. Its objective is to enhance the prevention and combating of organised crime and serious crime more effectively, in particular ML/TF/PF, as well as the identification of laundered funds to ensure their confiscation. In order to ensure the privacy and safety of the staff of the institutions involved in the cooperation, the FIU has also created a room specially equipped for this purpose.

In 2025, by continuing the identification of ML in operational cases related to predicate criminal offences committed in Latvia, cooperation with LEA was strengthened. As a result of the OpCEN meetings, the FIU carried out in-depth operational analyses of particularly complex cases, while continuing to obtain additional information from obliged entities under AML/CTF/CPF Law, foreign competent authorities, national databases, public administrations authorities and open sources. The purpose of these measures was to obtain additional facts that would confirm LEA suspicion of the possible ML and criminal origin of the funds.

In 2025, within the framework of OpCEN, the FIU in cooperation with LEA, analysed the financial flows of proceeds derived from various criminal offences –



sales of narcotic drugs and psychotropic substances, investment fraud, tax evasion and related payments, professional ML services, and other criminal offences.

In cooperation with LEA, the structuring of financial resources in both Latvian and foreign financial institutions has been identified, cryptocurrency tracking has been conducted, as well as criminal assets and persons involved have been identified. This ensured effective financial intelligence to support the subsequent confiscation of criminal assets.

For example, in the framework of long-term cooperation, through the analysis of financial flows and persons involved, a group of persons providing professional ML services has been identified in Latvia. As a result of the services provided, funds have been legalised on a large scale with the aim of hiding their true criminal origin, nature (including by converting them into other values such as cryptocurrency) and location. Within the framework of the scheme, ostensibly legitimate transactions were simulated, and deliberately complex transactions involving accounts in multiple jurisdictions were used to launder criminal proceeds. In 2025, as a result of the cooperation, criminal proceedings were initiated by the SP regarding ML on a large scale.

Work and role in the field of sanctions

07

FIU as the competent authority for implementation of sanctions

2025 marked the first full calendar year since the FIU began performing the function of the competent authority for the implementation of sanctions in Latvia. Last year, the FIU worked purposefully to ensure effective and consistent implementation of sanctions, recognising that sanctions are an essential tool not only for strengthening Latvia's national, but also regional and EU security.

In order to ensure effective implementation of sanctions in Latvia, the FIU has taken a series of targeted measures based on providing the public with clear and practical information on the implementation of sanctions, as well as close cooperation and coordination with national and international partners.

Latvia is one of the first EU Member States to fully centralise the implementation of sanctions. By combining this function with the FIU's task to ensure that the Latvian financial sector is not used to violate sanctions, the FIU gains a comprehensive overview of the implementation of sanctions in Latvia. This approach and accumulated expertise have received international recognition international recognition, including a high rating in the 6th round MONEYVAL evaluation.

Main functions of the FIU in the field of isanctions implementation and prevention of sanctions violations:

- → assessment of the exception provided for in the sanctions regulations;
- → cooperation and exchange of information with national and international institutions;
- → methodological support, training and provision of explanations to the public and private sectors;
- → verification and publication of information on frozen assets in Latvia;
- → monitoring and analytical evaluation of the implementation of sanctions;
- → identification and prevention of risks of violation of sanctions;
- → maintenance of the sanction search engine;
- → analysis of suspicious transaction reports related to possible sanctions violations.

New function established in 2025:

To coordinate cooperation aimed at preventing and combating sanctions violations by ensuring common priority-setting, strategic exchange of information and coordinated action in investigations.

Frozen funds and economic resources

On 31 December 2025

156
sanctioned persons in Latvia had their assets frozen

of these

22
are persons directly included in the sanctions list

and

134
are legal persons owned or controlled by sanctioned persons

The FIU has verified the validity of the freezing of all frozen funds in Latvia and ensured that information on frozen assets in Latvia is freely available on the FIU sanctions website.

Frozen assets:

66 vehicles	**11** tractors	**1** watercraft	**1** herd
3 trademarks	**102** real estate properties	**23** capital shares	**51 499** tons of mineral fertilizers

funds in the amount of 153 million *euros*

Application of exceptions from sanctions

An important part of the FIU's activities in the field of sanctions in 2025 was the application of exceptions from sanctions by issuing permits or taking decisions on refusal to issue them. The FIU has consistently adhered to the principle that exceptions to sanctions apply only in clearly defined cases, mainly to provide for basic needs, and cannot be used to weaken the effectiveness of sanctions.

For the reduction of administrative burden and efficient use of resources, the FIU issued a general administrative act (General Licence) that allows sanctioned persons and sworn bailiffs to make certain categories of payments:

UTILITY PAYMENTS

TAX PAYMENTS

PAYROLL PAYMENTS

without obtaining an individual permit. This approach ensures effective implementation of sanctions, as strict control is exercised, with an obligation to regularly account for all payments made.

In 2025, the **FIU processed more than 450 applications for issuance of individual permits.** This number includes both applications to issue permits and applications with additional information, requests to amend or clarify issued permits, as well as correspondence with other authorities in the licensing process. As a result, the FIU took 122 decisions on the application of exceptions from sanctions, and 66 refusals. Five applications were recognised as not to have been submitted due to significant non-compliance with their presentation, while in three cases decisions were made regarding the import of vehicles registered in Belarus into Latvia.

In the context of the targeted financial sanctions, 92 individual permits were issued, mainly for the maintenance and management of the frozen assets of the sanctioned persons, such as the maintenance of real estate, vehicles and equipment. In turn, seven permits were issued under sectoral sanctions, most often applying exceptions from the prohibition for credit institutions to accept deposits in excess of EUR 100,000 in cases where it is objectively necessary for the official needs of diplomatic or consular missions or for the unrestricted movement of goods and services.

In cooperation with other institutions, the FIU ensured the release of almost

10 000 t

of sanctioned (frozen) and explosive ammonium nitrate from freezing and its sale to a Latvian registered merchant

The FIU's decisions also prevented the risks of long-term storage of other mineral fertilizers, ensuring their removal from the territory of the Freeport of Riga and economically beneficial use in Latvian agriculture

ALL

funds received by the subjects of sanctions as a result of the transaction have been frozen in Latvian credit institutions, preserving the objectives of the sanctions regime

FIU made 66 decisions to refuse to issue individual permits in respect to both the Russian and Belarusian sanctions regimes. In most cases in connection with the export and import transactions of medical, food and other goods with the aggressor countries. According to the position of the Latvian state, the exceptions provided for in the regulatory framework of sanctions are not granted to export of goods in general, as any trade with aggressor countries increases their economic resources and promotes the continuation of the war of aggression against Ukraine, as well as threatens national security.

The FIU's decisions on the application of exceptions from sanctions in 2025 ensured uniform and predictable implementation of sanctions, thus providing economic operators with clear and legally sound rules for conducting economic activities. Decisions were challenged relatively rarely – in 12 cases in a higher authority and only in one case in the Administrative District Court – where the FIU consistently defended the approach that derogations from the sanction regime are permissible only in cases clearly defined by law and in accordance with the purpose of sanctions.

Effectiveness of implementation of sanctions in Latvia

Individual explanations

The FIU actively provided explanations on the implementation of sanctions, covering both the application of the regulatory framework for sanctions and the legal assessment of complex situations and in-depth expertise related to the sanctions-related riskssubmissions on the statement on person's rights.

During the reporting year, the FIU provided

more than

350

written replies to submissions and e-mailed questions

10

submissions on the statement on person's rights

nearly

700

individual consultations

and more than

300

telephone consultations

Of the written replies, more than 200 were provided to individuals and more than 150 to representatives of the public sector and the financial sector.

The FIU responses to submissions were timely and substantive – the average response time to submissions was 13.5 days.

Issues related to the sanctions restrictions in public procurement, the management of shares and stocks, as well as practical issues related to payments were mostly considered as a matter of priority responses were provided in less than two weeks.
In addition, the FIU provided individual explanations to LEAs on the aspects of the application of the sanction frameworkin investigations of sanctions violations.

IN MORE COMPLEX CASES, THE FIU CARRIED OUT AN IN-DEPTH ASSESSMENT AND COOPERATED WITH THE COMPETENT AUTHORITIES OF OTHER COUNTRIES AND THE EUROPEAN COMMISSION TO ENSURE UNIFORM APPLICATION OF SANCTIONS AT EU LEVEL.

Public explanations on the FIU's website

The FIU maintains a sanctions website, where up-to-date and practical information is published on a regular basis and where the sanctions search engine maintained by the FIU is available. The FIU sanctions website was visited more than 1 million times in 2025.

On the sanctions website, the FIU proactively provided public explanations both on the latest rounds of EU sanctions and the prohibitions imposed therein, and on the practical application of sanctions in the most relevant areas in Latvia. Explanations cover areas such as provision of legal and tourism services, restrictions in the financial sector, aspects of export and import restrictions, practical advice on how to identify and mitigate sanctions risks, and other issues.

The "Frequently Asked Questions (FAQs)" section of the sanctions website was significantly improved, making the information structured, transparent and practical. The FAQ section contains around 56 questions and answers. The section is regularly updated, supplementing it with questions most frequently submitted to the FIU in individual applications. In this way, the FIU provides timely methodological support to the financial sector, entrepreneurs and the general public in the practical application of the sanctions framework.

In the preparation of the explanations, the FIU closely cooperated with the Ministry of Foreign Affairs, Latvijas Banka, the SRS CD, the Finance Latvia Association (FLA) and representatives of the financial sector, ensuring a unified state approach to the application of sanctions.

Targeted raising of public awareness in the areas of increased risk

Considering that entrepreneurs in areas of increased risk of violation of sanctions play a crucial role in the effective implementation of sanctions, the FIU in 2025 focused on informing these entrepreneurs.

The FIU published guidelines "Managing Sanctions Risks in Transactions with Hightened- Risk Countries". The guidelines, developed in cooperation with the FLA, Latvijas Banka, the Employer's Confederation of Latvia (LDDK) and other institutions, explain the identification of sanctions risks, the implementation of internal control systems and effective cooperation with credit institutions. The publishing of the guidelines was complemented by publicly available online training for entrepreneurs who gathered more than 350 listeners and whose materials are publicly available.

The FIU in cooperation with the SRS CD sent a detailed explanation to the exporters of common high-priority items on the requirements of the sanctions framework, the FIU guidelines and planned training. The announcement was purposefully sent to 208 exporters who, after the imposition of EU sanctions against Russia and Belarus, exported common high-priority items to

high-risk countries. Common high-priority items are particularly exposed to the risk of violation of sanctions, as they can be used for military or dual-use purposes, so their exporters are subject to increased obligations to identify and mitigate risks in a timely manner.

Guidelines developed by the FIU "Assessment of Control of Sanctioned Public Officials" have been issued to explain the implementation of sanctions in situations where public officials may exercise control over other bodies. At EU level, there are no such explanations on the control of public officials, although there is a need for a common interpretation in practice. Taking into account the geographical location of Latvia, Latvian persons and entrepreneurs may have contact with Russian and Belarusian public institutions and state-owned companies, which increases the risk of violation of sanctions. The guidelines strengthen legal certainty and promote consistent application of sanctions.

In response to the growing number of suspicious transactions reported in 2025 in connection with the provision of prohibited services in Russia and cooperation with sanctioned credit institutions, often done by third-country nationals residing in Latvia, the FIU produced publicly available information material on compliance with sanctions and the consequences of their violation. In order to ensure its reach to third-country nationals, the material was distributed in cooperation with the Office of Citizenship and Migration Affairs.

Public and private sector training

In 2025, the FIU organised

14 trainings on the implementation of sanctions, seven of which were for the public sector and seven for the private sector.

Considering that the effectiveness of the implementation of sanctions is closely related to the enforcement of violations, judges, prosecutors and investigators were identified as the main public sector audience in 2025. For this target group, the training was organised in four cycles and involved more than 200 participants. The training covered the legal and practical aspects of sanctions, the trends of violation of sanctions and the FIU support for LEAs.

In private sector training, a significant audience was reached by FIU's online training for entrepreneurs "Managing Sanctions Risks in Transactions with High-Risk Countries".

APPROXIMATELY **350 PARTICIPANTS** TOOK PART IN THE TRAINING. THE LECTURERS PROVIDED PRACTICAL INSIGHTS INTO THE IDENTIFICATION AND MANAGEMENT OF SANCTIONS RISKS.

Cooperation with national partners

As a competent authority, the FIU in 2025 purposefully strengthened cooperation with key national partners to ensure a common understanding and consistent application of the sanction framework in practice.

Particularly important was the public-private partnership organized by the FIU between the financial sector, Latvijas Banka, the SSS, the TCD (previously - SRS TCPD) and the SRS CD. Organised monthly since 2022, the working groups served to effectively exchange information on trends in sanctions violations and implementation aspects of sanctions regulation. In response to the growing interest, the format of cooperation was expanded by organizing meetings twice a month in cooperation with the FLA with the broader involvement of financial market participants, which significantly improved the exchange of information.

In 2025, the FIU also maintained close cooperation with the Ministry of Foreign Affairs – the sanctions policy maker – and the SRS CD, which ensures the control of the sanctioned goods at the border. The meetings, which are organized twice a month, allows to discuss the current issues of sanctions in a timely manner, contributing to the effective flow of information and uniform implementation of sanctions.

In addition, representatives of the FIU have participated in all Sanction Coordination Council (SCC) meetings held by the Ministry of Foreign Affairs in 2025, and have provided explanations on aspects of the implementation of sanctions and informed about the latest developments in the field of sanctions. The SCC aims to coordinate the activities of the national authorities responsible for the implementation, supervision and control of sanctions, as well as to promote a common approach to the application of sanctions.

The FIU’s cooperation with Latvijas Banka is essential for the implementation of sanctions. The FIU regularly informs Latvijas Banka about sanction implementation practices and violation typologies in the financial sector. In turn, Latvijas Banka provides insight into trade trends and payment flows in relation to Russia, Belarus and high-risk countries, facilitating timely identification of the risks of circumvention of sanctions.

In response to the increasing risks associated with “shadow fleet” activities, the FIU’s cooperation with the Coast Guard was strengthened in 2025.

International cooperation to promote uniform implementation of sanctions

In 2025, the FIU cooperated with 12 countries

on issues related to the implementation of sanctions in a bilateral format, most often communicating with the competent authorities of Austria and Ukraine.

It is particularly important to strengthen cooperation and ensure uniform implementation of sanctions at the level of the Baltic States, taking into account the common risks of the region and close economic integration. Therefore, in 2025, the format of cooperation with the Baltic States - Baltic Sanctions Working Group, which was launched in 2022, was continued.

The FIU actively continued to engage in international cooperation formats aimed at strengthening and uniform application of the EU sanctions regimes.

The FIU regularly participates in high-level meetings on EU sanctions, which take place on a semi-annual basis. In 2025, at one of these meetings, the FIU was specifically invited to share Latvia’s experience in the field of sanctions implementation, taking into account that Latvia is one of the first EU Member States to fully centralize the sanction implementation functions in one competent authority. At regular high-level meetings, the EU’s efforts to achieve the objectives of sanctions imposed against Russia and Belarus were assessed, and discussions were held on improving coordination of sanctions implementation and jointly combating sanctions circumvention.

In 2025, the FIU participated in five meetings of the EU Council Working Party of Foreign Relations Counsellors (RELEX), in which the implementation, interpretation and application of the EU sanctions policy are discussed, as well as the harmonisation of Member States' practices are promoted.

The FIU participated in two meetings of the European Commission's "Freeze and Seize" working group aimed at facilitating the identification, freezing and confiscation of the assets of sanctioned persons, as well as strengthening cross-border cooperation and exchange of information between the competent authorities of the Member States.

In 2025, the FIU participated in training and working groups organised by the Council of Europe within the framework of the Technical Support Instrument project "Effective Implementation of the Sanctions Regime and Improved Cross-Border Cooperation in the EU Member States". The aim of the measures was to strengthen the capacity of the authorities of the Member States to identify the sanctioned persons and exchange information. The FIU both improved its knowledge and shared experience on the solutions implemented in Latvia for the implementation of sanctions. The project summarises best practices and highlights the approach implemented by the Baltic States, including the general administrative act (general licence) introduced by Latvia, which has reduced the administrative burden. Also, the publicly available list of sanctioned persons with frozen assets in Latvia, coordination mechanisms with the public and private sectors, as well as the initiative of the Baltic Sanctions Working Group were highlighted.

The FIU also participated in a number of Europol Financial Intelligence Public-Private Cooperation Working Groups, which exchanged information on EU sanctions, the typologies of their violations and circumvention.

Also in 2025, the FIU for the first time participated in the informal sanctions working group, where the most active EU Member States in the field of sanctions meet twice a year to share their experiences and promote uniform practices. The event assessed the practice of the FIU in the publication of the list of sanctioned persons whose assets have been frozen in Latvia and in the verification of the information contained therein. Other Member States welcomed the practice as a good example of a uniform approach and greater legal clarity at EU level.

Providing an opinion in cases before the Court of Justice of the EU

In 2025, the FIU provided opinions in cases before the Court of Justice of the EU, including in cases in which a preliminary ruling had been requested by a Latvian court. Within the framework of its competence, the FIU provided sound explanations on sanctions issues in two cases of the Court of Justice of the EU, thus contributing to a uniform understanding and application of the regulatory framework for sanctions in all EU Member States. This involvement by the FIU contributes to achieving the objectives of sanctions and ensuring their effective implementation in accordance with the nature of the sanctions.

Strengthening the EU and national sanctions regime

In order to continue to put pressure on aggressor countries, it is necessary to improve the sanctions framework on a regular basis. Although the FIU is not a sanction policy maker, the comprehensive information at its disposal on the implementation of sanctions and the risks of their violations makes it possible to identify aspects where the strengthening of the EU and national sanctions regime is necessary, of which the FIU informs policy makers. In 2025, special attention was paid to sanctions that restrict Russia's main source of income – energy sanctions.

Imposing sanctions on shadow fleet vessels

Russia uses the so-called "shadow fleet" vessels to circumvent the ban on imports of oil and oil products, as well as other sanctioned goods. These are mostly obsolete tankers that implement dangerous shipping practices, including deactivation of the automatic identification system, ship-to-ship transfers, concealment of beneficial owners, and insufficient compliance with safety and insurance requirements. This practice poses not only high risks of sanctions circumvention, but also significant risks for the environment. In order to strengthen EU sanctions, the FIU identifies potential "shadow fleet" vessels and prepares evidence for policy makers to include them in sanctions lists.

almost

10%

of the "shadow fleet" vessels on the EU sanctions list in 2025

were identified by the FIU

Ban on liquefied petroleum gas imports

The FIU follows the dynamics of trade in goods after the imposition of new import or export bans within the framework of sanctions. After the imposition of the liquefied petroleum gas (LPG) import ban, an unusually large amount of certain goods imported from Russia used in the production of LPG was observed. This pointed to shortcomings in the sanctions framework and opportunities to circumvent the ban. With the support of other Member States in the EU 19th round of sanctions, the goods necessary for the production of LPG were also subject to an import ban, thus preventing the possibility of circumventing the ban on the import of LPG.

Strengthening of the national sanctions regime against Russia

In September 2025, for the purpose of strengthening the national security and sanctions policy, the Cabinet of Ministers regulations establishing the Latvian national sanctions regime against Russia entered into force. The FIU contributed to the development of these regulations. This framework generally allows Latvia to impose national sanctions in situations where there is a significant threat to Latvia's national security, including when a person is de-listed from the EU sanctions list for political reasons.

Combating sanctions violations

In 2025, the FIU played an active role in improving the regulatory framework for combating sanctions violations, contributing to the development of amendments to laws and regulations, including the Sanctions Law and the Criminal Law. The above amendments ensure implementation of the requirements of the Directive (EU) 2024/1226 of the European Parliament and of the Council of 24 April 2024 on the definition of criminal offences and penalties for the violation of Union sanctions and amending Directive (EU) 2018/1673 (Sanctions Directive) into the legal system of Latvia.

The introduced changes significantly strengthen the system of implementation of sanctions by introducing a more effective and comprehensible procedure for reporting violations of sanctions, providing for tougher criminal penalties and a new mechanism of administrative liability, as well as promoting coordination and cooperation between competent authorities in the field of combating sanctions violations.

As of 10 June 2025, special subjects of the Sanctions Law [4] have been facilitated in reporting suspicions of violation or attempted violation of sanctions by abandoning two reporting channels in favour of one – the FIU. Previously, the SSS had to be notified about the violation of sanctions or its attempt and the funds frozen as a result, while the FIU had to be notified about the circumvention of sanctions or the attempt to do so in implementation of financial restrictions.

[4] Persons under the supervision of the supervisory authorities referred to in Section 13 of the Sanctions Law

Number of reports on violation of sanctions (including circumvention) received by the FIU in 2021-2025

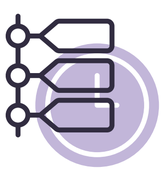
YEAR	NUMBER OF REPORTS ON SUSPICIOUS TRANSACTIONS
2021	12
2022	281
2023	510
2024	451
2025	**807**

With the implementation of the Sanctions Directive, certain types of violations of sectoral sanctions related to the movement of goods were decriminalized, introducing administrative liability for them, so report on these violations no longer ought to be submitted to the FIU. However, the changes in reporting procedures, stipulating that suspicions of violation of sanctions should be reported only to the FIU, as well as the increase in the number of reports on violation of targeted financial sanctions in 2025 resulted in a significant increase in the total number of reports on violation of sanctions received by the FIU, exceeding the number of reports received in 2024 by approximately 80%.

In 2025, the FIU still received a significant number of reports on violation of sectoral sanctions related to the circulation of goods, for example, by exporting the by exporting the sanctioned goods to Russia and Belarus through third countries or by indicating incorrect combined nomenclature codes of the goods. During the reporting year, there was an inclease in the number of received reports that related to the violation of targeted financial sanctions, for example, by engaging in business relation with sanctioned credit institutions in Russia. The proportion of reports on violation of sectoral sanctions prohibiting the provision of certain types of services to legal persons established in Russia and Belarus also increased. With the increase in the number of reports received, not only the number of reports disseminated by the FIU relating to the violation of sanctions increased, but also their share, reaching almost 30% of all analytical reports disseminated by the FIU.

THE FIU – THE AUTHORITY RESPONSIBLE FOR COORDINATION AND COOPERATION BETWEEN COMPETENT AUTHORITIES IN THE FIELD OF COMBATING VIOLATIONS OF SANCTIONS

At the same time as changes were made to the procedures for reporting suspected violations of sanctions, while transposing the Sanctions Directive, the FIU was designated as the authority responsible for coordination and cooperation between competent authorities in the field of combating sanctions violations. The FIU is obliged to coordinate, through the cooperation mechanisms provided for in the AML/CTF/CPF Law, the cooperation between the competent authorities in order to:



update common priorities and understanding on combating sanctions violations through criminal and administrative legal measures;

exchange information for strategic purposes;

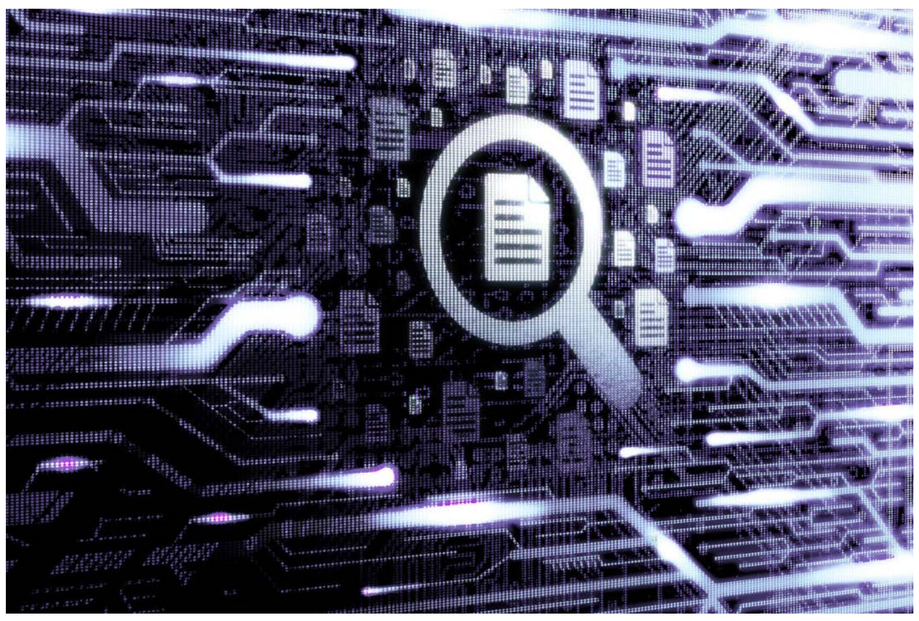
ensure coordination in individual investigations related to the violation of sanctions.

[4] Persons under the supervision of the supervisory authorities referred to in Section 13 of the Sanctions Law

Innovation and technological support solutions

08

Innovation and technological support solutions



In 2025, the FIU continued and successfully completed the development of a long-term digital development strategy. It defines a common vision, priorities, and directions for action regarding the implementation and development of digital solutions within the FIU in order to improve financial intelligence processes, data analysis, and work efficiency, as well as to strengthen cooperation with Latvian and international partners in the field of AML/CTF/CPF.

As part of the strategy, a range of technological tools at the disposal of the FIU was reviewed to strengthen the FIU's ability to use modern solutions and innovations.One of the top priorities was to increase the effectiveness of analysts' work by improving the quality of intelligence analysis, accelerating processing procedures, and ensuring the reliability and security of data.

Significant attention was also paid to more efficient use of time, human and financial resources. This goal was achieved in the reporting year and further reinforced as a long-term development priority. In some cases, it enabled a significant reduction in resource consumption, while in others, it delivered substantially improved results without increasing the level of resources used.

In 2025, work continued on the development of technological solutions that promote safe, stable and automated cooperation between authorities and the obliged entities under the AML/CTF/CPF Law. The implementation of the strategic goals was started by summarizing the requirements and technical specifications of the analytics platform. The growing amount of incoming data and new challenges make it necessary to develop analytics tools, improve artificial intelligence and machine learning solutions, as well as reduce the amount of manual work.

The role of the FIU in the community of goAML user countries

In 2025, the FIU continued its active participation in the development of the goAML system as the presiding country in the community of goAML user countries. For this role, the FIU was elected in late 2023. At the end of 2025, in the framework of the 10th International Conference of goAML user countries organised by UNODC, the responsibilities of the presidency were transferred to the FIU - The Netherlands. At the same time, work was started on the development of cooperation principles to ensure the continued active involvement of the Latvian FIU in the development of goAML and the exchange of international experience.

AMLIH – AML Innovation Hub

In order to promote inter-institutional cooperation and the use of innovative technologies in financial crime intelligence and prevention, the first financial intelligence and ML prevention innovation centre in the Baltics, AMLIH, was established in early 2022 under the auspices of the FIU.

In 2025, AMLIH premises and technical equipment were actively used for cooperation, coordination and exchange of experience. The following events were organised and successfully implemented:

- → eight high-level national cooperation meetings;
- → more than five international experience-sharing sessions;
- → more than 70 meetings of the CCG, attended by representatives of several dozen other institutions in addition to the FIU;
- → several inter-institutional training sessions in the fields of open source intelligence and crypto-assets;
- → inter-institutional competition in the format of “capture the flag”, aimed at both improving knowledge and strengthening cooperation.

International evaluations and reputation building

09

MONEYVAL
6th round evaluation

The evaluations of member states carried out by the FATF and its regional organisations, including MONEYVAL, are leading reports in the field of AML/CTF/CPF, which assess the compliance of national AML/CTF/CPF systems with international FATF standards and the effectiveness of these systems.

In accordance with the decision taken by the Cabinet of Ministers at its meeting of 11 April 2023, Latvia was the first country to apply for the MONEYVAL 6th round evaluation, thus confirming the strategic goal of the country – to restore and strengthen its reputation in the international financial system.

Photo: © Council of Europe
In the photo from the left: Head of the FIU T. Platacis, Minister of Finance A. Ašeradens, Chair of MONEYVAL N. Muccioli, and Head of the MONEYVAL Secretariat L. Lalicic.

As the leading authority in the field of AML/CTF/CPF, the FIU played a central role in the 6th round evaluation process of MONEYVAL.

The MONEYVAL 6th round evaluation process was officially launched in March 2024. In 2025, the FIU continued to coordinate and ensure the timely submission of all necessary information to the MONEYVAL Secretariat and evaluators.

In accordance with the Prime Minister's Order No. 2023/1.2.1-200 of 31 July 2023, the MONEYVAL working group under the leadership of the Head of the FIU continued its work in 2025, ensuring timely and full submission of information to the MONEYVAL Secretariat and evaluators.

In 2025, several important evaluation stages were successfully implemented. From 14 to 16 April 2025, a face-to-face meeting was held in Strasbourg, France, between the Latvian delegation led by the Head of the FIU and the MONEYVAL Secretariat and evaluators, the aim of which was to agree on issues that were not resolved in the process of harmonising the Latvian Mutual Evaluation Report Mutual Evaluation Report. As a result of intensive discussions, the Latvian delegation managed to achieve an increase in the rating in one of the efficiency indicators.

Purposeful and persistent work of the responsible authorities under the leadership of the FIU resulted in success in June 2025, when the 6th round evaluation report of Latvia was adopted at the joint FATF and MONEYVAL plenary meeting. In accordance with the methodology, the report assessed the technical compliance of the Latvia's AML/CTF/CPF system with the FATF 40 recommendations, as well as the effectiveness of this system.[5]

According to the FATF evaluation procedure, each evaluation report is submitted to the Quality&Consistency Procedure prior to its publication. The report was published on 19 February 2026 after the conclusion of that procedure.

MONEYVAL 6th round evaluation timeline

21-22 March 2024
MONEYVAL training – official launch of evaluation

22 April 2024
Latvia submitted the technical compliance questionnaire

15 May 2024
Risk, context and relevance presentation of Latvia

29 July 2024
Latvia submitted the effectiveness questionnaire

4-15 November 2024
On-site visit of the assessors team to Latvia

14-15 April 2025
Face-to-face meetings with the assessors team

10-13 June 2025
Report on Latvia adopted at the FATF and MONEYVAL plenary meeting

19 February 2025
Latvian evaluation report published and its results communicated to the public

[5] The Latvian MER includes an assessment of the current situation in Latvia from 11 November 2017 to 15 November 2024, when the visit of MONEYVAL experts in Latvia was concluded.

OECD WGB Phase 4 evaluation of Latvia

In 2025, the Organisation for Economic Co-operation and Development Working Group on Combating Bribery (OECD WGB) launched the 4th evaluation phase of Latvia. In the evaluation, the FIU provided all the necessary information, both on the implementation of the recommendations contained in the previous evaluation and on the FIU's work in the fight against ML, especially when it involves bribery of foreign officials. According to the evaluation schedule, the OECD WGB experts' on-site visit will take place in January 2026, while the adoption of Latvia's 4th phase evaluation report at the OECD WGB plenary meeting is expected in June 2026.

Evaluation of Article IV of the IMF

The IMF is an international financial institution whose main objective is to ensure international financial stability and monetary cooperation. The IMF conducts annual reviews of countries' macroeconomic and financial stability through monitoring and Article IV consultations. These evaluations also focus on the area of AML/CTF/CPF. After the visit to Latvia, the report prepared by the IMF experts is reviewed and a public opinion on the macroeconomic situation is expressed by the Executive Board of the IMF. As part of the IMF Article IV consultations with Latvia, two meetings with IMF experts were held in 2025 under the leadership of Latvijas Banka, during which the FIU provided extensive information on the progress made in the field of AML/CTF/CPF and the implementation of sanctions, as well as information on the progress of the MONEYVAL 6th round evaluation. In the Article IV report of the IMF published in 2025, the IMF states that Latvia continues to make significant progress in strengthening the AML/CTF/CPF system. The IMF stresses that progress has been made in implementing the recommendations made within the framework of the IMF technical assistance project.

Communication and public awareness

10

Strategic approach

Communication was designed as a consistent, long-term work on three levels:

1. Public awareness and transparency

The FIU clearly explained its operating principles and highlighted the importance of outcomes, emphasizing that financial security is a shared public interest. Particular emphasis was placed on clarity, accuracy, and explanations that make complex topics understandable without professional jargon.

Publicly available information is reviewed cyclically and improvements are made to the websites **fid.gov.lv** and **sanctions.fid.gov.lv** to ensure that users can easily access the necessary information. At the same time, social media communication is adapted to the language understood by different target audiences, improving both the visual materials and the published text.

For example, the Frequently Asked Questions and Answers section on the implementation of sanctions is regularly reviewed and updated, supplementing it with explanations on the most pressing issues that arise for the subjects of sanctions and other parties involved. This ensures access to understandable, practical and up-to-date information on the sanction requirements, while promoting a common understanding of the implementation of sanctions and reducing uncertainties in their practical application.

2. Collaboration with partners and the common security space

Promoting cooperation and dialogue with LEA, the Prosecution Office and the private sector played an important role in the FIU's communication. This approach demonstrates to the public that significant security challenges are addressed in a coordinated rather than fragmented way.

The FIU participates in joint meetings of the institutions of the internal affairs system together with the Ministry of the Interior, the SP, SSS, and other LEAs to maintain a common understanding of public communication on security issues.

On a daily basis, work is carried out on the development of various informative materials, in cooperation with LEA and the Prosecution Office. Guidance is provided on the protection of intelligence activities, assessing each situation individually to determine what information and to what extent may be disclosed to the public in order not to violate the information protection restrictions established in the AML/CTF/CPF Law.

In order to explain the requirements for the implementation of sanctions, the FIU cooperates with the Ministry of Foreign Affairs and other involved authorities to inform the public as effectively and widely as possible about sanctions and related restrictions.

3. Reputation and credibility in an international context

The work of the FIU is closely linked to Latvia's credibility in the international financial system. Accordingly, international information exchange formats were used to demonstrate Latvia's ability to operate within the shared European and global security environment.

FIU representatives participate in international conferences and hold such events in Latvia in order to develop a common understanding of current financial crime risks and strengthen cooperation between public authorities, the private sector, and international partners. The conferences serve as a platform for knowledge exchange, professional discussion and experience comparison, thus helping Latvia to respond in a timely manner to evolving threats in the field of financial security.

Such measures contribute to a clearer understanding of the FIU's role and approach, strengthen trust in public institutions, and foster open, well-informed, and internationally relevant discussions on security issues.

Conference “Clean Earth, Clean Money: Unmasking environmental crimes and money laundering”

On 24-25 March 2025, the FIU organised an international conference on environmental crime and money laundering in Riga. The event brought together industry experts and opinion leaders to exchange practical knowledge and highlight the topic’s international significance.

The conference program focused on four main topics – crimes related to subsurface resources, waste management, forest management and fisheries.

Discussions highlighted the need to strengthen the understanding of environmental crime and the damage it causes, as well as to promote closer cooperation between the public and private sectors in combating international criminal networks.

At the same time, the importance of monitoring financial flows and improving indicators to detect suspicious transactions related to environmental crime and money laundering in a timely manner and to protect the environment and the financial system more effectively was emphasised.

The conference brought together around

150

participants from more than

20 countries

The audience was represented by FIU experts from different countries, LEAs, SCAs, public and private sector representatives, as well as international and industry experts. The event was organized in cooperation with the Icelandic FIU.

THE CONFERENCE WAS ORGANISED UNDER EUROPEAN ECONOMIC AREA FINANCIAL MECHANISM 2014-2021 PROGRAMME “INTERNATIONAL POLICE COOPERATION AND COMBATING CRIME” BILATERAL COOPERATION FUND FINANCING INITIATIVE “IMPROVEMENT OF KNOWLEDGE IN THE FIELD OF PREVENTION OF MONEY LAUNDERING, INCLUDING IN RELATION TO ENVIRONMENTAL CRIME” (AGREEMENT NO. EEA/DSF/FID/2024/1).

Iceland Liechtenstein Norway grants

Seventh annual sanctions conference “Guarding the Gate: Sanctions, Export Controls and Business Responsibilities”

On 6 November 2025, an international conference “Guarding the Gate: Sanctions, Export Controls and Business Responsibilities” organised by the FIU was held in Riga.
The conference addressed the issues of implementation of sanctions, export controls and business responsibilities, taking into account the impact of Russia’s full-scale war against Ukraine on international security.

The aim of the conference was to promote a common understanding of the effectiveness of sanctions and their role in limiting the aggressor’s capabilities, as well as to strengthen cooperation between the institutions involved.

The conference brought together a wide international audience of industry experts and opinion leaders from more than 20 countries, including the EU, the United Kingdom, the USA and Canada. Participants included representatives of the FIU of different countries, LEA officials, SCA representatives, as well as public and private sector experts who shared their experience and practical insights on the application of sanctions and related challenges.

Throughout the day, the conference brought together a record-breaking audience – more than 500 participants followed it remotely. The high international interest and the wide participation of foreign experts confirmed the recognition of the FIU’s accumulated expertise at the international level and Latvia’s growing role in the development of sanctions policy and implementation issues.

Digital communication

The FIU actively develops digital communication as a key tool for informing and engaging the public. Digital channels are used to clearly explain the FIU’s role, highlight key security issues, and ensure effective information exchange with diverse target audiences.

Channels and tools used

https://www.fid.gov.lv

72 news updates

115 thousand unique users visited the page

185 thousand views

www.sankcijas.fid.gov.lv

36 news updates

197 thousand unique users visited the page

1,096,170 views

Facebook.com

Total reach of Facebook posts:

77
thousand

Linkedin.com

Total reach of LinkedIn posts:

335,5
thousand impressions

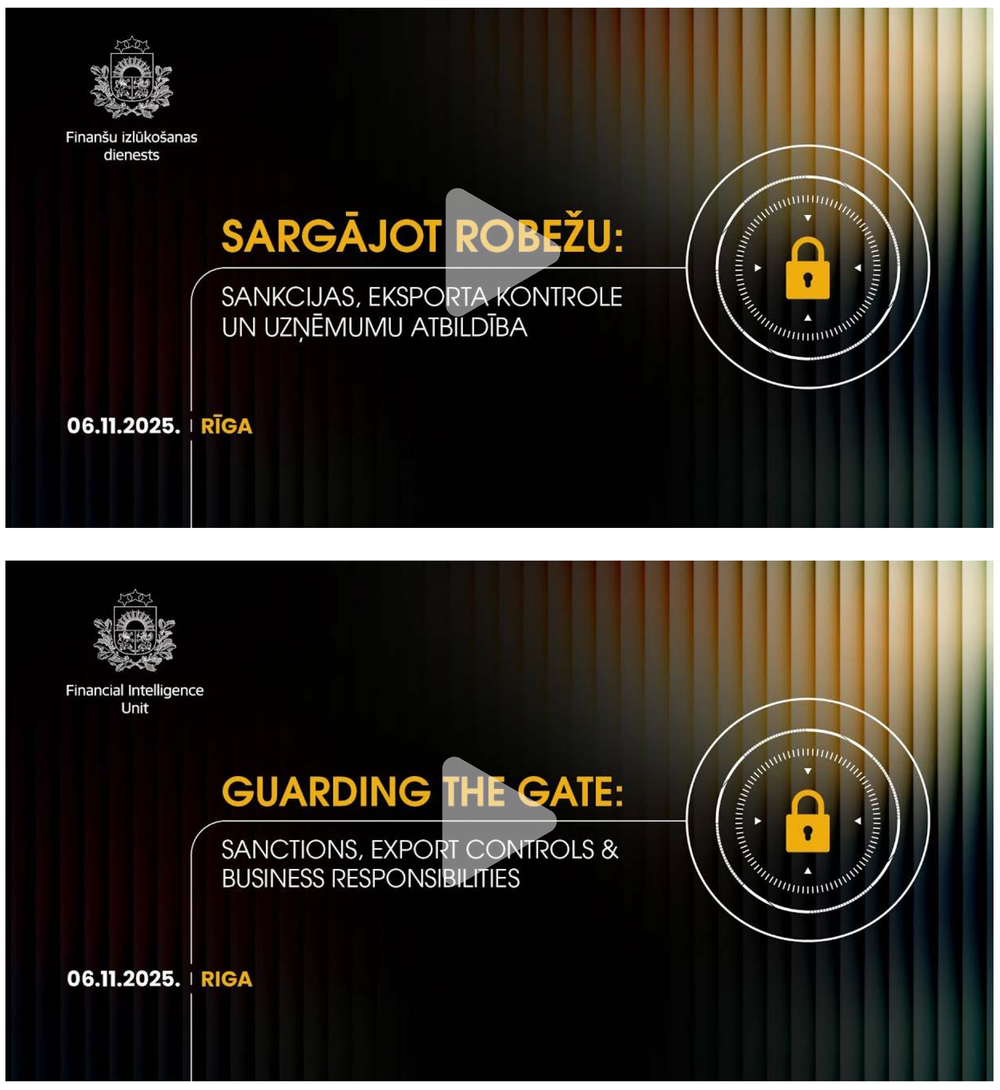
In 2025, the FIU actively used LinkedIn as its primary professional and international communication platform. The platform was used to engage industry experts, public sector representatives, and international partners by explaining the FIU's role in strengthening financial security and sharing updates on its activities.

Youtube.com

Top video content: International conference **"Guarding the Gate: Sanctions, Export Controls and Business Responsibilities"**

Conference recordings in Latvian and English have been viewed

4,8
thousand times



Cooperation with the media

In cooperation with the media, the FIU ensured timely, accurate, and fact-based information on the Unit's activities and current financial security issues.The provision of information was based on professional cooperation, prompt response and an open dialogue, explaining the role of the FIU in the protection of the national security and financial system, as well as providing updates on the risks associated with ML and the circumvention of sanctions.

The FIU produced various analytical and explanatory materials on the importance of financial system security and compliance with sanctions, providing the media with in-depth information at both national and international level. In 2025, cooperation with the public authorities was intensified in order to reach out to foreign media and expand the FIU's media contacts in an international environment. The information was prepared in both Latvian and English.

In 2025

153

responses and media interviews were provided

Public opinion poll

In order to ensure targeted public education and information ML risks, its relationship with other types of financial and organized crime, as well as the importance of compliance with sanctions, the FIU conducted a public opinion survey on the understanding, attitudes and behavioural trends of citizens on these issues. The aim of the study was to obtain relevant and representative information to support the further development of the communication strategy. The study involved 1,008 residents of Latvia.

The results of the poll indicate that there remains a high level of support in society as a whole for the fight against ML, and this support continues to grow. Residents' willingness to report sanctions violations has increased significantly, including when it involves relatives or acquaintances. At the same time, there has been a slight increase in the proportion of persons who admit that they could engage in or benefit from financial irregularities under certain circumstances, which indicates the need for further explanatory work on the consequences of such actions.

The majority of respondents are able to recognise typical ML risks, such as registering a business in someone else's name, transferring and withdrawing cash on behalf of third parties, or granting access to their bank account. More than two-thirds of the respondents associate ML with smuggling, tax evasion, drug trafficking, corruption, circumvention of sanctions, and human trafficking. However, 26% of the respondents still believe that ML occurs only through commercial banks and other financial institutions, suggesting an incomplete understanding of its diverse mechanisms.

Public understanding of the FIU's role has improved, with respondents more accurately recognising its functions in analysing suspicious transactions, supporting investigative authorities, and developing methodological guidance.

The results will inform future FIU communication activities, including the identification of priority target groups, the development of key messages, and the selection of the most effective channels for reaching target audiences.

Cooperation with the non-governmental sector

The FIU regularly engages with the non-governmental sector, raising awareness of the prevention of ML and strengthening cooperation with various professional and industry organisations. Cooperation with organisations representing finance and other business sectors includes the exchange of information, explanatory work and discussions on current risks and the application of the regulatory framework.

One of the most important FIU cooperation partners is the FLA. The FIU representatives regularly participate in the Association's working groups, where current risks, regulatory issues and financial crime prevention practices are discussed, as well as feedback on identified trends is provided.

The FIU also cooperates with other professional and industry organisations, such as the Latvian Association of Real Estate Transactions, the Fintech Latvia Association, the Latvian Association of Sworn Auditors and the Latvian Union of Local Governments, by organising training and explanatory activities on ML risks, signs of suspicious transactions and reporting obligations.

In 2025, cooperation with the non-governmental sector was also continued in the field of sanctions. The FIU cooperated with industry organisations, including the FLA and the LDDK, in the exchange of information on sanction implementation issues, as well as developed and explained guidelines on the management of sanctions risks in transactions with high-risk countries and organised public training for entrepreneurs.

Employees

14

Statistics

In 2025, the FIU had 92 positions, of which an average of 85 were filled throughout the year. A total of 851 candidates expressed interest in working at the FIU during recruitment processes, of whom 23 were hired.

23 recruited employees

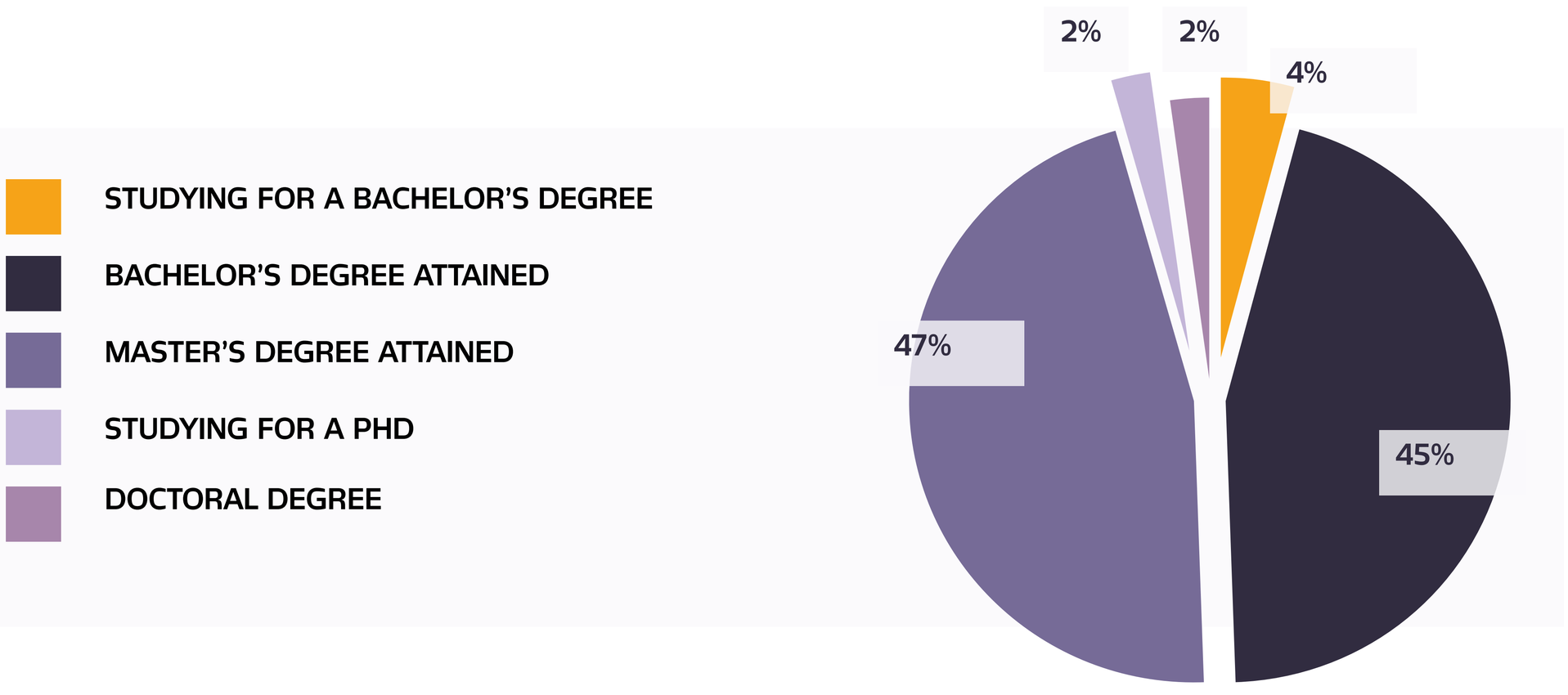
22 dismissed employees

5 trainees

85 average number of employees in 2025

The average age of the FIU employees is 36. At the end of the reporting period, the FIU employed 62% (52) women and 38% (32) men.

96% of the FIU employees have obtained at least one bachelor's degree, of which 51% have also obtained a master's degree and 2% a doctoral degree. In turn, 4% of employees are currently studying in bachelor's programs, while 2% are doctoral candidates. The FIU employees have mostly received higher education in law, finance and business management or other social sciences.



Growth in the FIU

In order to support the growth of employees, various professional development activities such as training, seminars, and experience exchange initiatives were organised in 2025. During 2025, the FIU employees attended about 180 different training events. As in other years, the FIU continued to develop managerial competencies and promote the mutual exchange of experience and feedback, as strong and knowledgeable leadership is one of the key factors in building a sustainable team.

Also in 2025, the FIU employees continued to improve their qualifications and obtain internationally recognised certificates, including the Certified Global Sanctions Specialist (CGSS) and Certified Anti-Money Laundering Specialist – Financial Crime Investigations (CAMS-FCI) certifications.

By the end of 2025, the FIU employees had obtained

22

internationally recognised field certificates

Achievements

During the reporting period, the FIU re-attained the status of the Family-Friendly Workplace programme of the Society Integration Foundation. This is another proof that the FIU is and continues to be a modern and growth-oriented workplace, whose long-term objectives include sustainable development, continuous improvement of internal processes and employee well-being. The FIU is one of 106 employers who attained this status for the first time or repeatedly in 2025, thus demonstrating a commitment to a motivating work environment and employees' work-life balance.

Improvements in work-life balance have also been positively assessed by the FIU employees. The annual well-being survey shows a positive trend – compared to 2024, when 52% of employees expressed satisfaction, in 2025 the work-life balance at FIU was positively evaluated by 77%.

In 2025, eight FIU employees were on parental leave.

Evaluating staff performance

During the reporting period, the FIU evaluated 69 employees, excluding those who had worked less than six months, had been absent for a long time or had recently returned from absence.

15% of employees received a “good” rating (meeting the requirements)

52% received a “very good” rating (exceeding the requirements)

33% of the rated employees received an “excellent” rating (significantly exceeding the requirements)

The training opportunities provided by the FIU and the work environment, which assesses the initiative and desire of employees to improve, have contributed to professional development, resulting in 15 employees being promoted in 2025.

Knowledge transfer

The FIU employees prove themselves as strong leaders in the field every year, actively sharing their professional experience and knowledge, conducting lectures and seminars for both Latvian and foreign audiences. In 2025, 38 FIU employees participated in 60 events, where they conducted various lectures and seminars, transferring both theoretical knowledge and best practice, thus contributing not only to strengthening the security of the Latvian financial system, but also international cooperation.

Internship opportunities

In order to promote the development of professional and practical knowledge of new experts, the FIU continued the Trainee Programme in 2025. In total, five trainees were enrolled who study in different fields. The trainees evaluated their experience in the FIU positively, stating that the internship would be recommended to future experts who are particularly interested in the AML field. Also in the summer of 2026, the FIU will announce the application for the Trainee Programme.

Financial management

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Funding and Use of Funds

The financing of the core functions of the FIU was ensured from the budget programme 43.00.00. “Operation of the Financial Intelligence Unit”. In addition, the following projects co-financed by EU policy instruments and other foreign financial assistance have been implemented.

→ In the budget sub-programme 74.00.00 “Implementation of Projects and Measures of the Recovery and Resilience Mechanism (RRM)”:

“Establishment of an AML Innovation Centre to Improve the Identification of ML” within Investment 6.2.1.1.i of Reform 6.2.1.r “Modernisation of ML Identification, Investigation and Judicial Processes of Economic Crime” of Reform and Investment Direction 6.2 “Identification of ML, Investigation of Economic Crime, Modernisation of Judicial Processes and Implementation of Preventive Actions” of Component 6 “Rule of Law” of the EU Recovery and Resilience Mechanism Plan (project No. 6.2.1.1.i.0/1/22/I/IEM/001). The aim of the project is to strengthen the identification capabilities of ML/TF/PF. Project implementation period: **until 25 March 2025.**

→ In the budget sub-programme 71.06.00 “Projects Financed by the European Economic Area and Norway Grants”:

Within the framework of the European Economic Area Financial Mechanism 2014-2021 Programme “International Police Cooperation and Combating Crime” Bilateral Cooperation Fund financing initiative “Improvement of Knowledge in the Field of AML, Including in Relation to Environmental Crime” (Project No. EEZ/DSF/FID/2024/1). The aim of the project is to strengthen the FIU’s capacity to recognise and respond to cases of ML, including those related to environmental crime, by setting up a joint working group for the development of typologies of such crimes and the exchange of knowledge and best practice. Project implementation period: **until 31 March 2025.**

→ In the budget sub-programme 70.19.00 “Implementation of Projects and Measures under the EU Research and Innovation Programme Horizon 2020”

“Intelligence and Security Professionals Network with Members of Industry and Academia”. The aim of the project is to develop methods and technologies to prevent cyberattacks in the digital environment, as well as to create an international network of security and intelligence unit practitioners. 30 partners from nine EU Member States participate in the project. Implementation period of the project: **until 31 August 2026.**

→ In the budget sub-programme 70.23.00 “Expenditures for the Implementation of Pro jects and Measures under other European Union Policy Instruments”:

“Strengthening of EU Asset Recovery and Sanctions Tracking against International High-Level Corruption”. The aim of the project is to strengthen the recovery of high-level corruption, sanctioned regime or sanctioned personal funds in the EU. The project covers eight EU Member States, representing all interested target groups. Implementation period of the project: **until 30 April 2025.**

“Development of Artificial Intelligence-based Ethical Solutions to Facilitate Cross-border Financial Investigations in Organised Crime Networks”. The aim of the project is to develop a set of risk assessment and investigation tools based on artificial intelligence, which fully complies with ethical and legal requirements and increases the capabilities of various public authorities (LEA, tax and competition authorities) to investigate organised crime networks, their business models in various financial areas, as well as to identify and analyse criminal assets. The project involves 15 partners and eight associate partners from 13 countries, including 11 from EU Member States. Implementation period of the project: **until 31 December 2026.**

The operating expenditure of the FIU in the budget programme 43.00.00 “Operation of the Financial Intelligence Unit” in 2025 was 6.71 million EUR, which is 95.8% of the annual plan and 1.1% or 0.07 million EUR less than in 2024.

The basis for the reduction is a 0.09 million EUR decrease in the funding allocated for the activity 1.8 “Strengthening the International Reputation of Latvia as a Country that Prevents the Use of its Financial and Non-financial System for ML/TF/PF in Accordance with FATF Standards and Latvia’s International Obligations” in accordance with the Cabinet Order of 13 December 2022 No. 940 “On the Plan of Measures for the Prevention of Money Laundering, Terrorism and Proliferation Financing 2023-2025”. In turn, the implementation of the priority measure “On the Exceptions Allowed by EU Legislation in the Application of Sanctions and on the Application of these Exceptions by the Competent Authorities of Latvia” in 2025 was allocated 1.37 million EUR (before the change in the appropriation – 1.38 million EUR), of which 1.31 million EUR or 84% were used.

In 2025, an annual public opinion poll was conducted on the operation of the FIU, citizens’ understanding of financial crimes and tolerance for them for EUR 6,031.85 (including VAT). Researcher – SIA “InnoMatrix”. The aim of the research was to find out the level of public awareness and tolerance to financial crimes, understanding of the activities of the FIU in the context of AML, evaluation of the tasks and effectiveness of the institutions involved in the AML system, the level of public confidence in the relevant institutions, as well as to assess citizens motivation for choosing financial services abroad and to understand the attitude of the Latvian society towards crypto-assets and related risks. The results of the research will be used by FIU in future public information activities, formulating key messages more precisely, choosing the most appropriate communication channels and tools, as well as preparing FIU strategic communication materials. The results of the research are available in the Research and Publications Database.

On the basis of the Protocol No. 26 of the Crime Assessment Council of 4 December 2024, the FIU has been granted funding in the amount of EUR 50,715 for the project “Strengthening FIU Capacity to Promote Combating Financial and Economic Crime by Ensuring the Development of ICT Security Infrastructure” of the measure “Fund for the Confiscation of Proceeds of Crime”, providing for its implementation by 20 December 2025. In turn, the deadline for the implementation of the 2023 measure “Strengthening FIU Capacity to Promote Combating Financial and Economic Crime by Ensuring the Development of ICT Security Infrastructure” (EUR 145,400) was extended until 26 May 2025. Both projects have been successfully implemented and all the objectives set have been achieved.

The largest project co-financed by EU policy instruments and other foreign financial assistance in 2025 was the Recovery and Resilience Mechanism (RRM) project “Establishment of an AML Innovation Centre to Improve the Identification of AML”, within the framework of which expenditure of EUR 0.3 million was made, which is 100% of the annual plan. Of the expenditures made, 69.8% consisted of capital investment and 30.2% of expenditures for goods and services. The implementation of the project has been completed and all objectives have been achieved.

This was followed by the initiative “Improvement of Knowledge in the Field of AML, including Identification of Environmental Crimes” funded by the European Economic Area and the Norway Grants Bilateral Cooperation Fund, under which expenditure of EUR 100,418 was made, which is 100% of the annual plan and EUR 67,453, or 304% more than in 2024. The implementation of the project has been completed and all objectives have been achieved.

The total expenditure of the FIU in 2025 was 7.12 million EUR, which is 95.8% of the annual plan and 4.3% or 0.32 million EUR less than the expenditure of 2024. Of the total expenditure, 61% consists of remuneration payments (57.2% in 2024), 31.5% – expenditure on goods and services (31.5% in 2024), and capital expenditure – 7.4% (11.2% in 2024).

The aim of the FIU budget programme is to ensure the implementation of measures for AML/CTF/CPF and the performance of statutory functions, as well as to prevent the use of the financial system of Latvia for ML.

	PLAN 2025	PERFORMANCE 2025	PERFORMANCE DEVIATION FROM THE PLANNED VALUE, %
Policy performance indicators			
In the MONEYVAL evaluation report on the Latvian AML/CTF/CPF system, Latvia's effectiveness in the field of financial intelligence (IO.6 – Financial Intelligence) improved compared to previous periods	2	2	0%
Performance indicators			
Financial analysis was carried out and information was transferred to LEAs as a result (number of cases)	399	612	+53%
In-depth analysis and referral to LEAs of particularly complex and voluminous high-priority cases (number)	23	35	+52%
Publicly available strategic analysis studies or materials on ML/TF/PF trends and typologies have been developed to improve methods for deterring and detecting such activities (number)	6	6	0%
Implemented machine learning/ artificial intelligence solutions that reduce the amount of manual, routine work and have an upward trend in the identification of new risk indicators (number)	2	2	0%
Centralised circulation of information related to the implementation of sanctions in the country, which ensures uniform and consistent implementation of sanctions and decision-making, the possibility of appealing decisions and bilateral cooperation with policy makers on sanctions, share of issues under consideration in the central sanctions implementation authority	95%	95%	0%

Internal control system, risk and information security management

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The FIU internal control system has been established on the basis of comprehensive core elements of the internal control system: control environment, work performance assessment, risk management, control activities, monitoring, effective information flow and mutual communication.

The control environment at the FIU ensures that the FIU's operations comply with the guidelines on the functional independence and autonomy of the FIU, as well as the Code of Ethics, while encouraging the involvement of staff members in the improvement of the internal control system. The FIU has an organisational structure that clearly defines responsibilities, authorities, assignment of responsibilities and reporting procedures.

The internal control system helps to ensure the performance of the tasks set by the institution in accordance with the strategic objectives thereof and in compliance with the requirements of the AML/CTF/CPF Law, the Sanctions Law, as well as other national laws and regulations, EU directives and international standards. The FIU is constantly improving processes, taking into account best practice and the experience of other financial intelligence units. In 2025, as part of the implementation of the FIU's Annual Internal Audit Plan, proposals were made for the improvement of the FIU's internal control environment.

The FIU has implemented and effectively maintains process management and supervision, planning and achievement of the institution's goals, risk management, as well as crisis communication management. Stakeholders are also identified, including LEAs, and integration of their requirements are included in the institution's operational strategy. Staff professionalism, involvement and awareness of management decisions are also essential in the operation of the FIU. Risk management is an essential part of the FIU governance processes and contributes to the achievement of the FIU objectives and the effective management of processes and projects. The FIU risk management focuses on identifying and reducing risks to an acceptable level, exploiting potential opportunities, and promoting compliance with the principles of good governance.

The FIU pays particular attention to the management of information and communication technology security, which is one of the FIU's constant priorities. This is necessary in order for the FIU's information and technological resources to be protected against external and internal security threats that may affect the confidentiality, integrity and availability of information, as well as to ensure the FIU's continuous and high-quality operation in accordance with the functions specified in laws and regulations.

In 2025, the FIU carried out a self-assessment of compliance with the National Cybersecurity Law and minimum cybersecurity requirements, as well as submitted a report to the National Cybersecurity Centre. A high level of compliance was identified and a plan was prepared to address the deficiencies.

Development plans and priorities for 2026

14

Strategic development, capacity building, and technological advancement

In 2025, the FIU continued to work on the strategic development and capacity building, focusing on several priority areas. Significant attention was devoted to coordinating and successfully completing the MONEYVAL 6th round evaluation, as well as initiating the development of the NRA for 2023-2025, which will allow to identify the current ML/TF/PF risks and determine future courses of action to mitigate them.

At the same time, the FIU continued to develop the institution's technological and analytical capacity, improving its ability to use the latest technological solutions and advanced analytical tools for financial intelligence analysis. This made it possible to speed up and improve the intelligence analysis process, ensure the reliability of the data, and strengthen the security of information processing.

Taking into account the MONEYVAL 6th round evaluation process, as well as the implementation of the new function – implementation of sanctions – since 1 April 2024, a new FIU operational strategy for 2026-2030 was developed in 2025. An innovative approach was used in the development of the strategy, with the broad involvement of all FIU employees. The employees participated in the SWOT analysis, as well as formulated strategic goals and key performance indicators. This approach ensures the co-responsibility of employees for the development of the institution and the further implementation of the strategy.

The new strategy is based on the FIU's mission: to safeguard the security of the country and the financial system, as well as **the vision: a secure and prosperous Latvia for a peaceful world.**

The strategy is based on four key priorities:

PRIMARY ACTIVITY – financial intelligence and implementation of sanctions

HUMAN CAPITAL DEVELOPMENT

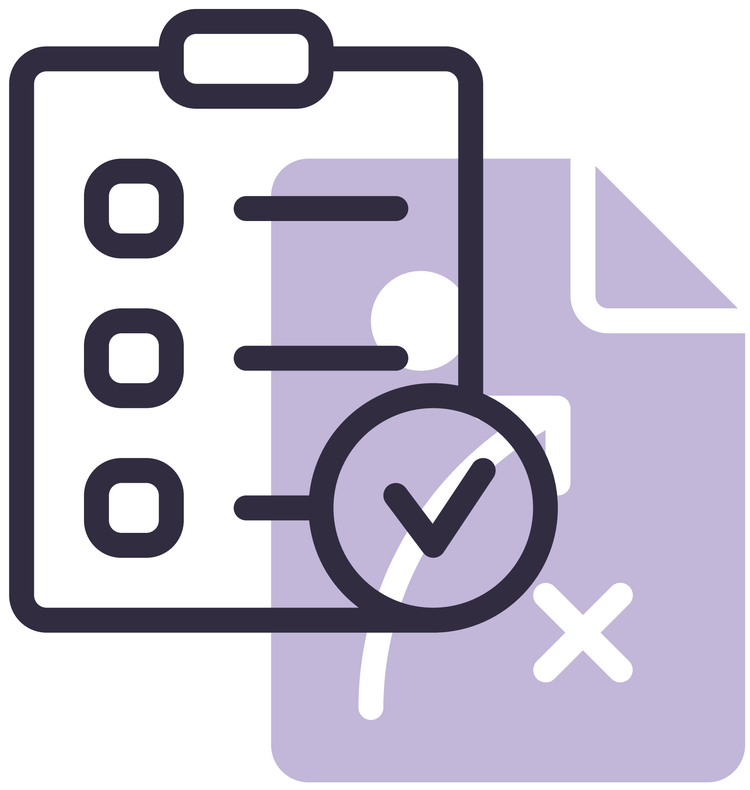
MANAGEMENT OF WORK PROCESSES AND DEVELOPMENT OF TECHNOLOGIES

STRENGTHENING COOPERATION

The strategy envisages further strengthening the quality of financial intelligence and its use in financial crime investigations, ensuring effective implementation of sanctions in Latvia, developing professional and digital competencies of employees, improving internal processes and technological solutions, as well as deepening cooperation with national and international partners. The goal of the FIU remains unchanged – to be a world-class institution that effectively protects Latvia and its citizens from financial crimes and strengthens the security of the country's financial system.

In line with the FIU's Operational Strategy 2026, the priority action lines are:

- → Publication of the NRA for 2023-2025 and ensuring the understanding of the obligated entities under the AML/CTF/CPF Law and responsible institutions about the ML/TF/PF risks inherent in their activities.
- → Communication of MONEYVAL 6th round evaluation results to responsible institutions, sectors and society as a whole, as well as evaluation and integration of these results into national policy planning documents.
- → Further strengthen the effectiveness of financial intelligence and sanction implementation by improving analytical capacity, developing cooperation with investigative institutions, the private sector and international partners, as well as modernising internal processes and technological solutions to ensure high-quality financial intelligence for combating financial crimes and effective implementation of sanctions in Latvia.



Abbreviations

AML – Anti-money laundering

AML/CTF/CPF Law – Law on the Prevention of Money Laundering and Terrorism and Proliferation Financing

AMLA – The EU Authority for Anti-Money Laundering and Countering the Financing of Terrorism

AMLIH – AML Innovation Centre

CAMS – Certified Anti-Money Laundering Specialist qualification

CCAS – Certified Cryptoasset Anti-Financial Crime Specialist qualification

CCG – The Cooperation Coordination Group

CGSS – Certified Global Sanctions Specialist Qualification

CPCB – Corruption Prevention and Combating Bureau

ECA – European Court of Auditors

ECCD – Economic Crime Combating Department of the State Police

Egmont Group – International Organisation of Financial Intelligence Units

EPPO – European Public Prosecutor's Office

EU – European Union

FAQ – Frequently Asked Questions

FATF – Financial Action Task Force

FIOD – Netherlands Fiscal Information and Investigation Service

FIU – Financial Intelligence Unit

FLA – Finance Latvia Association

goAML – A specialised system used by financial intelligence units to process information about suspicious financial transactions

IMF – International Monetary Fund

ISB – Internal Security Bureau

LDDK – Employers' Confederation of Latvia

LEA – Law enforcement agency

LPG – Liquefied Petroleum Gas

MER – Mutual Evaluation Report

ML – Money laundering

ML/TF – Money Laundering and Terrorism Financing

ML/TF/PF – Money laundering and terrorism financing and proliferation financing

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

NATO – North Atlantic Treaty Organisation

NRA – The National ML/TF/PF Risk Assessment Report

OCCD – Organised Crime Combating Department of the State Police

OECD WGB – Organisation for Economic Co-operation and Development Working Group on Bribery

OFSI – British Office of Financial Sanctions Implementation

OpCen – Operational Centre

OSCSCED – Organised and Serious Crime and Serial Crime Enforcement Department of the State Police

OTSI – Office of Trade Sanctions Implementation

PF – Proliferation financing

Sanctions Law – Law on International Sanctions and National Sanctions of the Republic of Latvia

SCA – Supervisory and control authorities

SCC – Sanction Coordination Council

SP – State Police

SRS – State Revenue Service

SRS CD – State Revenue Service Customs Department

SSS – State Security Service

TCD – Tax and Customs Police. Previously **SRS TCPD** – Tax and Customs Police Department of the State Revenue Service

TF – Terrorism financing

UN – United Nations

UNODC – United Nations Office on Drugs and Crime

USA – United States of America

Annexes

Pursuant to Section 51(1)(10) of the AML/CFT/CFP Law, the FIU is, inter alia, obliged to:

“Compile and publish information on the work results of the Financial Intelligence Unit of Latvia by indicating the number of cases investigated and the number of persons transferred for criminal prosecution during the previous year, the number of persons convicted for the criminal offences related to money laundering or terrorism and proliferation financing, the amount of the funds seized and confiscated”.

64
criminal proceedings initiated based on the FIU materials

151
FIU materials added to existing criminal proceedings

EUR **869,552.04**
frozen after the FIU orders*

EUR **843,834.57**
amount of seized funds following the FIU freezing

In 2025

EUR 41,965,245.47
were recognised as criminal in criminal proceedings for money laundering

including

EUR 41,114,672.23
in criminal proceedings initiated on the basis of material sent by the FIU

Prosecution has been initiated against

308
persons for ML

170
persons convicted of ML

* Value of financial instruments not included

Financing and its use

No.	Financial indicators	Previous year (actual implmt.)	Reporting year	
			approved by law with changes [1]	actual implementation
FIU total				
1.	**Financial resources for cost covering (total)**	**7,418,005**	**7,285,086**	**6,993,303**
1.1.	subsidies	7,355,636	7,265,462	7,265,462
1.2.	paid services and other own revenue	0	2,500	0
1.3.	foreign financial aid	11,654	17,124	5,229
1.4.	transfers	50,715	0	0
2.	**Costs (total)**	**7,439,791**	**7,432,686**	**7,119,515**
2.1.	maintenance costs (total)	6,609,625	6,861,859	6,589,395
2.1.1.	current costs	6,602,794	6,851,028	6,581,835
2.1.4.	current payments to the budget of the European Community and international cooperation	6,831	10,831	7,560
2.2.	costs for capital investment	830,166	570,828	530,120
43.00.00 “Operation of the FIU”				
1.	**Financial resources for cost covering (total)**	**6,753,550**	**6,864,224**	**6,586,109**
1.1.	subsidies	6,702,835	6,861,724	6,586,109
1.2.	paid services and other own revenue	0	2,500	0
1.4.	transfers	50,715	0	0
2.	**Costs (total)**	**6,782,501**	**6,998,664**	**6,704,953**
2.1.	maintenance costs (total)	6,483,938	6,637,615	6,384,611
2.1.1.	current costs	6,477,107	6,629,615	6,378,167
2.1.4.	current payments to the budget of the European Community and international cooperation	6,831	8,000	6,444
2.2.	costs for capital investment	298,563	361,049	320,342

70.19.00 “Implementation of Projects and Measures under the EU Research and Innovation Programme Horizon 2020”				
1.	**Financial resources for cost covering (total)**	**0**	**6,897**	**3,329**
1.3.	foreign financial aid	0	6,897	3,329
2.	**Costs (total)**	**2,000**	**12,606**	**3,329**
2.1.	maintenance costs (total)	2,000	12,606	3,329
2.1.1.	current costs	2,000	12,606	3,329
70.23.00 “Expenditures for the Implementation of Projects and Measures under other European Union Policy Instruments”				
1.	**Financial resources for cost covering (total)**	**11,654**	**12,939**	**2,840**
1.1.	subsidies	0	2,712	940
1.3.	foreign financial aid	11,654	10,227	1,900
2.	**Costs (total)**	**2,489**	**20,390**	**10,207**
2.1.	maintenance costs (total)	2,489	20,390	10,207
2.1.1.	current costs	2,489	17,559	9,091
2.1.4.	current payments to the budget of the European Community and international cooperation	0	2,831	1,116
71.00.00 “Implementation of Programmes, Projects and Measures financed by the European Economic Area and Norway Grants				
1.	**Financial resources for cost covering (total)**	**32,965**	**100,418**	**100,418**
1.1.	subsidies	32,965	100,418	100,418
2.	**Costs (total)**	**32,965**	**100,418**	**100,418**
2.1.	maintenance costs (total)	32,965	100,418	100,418
2.1.1.	current costs	32,965	100,418	100,418
74.00.00 “Implementation of Projects and Measures of the Recovery and Resilience Mechanism (RRM)”				
1.	**Financial resources for cost covering (total)**	**619,836**	**300,608**	**300,608**
1.1.	subsidies	619,836	300,608	300,608
2.	**Costs (total)**	**619,836**	**300,608**	**300,608**
2.1.	Maintenance costs (total)	88,233	90,830	90,830
2.1.1.	current costs	88,233	90,830	90,830
2.2.	costs for capital investment	531,603	209,778	209,778

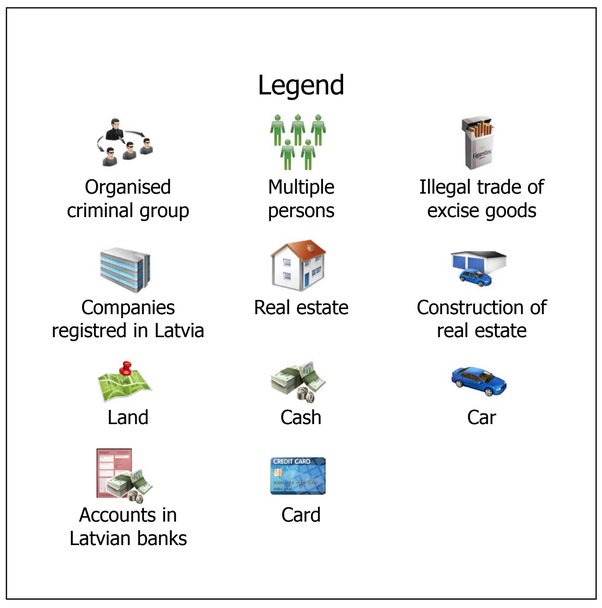
[1] Taking into account changes in appropriation.

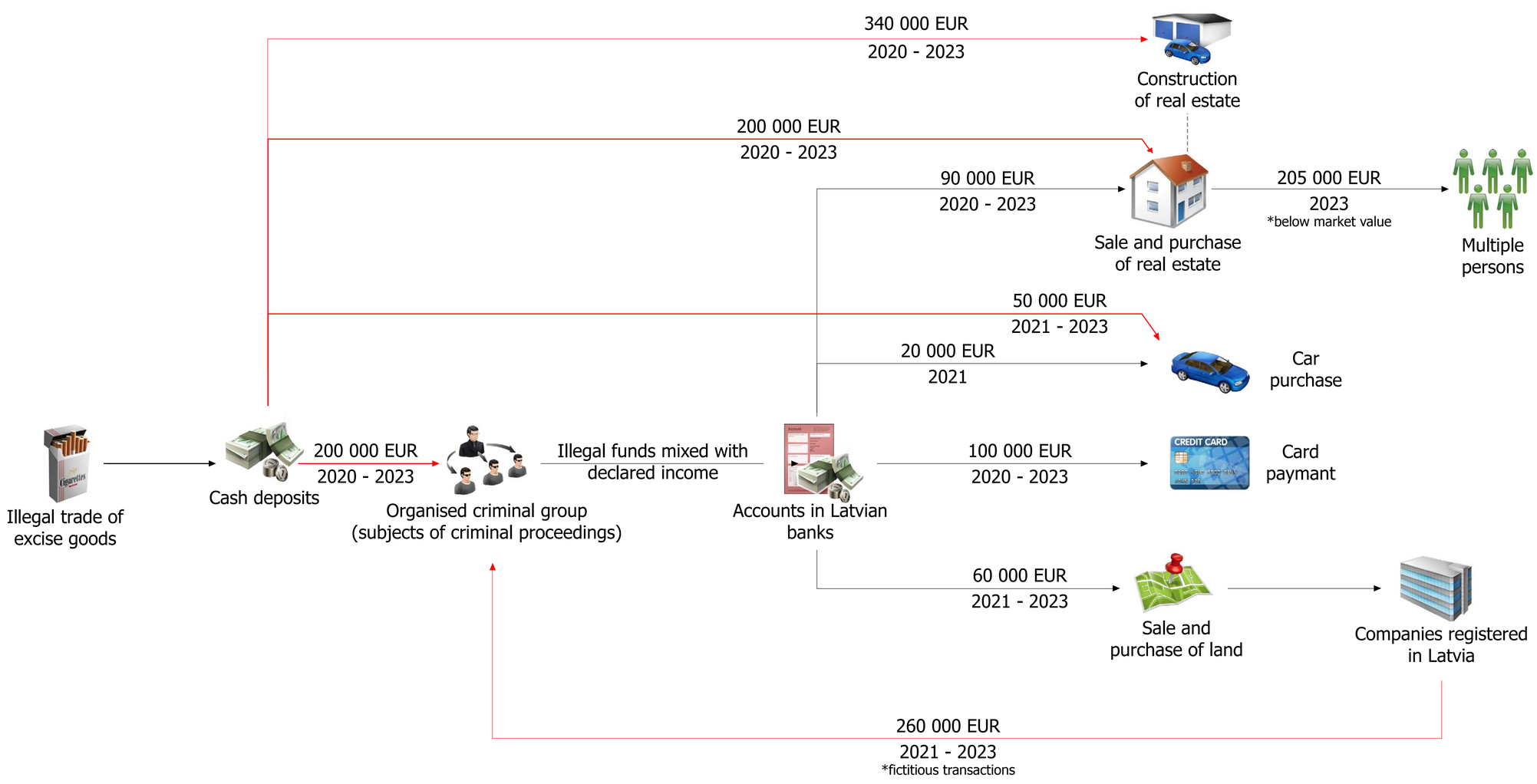
Examples of a ML schemes

Case No. 1: Illicit Trade in Excise Goods and ML

An organised group, using accounts with Latvian credit institutions, carried out money laundering of funds obtained from a criminal offence. Regular cash deposits were detected in the accounts of natural persons over a long period of time.

The illicit proceeds were mixed with legal income and used for the purchase of real estate and movable property, investments in real estate improvement and construction, as well as daily settlements. At the same time, money laundering was carried out through fictitious transactions with legal persons and declaring fictitious income. After natural persons involved became subject to criminal proceedings, the real estate was sold at a price below market value in order to disguise the criminal origin of the funds and hide the beneficial owner of the property.



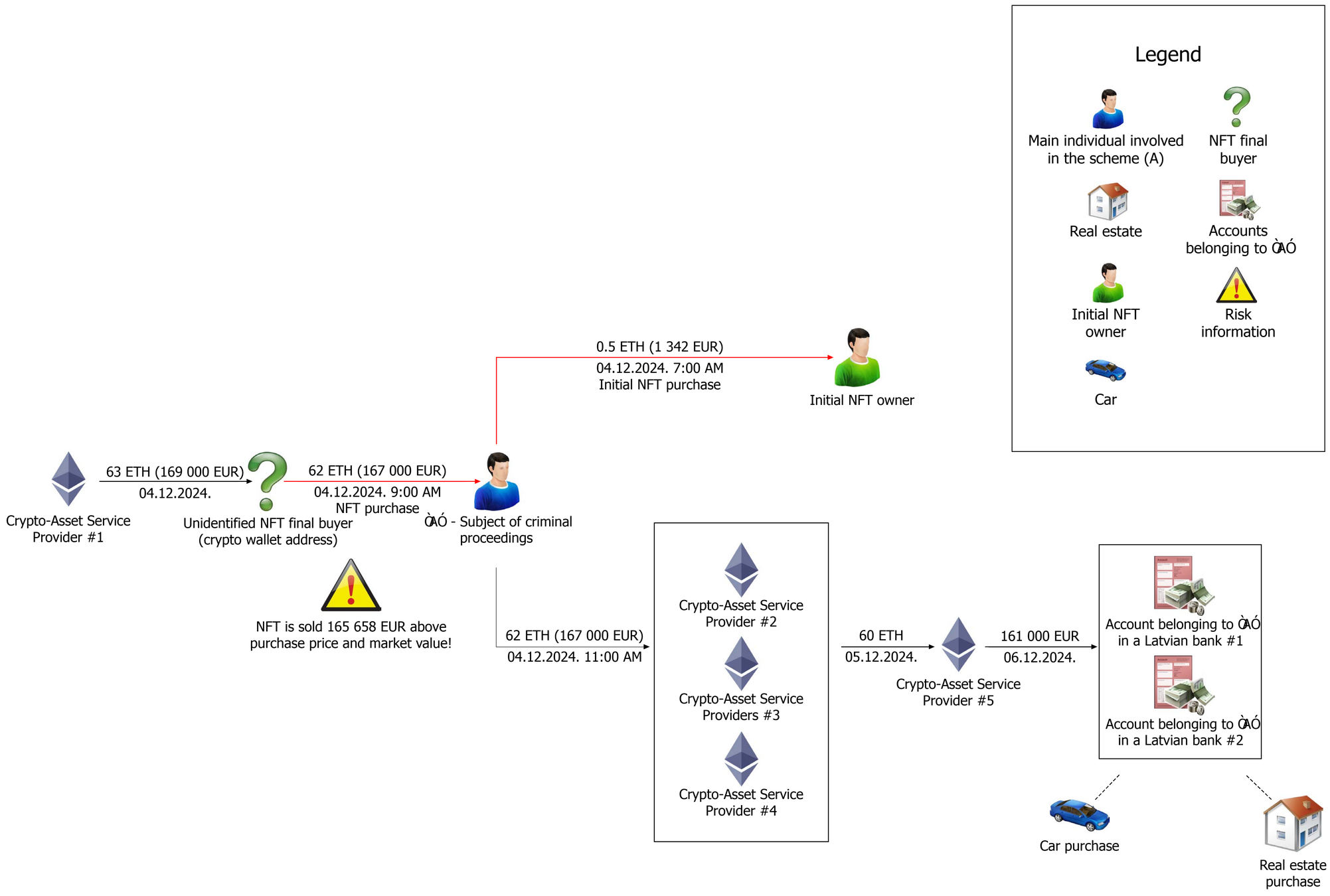


Case No. 2: Fictitious NFT trading and ML

Using crypto-asset addresses and accounts held in a Latvian credit institution, a natural person created a scheme to launder criminal proceeds under the cover of fictitious, artificially expensive trade transactions with non-fungible tokens (NFT).

A natural person A, historically involved in several criminal proceedings, carried out an NFT acquisition transaction in the amount of 0.5 ETH (1,342 *euros*) in December 2024. A few hours later, the NFT was sold significantly above its purchase price and market value (62 ETH or 167,000 *euros*). The funds used in the transaction were received in the final buyer's crypto-asset address via transit from a high-risk crypto-asset service provider.

The funds obtained as a result of the fictitious NFT sale transaction were transferred through several crypto-asset service providers to accounts held by person A in a Latvian credit institution (ML stage 2 – layering). Subsequently, real estate and vehicle acquisition transactions were made from these accounts (ML stage 3 – Integration).

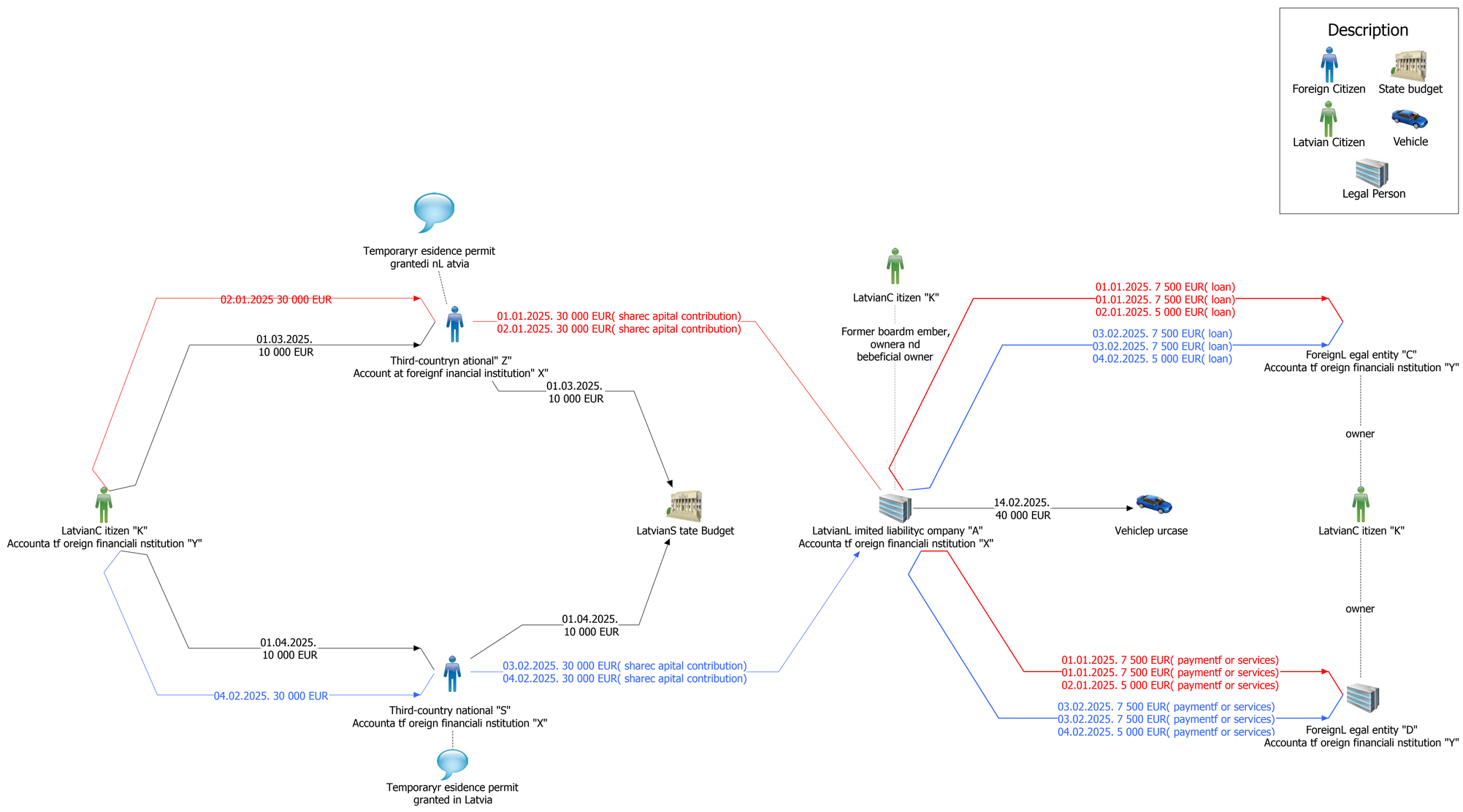


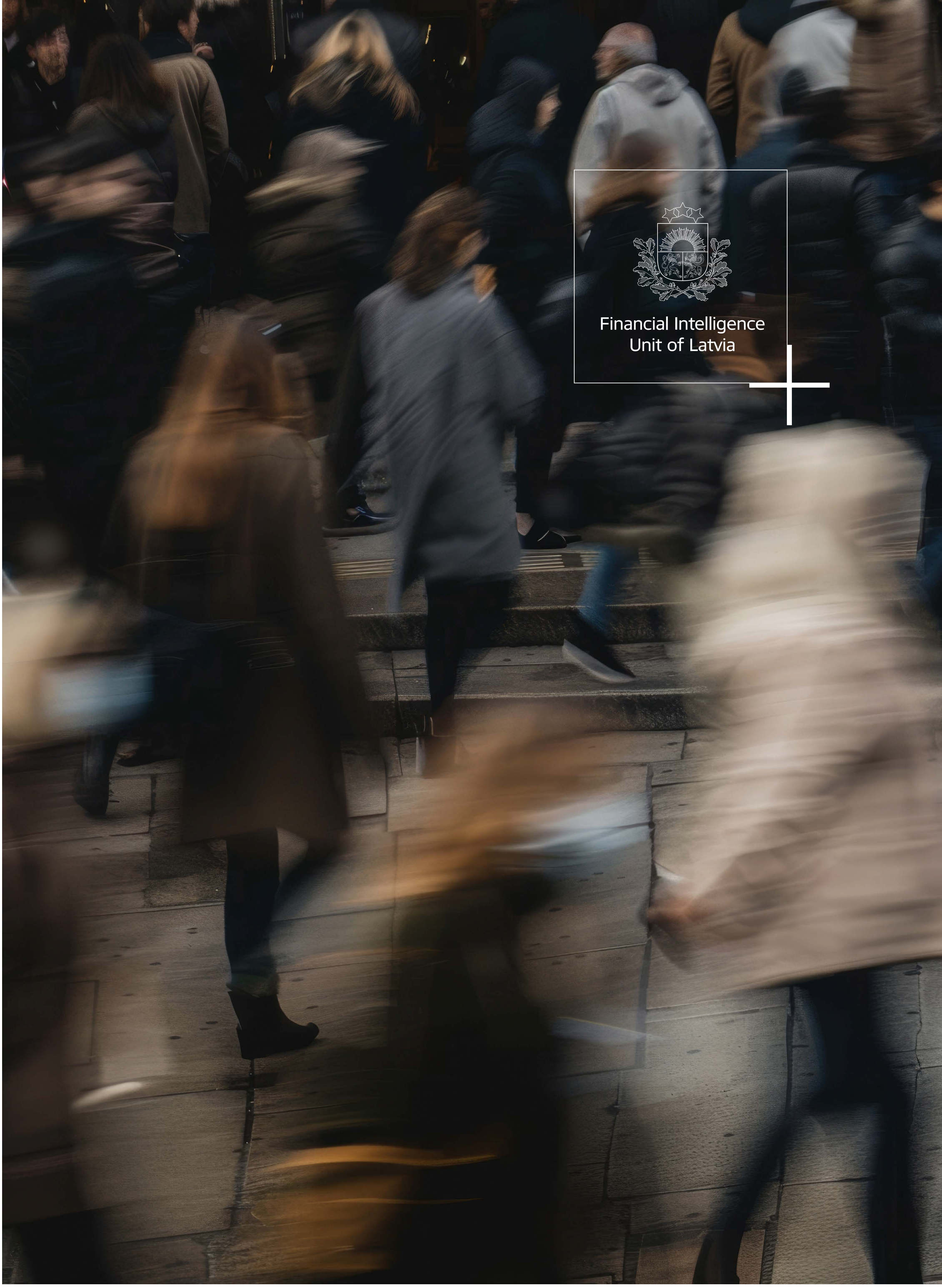
Case No. 3: Fictitious investments in the share capital of a legal entity and ML

A Latvian citizen, acting in bad faith and for remuneration, offered to ensure the issuance of temporary residence permits in Latvia f to third-country nationals by making fictitious investments in the share capital of a legal entity registered in Latvia without the intention of organising real economic activity.

Following each transfer of the part of the investment to the account of the legal entity registered in Latvia, the funds were distributed and transferred further to the accounts of two other legal persons owned by the Latvian citizen, registered abroad, disguising them as loans and payment for services. Subsequently, the Latvian citizen transferred funds from his account to third-country nationals in the amount of part of the investment, after which third-country nationals transferred the remaining part of the investment to the account of the legal entity registered in Latvia. Thus, a misconception was created that the investment in the share capital was made to the extent required by the Immigration Law for obtaining a temporary residence permit. Part of the funds was repeatedly transferred to the foreign legal persons owned by the Latvian citizen. In turn, the Latvian citizen transferred funds from his account to third-country nationals, which were then paid into the state budget for the purpose of obtaining a temporary residence permit.

The remaining funds held in the account of the Latvia legal entity, originating from fictitious investments and are considered to have been obtained by crime, were converted into other values by purchasing a vehicle.





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