

# Republic of Tajikistan: Third follow-up report (without re-ratings)



**JUNE  
2022**

1. The Mutual Evaluation Report (hereinafter the MER) of the Republic of Tajikistan (RT) was adopted on November 16, 2018 and posted on the EAG website after it was endorsed by the FATF as complying with the international standards of quality and consistency of FATF reports. The first Follow-up Report of the Republic of Tajikistan (without request for re-rating) was presented at the 31st EAG Plenary Meeting in November 2019.

2. The second Follow-up Report of the Republic of Tajikistan (with request for re-rating) was presented and considered at the 34th EAG Plenary Meeting in June 2021, as a result of which the technical compliance rating with FATF Recommendation 7 was upgraded (from non-compliant up to partially compliant) and the technical compliance ratings with FATF Recommendations 16 and 35 were also upgraded (from partially compliant up to largely compliant).

3. This Follow-up Report (hereinafter the FUR) presents the information on the progress made by the Republic of Tajikistan since June 2021 until April 2022 in addressing the technical compliance deficiencies identified in the MER and in improving the effectiveness of the national AML/CFT system. Besides that, the Report contains also information on changes in the national AML/CFT system made following the revision of and updates to the FATF Recommendations that were adopted after the on-site visit to the Republic of Tajikistan.

**4. This Report is presented to the EAG for information, and the Republic of Tajikistan does not request technical compliance re-rating for any of the FATF Recommendations.**

## II. FINDINGS OF THE MUTUAL EVALUATION REPORT

5. The MER and the second FUR rated the effectiveness and technical compliance of the Republic of Tajikistan with the FATF Recommendations as follows:

**Table 1: Effectiveness Ratings<sup>1</sup>:**

IO.1	IO.2	IO.3	IO.4	IO.5	IO.6	IO.7	IO.8	IO.9	IO.10	IO.11
SE	SE	ME	ME	ME	ME	LE	ME	SE	ME	LE

**Table 2: Technical Compliance Ratings<sup>2</sup>:**

R.1	R.2	R.3	R.4	R.5	R.6	R.7	R.8	R.9	R.10
LC	C	PC	LC	LC	PC	PC	PC	C	LC
R.11	R.12	R.13	R.14	R.15	R.16	R.17	R.18	R.19	R.20
LC	PC	LC	LC	PC	LC	NA	LC	LC	C
R.21	R.22	R.23	R.24	R.25	R.26	R.27	R.28	R.29	R.30
C	PC	LC	LC	PC	PC	LC	PC	C	LC
R.31	R.32	R.33	R.34	R.35	R.36	R.37	R.38	R.39	R.40
C	LC	LC	LC	LC	C	LC	PC	LC	LC

6. Given the mutual evaluation outcomes, the EAG placed the Republic of Tajikistan in the enhanced follow-up.

## III. OVERVIEW OF PROGRESS TO IMPROVE TECHNICAL COMPLIANCE

7. This Section summarizes the measures implemented by the Republic of Tajikistan

- a) to address the technical compliance deficiencies identified in the MER,
- b) to ensure technical compliance with the updated FATF Recommendations that came into effect after the completion of the on-site visit to the Republic of Tajikistan.

<sup>1</sup> SE – substantial level of effectiveness, ME – moderate level of effectiveness, LE – low level of effectiveness

<sup>2</sup> C - compliant, LC - largely compliant, PC - partially compliant, NC – non-compliant, NA – not applicable

### 3.1. PROGRESS TO ADDRESS TECHNICAL COMPLIANCE DEFICIENCIES IDENTIFIED IN THE MER

8. After submission and consideration of the second FUR of the Republic of Tajikistan, the following AML/CFT/CPF-related laws and regulations were adopted in Tajikistan since June 2021 until April 2022:

#	Laws and Regulations	Scope
1.	RT <i>Law on Combating Terrorism</i> No.1808 dated December 23, 2021	R.6
2.	RT <i>Law on Amendments and Modifications into the Law of the Republic of Tajikistan on Public Notaries</i> No.1788 dated June 25, 2021	R.28
3.	RT <i>Law on Amendments and Modifications into the Law of the Republic of Tajikistan on Auditors' Activities</i> No.1797 dated June 25, 2021	R.28
4.	Order No.5-39 of the RT General Prosecutor dated 20.04.2021 <i>on Approval of Instruction on Property (Parallel Financial) Investigation Procedure</i>	R.30 IO.6-8
5.	Order No.5-83 of the RT General Prosecutor dated 29.01.2021 <i>on Amendments and Modifications into Instruction No.5-12 on Provision of Legal Assistance in Criminal Matters, Extradition and Transfer of Convicted Persons dated 24.05.2016</i>	R.37 R.39
6.	<i>Instruction on Establishment of Internal Control System in Credit Institutions</i> No. 247 adopted by RT National Bank Board Resolution No.168 dated November 19, 2021(the Instruction was registered with the Ministry of Justice of the Republic of Tajikistan on December 27, 2021, Reg.No.1111)	R.1 R.13
7.	<i>Guidance on Identifying and Reporting Suspicious Transactions and Deals</i> adopted by RT National Bank Board Resolution No.11 dated February 21, 2022	IO.6
8.	The <i>Compliance Council Statute</i> adopted by Resolution No.18 passed at the meeting of the Standing Interagency AML/CFT Commission on December 30, 2021	IO.4

9. Besides that, with a view to eliminating the deficiencies identified in the MER, the following draft laws were developed under the *Action Plan of the Republic of Tajikistan to Address Technical Compliance Deficiencies and Improve Effectiveness of AML/CFT System* approved by the Prime Minister on April 4, 2019:

- new revision of the draft RT *Law on Combating Legalization (Laundering) of Criminal Proceeds, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction* was developed with the support of the International Monetary Fund and is currently being reviewed by the relevant divisions of the National Bank of Tajikistan;

- draft RT *Law on Amendments and Modifications into the Law of Republic of Tajikistan on Securities Market* was developed and disseminated to the relevant national ministries and agencies for review and approval;

- draft RT *Law on Amendments and Modifications into the Law of Republic of Tajikistan on Postal Services* was developed and disseminated to the relevant national ministries and agencies for review and approval;

- draft RT *Law on Operation of Betting Offices, Sweepstakes and Lotteries* was developed and is currently being reviewed by the Government of the Republic of Tajikistan.

#### Recommendation 1 (originally rated LC)

10. *Instruction on Establishment of Internal Control System in Credit Institutions* No. 247 was adopted by RT National Bank Board Resolution No.168 dated November 19, 2021(the Instruction was registered with the Ministry of Justice of the Republic of Tajikistan on December 27, 2021, Reg.No.1111).

This Instruction was developed with the assistance of the World Bank and establishes the minimum requirements for arranging the risk management and internal control system, *inter alia*, for AML/CFT/CPF

purpose, by credit institutions. In particular, the Instruction requires credit institutions to establish the compliance risk management system with three lines of defense (all personnel; compliance control unit; and independent assessment of current market situation, strategy, size and complexity of transactions).

Besides that, with a view to arranging the ML/TF/PF risk management mechanisms, the Instruction (par.13.1.5.2) requires credit institutions to develop a risk assessment program which should include (but not limited to):

- a) A methodology of assessment of ML/TF/PF risks with due consideration for the main risk elements (customer risk, service risk and geographical risk factors) to determine:
  - degree of risk posed by customers;
  - extent of exposure of products (services) offered by a credit institution to ML/TF/PF risks;
- b) A procedure of monitoring, management and review (at least on a quarterly basis) of customer risks and extent of susceptibility of products (services) to ML/TF/PF risks;
- c) A procedure of assigning risk ratings to customers as well as timelines and grounds for reviewing and updating the level of risks assigned to customers;
- d) A procedure of recording and monitoring ML/TF/PF risk assessment results (measures aimed at mitigation of ML/TF/PF risks in the process of elaborating a development strategy, introducing new products (services), training of personnel and practical implementation of risk mitigation decisions);
- e) A procedure of reviewing (at least once a year) the effectiveness of the risk assessment program by comparing the ML/TF/PF risk assessment results with the results of AML/CFT/CPF audits conducted by the internal audit unit and (or) the designated agency.

11. The work is underway to prepare for the national assessment of ML/TF risks (NRA) in the Republic of Tajikistan with the technical support provided by the OSCE Program Office in Dushanbe. The following work has been done for conducting the NRA:

- the OSCE Program Office in Dushanbe engaged the international expert for supporting the NRA exercise;
- the upcoming NRA exercise was considered and discussed at the meeting of the Standing Interagency AML/CFT/CPF Commission in December 2021 and at the meeting of the NRA Working Group in February 2022;
- the questionnaires were developed for the law enforcement, supervisory and other government authorities and the private sector with a view to collecting information required for the NRA;
- the statistics and other data required for the NRA are being collected.

12. Besides that, the work is underway for conducting the sectoral assessments (SRA) of ML/TF risks faced by the institutions supervised by the National Bank of Tajikistan, in the credit and insurance institutions sectors in particular, with the technical support of the International Monetary Fund. The following work has been done for conducting the SRA:

- the international expert was engaged for supporting the SRA exercise;
- the information required for conducting the SRA was collected through the questionnaires disseminated to and completed by the credit and insurance institutions.

**Recommendation 6 (rated PC in the second FUR)**

13. RT *Law on Combating Terrorism* No.1808 dated December 23, 2021 defines the basic counter-terrorism principles, establishes the institutional and legal framework for preventing and suppressing terrorism, determines the procedure of coordination of efforts of the government authorities involved in combating terrorism, and defines the rights and duties of natural and legal persons in the fight against terrorism.

According to Article 20 of this Law, the National Bank of Tajikistan is designated, along with other government authorities, as the agency responsible for combating terrorism.

With a view to preventing terrorist activities, paragraphs 6 and 9 of Article 6 of this Law prohibit direct or indirect provision or collection of assets (funds) intended to be used in full or in part for pursuing terrorist activities (or) knowing that such assets (funds) will be used for carrying out terrorist activities, as

well as other deliberate actions that create enabling environment for terrorist activities. The definition of “terrorist activity” in Article 1 of the Law includes, *inter alia*, the financing of terrorist organizations and/or individual terrorists.

14. Besides that, the amendments and modifications into the *Procedure of freezing and unfreezing on funds or other assets of designated individuals and entities included in the list of persons linked to terrorism* (adopted by RT Government Resolution No.129 dated March 29, 2019) are being drafted.

#### **Recommendation 8 (originally rated PC)**

15. In 2020, with a view to determining the nature of threats posed to NPOs by terrorist organizations and the ways and methods of potential abuse of NPOs by terrorists, the Interagency Working Group under the Ministry of Justice was established pursuant to the decision of the Standing Interagency AML/CFT/CPF Commission. This Working Group is composed of representatives of the relevant ministries and government agencies and engages representatives of NPOs and private sector in its work as necessary. Several meetings of the Working group were held in 2020-2021.

16. In June 2021, the UN Office of Counter-Terrorism (UNOCT) provided the *Action Plan for Implementing FATF Recommendation 8* for assessing threats posed to NPOs by terrorist organizations. This Plan includes a set of actions aimed at eliminating the deficiencies in implementation of Recommendation 8 identified in the MER. The Plan was agreed by all relevant national ministries and agencies that supported its implementation.

The virtual meeting of the representatives of the UNOCT and the members of the aforementioned Interagency Working Group was held on March 9, 2022 to discuss the Plan and consider further steps for its implementation. In the course of the meeting, the representatives of the Interagency Working Group proposed to revise certain items of the Plan to more clearly reflect and articulate the goals and objectives set out in the Plan.

#### **Recommendation 13 (originally rated LC)**

17. Paragraph 13.1.5.2 of *Instruction on Establishment of Internal Control System in Credit Institutions* No.247 stipulates the following:

“Prior to establishing correspondent banking relationships with a given respondent institution, the policies and procedures of a credit institutions related to opening corresponding accounts shall include the following measures:

- Collect information about a respondent institution and about nature of its business and its organizational structure;
- Determine from publicly available information the reputation of a respondent institution and the quality of supervision, including whether it has been recently subject to a money laundering, terrorist financing and proliferation financing investigations or supervisory actions or sanctions;
- Determine whether a respondent institution has a reliable AML/CFT/CPF control system;
- Determine the existence and monitor the use of correspondent accounts that could be used as “payable-through-accounts” for money laundering or terrorist financing purposes;
- Identify the country where a respondent institution is registered, and whether it is included in the list of countries that do not or insufficiently comply with the FATF Recommendations.

In the framework of correspondent relationships, that include maintenance of “payable-through-accounts”, credit institutions shall comply with the following requirements to be satisfied that:

- A customer (a respondent institution) has conducted CDD on the customers having direct access to accounts of the correspondent institution;
- A respondent institution is able to provide relevant CDD information upon request to the correspondent institution”.

#### **Recommendation 28 (originally rated PC)**

18. RT Law No.1788 dated June 25, 2021 introduced amendments and modifications into the RT *Law on Public Notaries*. In particular, Articles 5, 10, 24 and 28 of the aforementioned Law were amended to define the powers of the government agency responsible for AML/CFT/CPF supervision of notaries, and to oblige public notaries to provide information to the designated AML/CFT/CPF agency.

19. RT Law No.1797 dated June 25, 2021 introduced amendments and modifications into the RT *Law on Auditors' Activities*. In particular, Articles 5, 9 and 24 of the aforementioned Law were amended to authorize the supervisory agency to conduct AML/CFT/CPF oversight and inspections, to prohibit persons with criminal record from acting in the capacity of individual auditors, managers and beneficial owners of audit firms, and to establish the record keeping requirements.

### **Recommendation 30 (originally rated LC), Immediate Outcomes 6-8**

20. With a view to eliminating the deficiencies identified in Recommendation 30 and implementing the recommended actions under Immediate Outcomes 6-8, the *Instruction on Property (Parallel Financial) Investigation Procedure* was adopted by RT General Prosecutor's Order No.5-39 dated 20.04.2021. This Instruction was developed with the assistance of the International Training and Methodological Centre for Financial Monitoring of the Russian Federation and establishes the procedure of conducting property (parallel financial) investigations by officers of law enforcement agencies, tax authorities, designated AML/CFT/CPF agency and other government authorities.

21. According to the Instruction, the main goal of a property (parallel financial) investigations is to prevent, disrupt, detect, solve and conduct preliminary investigation into ML/TF/PF related crimes and underlying offences. A property (parallel financial investigation) is conducted for identifying property and proceeds obtained through crime, terrorist financing and proliferation financing, including income and other benefits derived therefrom and their volume and value, establishing the nature, location, disposition, movement, ownership or rights (transfer of rights) with respect to ownership of property, as well as for examining and investigating financial (banking) transactions and property deals of natural and legal entities associated with perpetrators of underlying offences.

### **Recommendations 37 и 39 (originally rated LC)**

22. With a view to eliminating the deficiencies in Recommendations 37 and 39 identified in the MER and determining the priority of execution of international mutual legal assistance requests related to ML/TF/PF and underlying (predicate) offences, *Instruction on Provision of Legal Assistance in Criminal Matters, Extradition and Transfer of Convicted Persons* No.5-83 dated 24.05.2016 was amended and modified by RT General Prosecutor's Order Instruction No.5-12 dated 29.01.2021.

## **3.2. PROGRESS ON RECOMMENDATIONS WHICH HAVE CHANGED SINCE COMPLETION OF ON-SITE VISIT**

23. Since completion of the on-site visit to the Republic of Tajikistan (in March 2018), the FATF amended Recommendations 2, 15, 18 and 21.

24. As indicated in the second FUR (paragraph 74), the Republic of Tajikistan has implemented the new requirements set out in FATF Recommendations 2 and 21.

25. As for the new requirements set out in the revised Recommendation 18, it should be noted that these requirements are included in the updated draft of the AML/CFT/CPF Law of the Republic of Tajikistan. The draft Law was disseminated for review to the relevant divisions of the National Bank of Tajikistan.

## **IV. PROGRESS IN IMPROVING THE EFFECTIVENESS OF THE AML/CFT SYSTEM**

### **Immediate Outcomes 3 and 4**

26. With a view to coordinating the AML/CFT/CPF efforts undertaken by the designated agency, supervisory authorities and reporting entities, exchanging information among them with the application of a risk-based approach, sharing the best experiences and strengthening cooperation, the Standing Interagency AML/CFT/CPF Commission passed Resolution No.18 dated December 30, 2021 on establishment of a Compliance Council and adopted the Council Statute.

The Compliance Council is an advisory body that serves as a platform for consultations among the designated AML/CFT/CPF agency, supervisory authorities and reporting entities, and was originally established as the working group under the Standing Interagency Commission.

27. The main objectives of the Compliance Council are to:

- Develop and discuss proposals and recommendations for improving information exchange and providing feedback among the designated agency, supervisory authorities and reporting entities, *inter alia*, for AML/CFT/CPF purposes;
- Develop recommendations for adopting new forms of cooperation with the private sector;
- Engage specialists and experts in AML/CFT/CPF analytical, expert, social and sectoral studies;
- Arrange and participate in joint training events and in sharing the AML/CFT/CPF best practices and experiences;
- Take part in projects related to studying and disseminating skill and knowledge about ML/TF/PF risks for practical application in the process of implementation of internal controls.
- Develop proposals and recommendations for raising the level of perception and understanding of internal risks by reporting entities and applying a risk-based approach in the process of their supervision;
- Develop and discuss proposals and recommendations for improving the AML/CFT/CPF legislation of the Republic of Tajikistan;
- Develop and discuss proposals and recommendations regarding suspicious transaction risk indicators in context of the existing ML/TF/PF risks and make proposals for updating the *List of Indicators of Suspicious Transactions and Deals*.

28. The composition of the Compliance Council and the procedure of holding its meetings are defined directly in the Compliance Council Statute.

29. For improving the qualification of officers and employees of the government authorities and reporting entities, the Training and Methodological Center of the Financial Monitoring Department (FMD) was established. It should be noted that the Training and Methodological Center is licensed by the RT Ministry of Education and Science to carry out AML/CFT/CPF educational and training activities.

In 2021, the FMD Training and Methodological Center delivered two AML/CFT/CPF training courses for over 55 employees of credit and insurance institutions.

Another AML/CFT/CPF training course was arranged for employees of insurance institutions in February 2022.

30. In the reporting period, the following workshops and training events were held via videoconferencing with the support of the EAG, ITMCFM and other international organizations:

- July 2, 2021 – Workshop and Roundtable “Sharing the practical experiences in identifying and suppressing misuse of foreign trade transactions for money laundering purposes”;
- July 9, 2021 - Roundtable “The bests practices and experiences of FIUs, competent authorities and private sector in identifying payable-through accounts and transit transactions”;
- July 19-29, 2021 – FATF Standards Training Course;
- August 20, 2021 – Roundtable “Pressing issues related to STRs and International Compliance Council”;
- September 13-17, 2021 – Workshop “Legal regulation of virtual assets in jurisdictions for improving effectiveness of AML/CFT/CPF system”;

- October 8, 2021 – Roundtable “The best practices and experiences in application of (AML/CFT) risk-based approach by credit institutions”;
- December 24, 2021 – Roundtable “The best practices and experiences in AML/CFT supervision of residents and non-residents using the issued e-money and e-purses”.

### **Immediate Outcome 6**

31 In 2021, the obliged entities that are subject to financial monitoring forwarded a total of 119,115 suspicious transactions reports (STRs) to the Financial Monitoring Department (FMD), which was 47.3% less compared to 2019. In the country's view the decrease in number of STRs is due to the fact that the Financial Monitoring Department takes measures to improve quality of information and reports, in particular STRs, provided by the reporting entities. To improve the existing suspicious transaction reporting system, the Department takes measures for “transformation from quantity to quality of STRs”. In 2020, the updated *List of Suspicious Transaction Indicators* was issued (NBT Board Resolution No.86 dated 26.06.2020).

32. With a view to implementing the recommended actions for increasing the effectiveness under IO.6, improving the existing STR reporting system and assisting entities engaged in transactions with funds and other assets in identifying and reporting suspicious transactions and deals to the designated AML/CFT/CPF agency in a timely manner, the *Guidance on Procedure of Identifying and Reporting Suspicious Transactions and Deals* was adopted by NBT Board Resolution No.11 dated 21.02.2022. This Guidance has been developed with the assistance of the Financial Services Volunteer Corps (FSVC).

33. Besides that, the Compliance Council was established by Resolution No.18 passed at the Standing Interagency AML/CFT/CPF Commission meeting held on December 20, 2021. One of the objectives of the Compliance Council is to share the best practices and experiences, develop and discuss proposals and recommendations regarding suspicious transaction risk indicators in context of the existing ML/TF/PF risks and make proposals for updating the *List of Indicators of Suspicious Transactions and Deals*.

34. As regards the cooperation between the Financial Monitoring Department under the National Bank of Tajikistan and the law enforcement agencies, it should be noted that, in 2021, the Department received 177 requests from the LEAs, of which 122 requests were related to TF, and 55 requests were related to ML and predicate offences.

In 2021, the Department sent 37 spontaneous disclosures to the law enforcement agencies, of which 34 were related to TF and 3 were related to ML.

35. In the first quarter of 2022, the Department received 71 requests from the LEAs, of which 47 requests were related to TF, and 24 requests were related to ML and predicate offences. During the same period, the Department forwarded 6 TF-related disseminations to the law enforcement agencies.

### **Immediate Outcome 7**

36. In 2021, the law enforcement agencies of the Republic of Tajikistan recorded and initiated 15 criminal proceedings under Article 262 (legalization (laundering) of criminal proceeds) of the RT Criminal Code. Therefore, the number of criminal proceedings initiated in 2021 increased by 7, demonstrating 53% growth compared to 2020 (when 8 criminal proceedings were launched). Thus, the number of criminal proceedings initiated under Article 262 of the Criminal Code of the Republic of Tajikistan tends to increase.

37. The most successful ML investigation in 2021 was the investigation in operation of the transnational organized drug trafficking group conducted by the Interior Ministry in cooperation with the Financial Monitoring Department under the National Bank of Tajikistan.

#### **Case Study: Disruption of Operation of Transnational Organized Drug Trafficking Group**

The Financial Monitoring Department (FMD) under the National Bank of Tajikistan conducts ongoing monitoring of mass media, social media and messenger communications for identifying, detecting and searching for information related to money laundering (ML), terrorist financing (TF) and predicate offences.



In October 2021, such monitoring revealed that the internal affairs bodies detained a group of persons who carried a large quantity of narcotic drugs with them.

Thus, the Department, before an official request from the law enforcement agency, proactively requested the identity of the arrested persons from the responsible person in the law enforcement agency (liaison officer).

Having obtained the necessary data, the Department initiated a financial investigation. In order to augment information derived from the FMD own database, the requests for additional information were forwarded to the relevant government agencies and financial institutions. The conducted financial analysis identified the following types of suspicious activities and transactions carried out by the detained persons, indicating elements of money laundering::

- large cross-border money transfers without opening bank accounts between unrelated individuals;
- transit nature of transactions;
- unemployed persons not involved in any business activities were registered as the owners of movable property.

All the information analysed was sent in the form of an analysis to the law enforcement agency investigating the case.

Thus, in the course of the criminal investigation, the internal affairs bodies established that the detained persons organized the criminal group and smuggled narcotic drugs from Afghanistan to Tajikistan and further trafficked them to the Central Asian and European countries for a long enough period of time. Based on the investigation findings, the Tajik law enforcement agency initiated the criminal proceedings against the leader and members of this organized criminal group under Article 200(4) (illicit drug trafficking), Article 289(5) (smuggling) and Article 262 (3) (a) and (b) (legalization (laundering) of criminal proceeds) of the RT Criminal Code. The court convicted the defendants and sentenced them to different prison terms, and their assets, which total value exceeded TJS 50 million (~4.5 million USD), were seized and confiscated.

38. With a view to improving professional training of the LEA officers (field agents, investigator and prosecutors, in particular) and officers of other ministries and agencies in detecting and disrupting ML/TF offences, the Financial Monitoring Department under the National Bank of Takikistan held the following training events with the support of the development partners and donors:

- On June 28-30, 2021, the UNODC Regional Office for Central Asia conducted the foundation course on countering the financing of terrorism in Dushanbe city under the International CFT Program, which was attended by the LEA and FMD officers;
- The workshops on building the strategic analysis capacity of law enforcement agencies of the Central Asian countries and on conducting AML/CFT operational analysis were held on October 11-15, 2021 in Guliston city and on December 13-17, 2021 in Dushanbe city, respectively under the EU-funded LIECA (Law Enforcement in Central Asia) project for officers of the LEAs and FIUs of Tajikistan, Uzbekistan and Kazakhstan.

Moreover, the following workshops and training events were held via videoconferencing with the support of the EAG, ITMCFM and other international organizations:

- June 11, 2021 – Workshop and Roundtable “Oversight and monitoring of state budget expenditures”, as part of a series of thematic events related to monitoring and overseeing the proper spending of funds allocated from the state budget;
- June 25, 2021 – Workshop and Roundtable “Sharing the best practices and experiences in identifying, disrupting, recording, investigating and prosecuting criminal offences committed with the use of cryptocurrencies (practical aspects of operation and cooperation between FIU and LEAs)”;
- July 2, 2021 – Workshop and Roundtable “Sharing the practical experiences in identifying and suppressing misuse of foreign trade transactions for money laundering purposes”;

- July 9, 2021 - Roundtable “The best practices and experiences of FIUs, competent authorities and private sector in identifying payable-through accounts and transit transactions”;
- September 10, 2021 – Workshop for FIU analysts “Implementation by the Republic of Kazakhstan of the STOP CASHING OUT preventive operation”;
- September 21-23, 2021 – AML/CFT training arranged and delivered jointly by the ITMCFM and the Interpol;
- September 24, 2021 – Workshop and Roundtable “Oversight and monitoring of state budget expenditures”;
- September 13-24, 2021 – Special Training Program “Managing financial investigations” of the OECD International Academy for Tax Crime Investigation;
- November 9-18, 2021 – Virtual Training Program “Asset recovery: assets freezing and seizure” of the OECD Asia-Pacific Academy for Tax and Financial Crime Investigation;
- February 7-18, 2022 – Virtual Training Program “Financial investigations” of the OECD International Academy for Tax Crime Investigation”;
- March 31, 2022 – Workshop and Roundtable “Identification of money laundering schemes with the use of offshore territories”.

### **Immediate Outcome 9**

39. In 2021, the law enforcement agencies of the Republic of Tajikistan recorded and initiated 13 criminal proceedings under Article 179.2 (financing of terrorism-related offences) of the RT Criminal Code. Therefore, the number of criminal proceedings initiated in 2021 decreased by 5, demonstrating nearly 28% decline compared to 2020 (when 18 criminal proceedings were launched).

40. In 2021, the Financial Monitoring Department sent 34 spontaneous TF-related disclosures to the law enforcement agencies of the Republic of Tajikistan. The spontaneous disseminations are examined and verified by the law enforcement agencies, and, where the stated TF facts are confirmed, initiate criminal proceedings against the persons concerned. The most successful TF-related criminal investigation initiated in 2021 based on FMD’s spontaneous dissemination was the investigation in respect of RT citizen M triggered by the report provided by the Financial Monitoring Department.

#### **Case Study: TF Investigation Initiated Based on FMD Spontaneous Dissemination**

As a result of operational investigations, the law enforcement agency of the Republic of Tajikistan detected a bank card issued by a Russian bank, through which transactions linked to terrorist financing were carried out.

The Department initiated a financial investigation on the basis of a request from the law enforcement agency of the Republic of Tajikistan, which resulted in the identification of the card holder (citizen of the Republic of Tajikistan A.A.) and the transactions carried out with the use of the card.

In 2021, the Department initiated a financial analysis of the citizen of the Republic of Tajikistan M.M., who was a counterparty (one of the parties of the financial transactions carried out through the card) of the above mentioned citizen A.A.

The analysis of information received through the international cooperation channels revealed that, when staying in the Russian Federation, individual A acquired three Sberbank payment cards and used them for carrying out financial transactions, *inter alia*, with persons included in the national list of the Republic of Tajikistan.

In this way, he transferred over RUR 200 thousand to support the needs of the terrorist organization.

Based on the investigation findings, the Tajik law enforcement agency initiated the criminal proceedings against individual M under Article 179.2 (financing of terrorism-related offences) of the RT Criminal Code. The case is still under investigation.

### **Immediate Outcome 10**

41. In accordance with the Procedure of Freezing and Unfreezing of Funds or Other Assets of Designated Individuals and Entities Included in the List of Persons Linked to Terrorism (adopted by RT Government Resolution No.129 dated March 29, 2019), the Financial Monitoring Department under the National Bank of Uzbekistan posts and regularly updates all lists on its website ([www.nbt.tj/ru/financial\\_monitoring/perechni.php](http://www.nbt.tj/ru/financial_monitoring/perechni.php)) (the lists were updated 8 times in 2021).

42. In 2021, there were two instances of freezing of assets (funds) of persons included in the lists, and one instance when assets (funds) were frozen by mistake (due to false-positive match of the ID data of a person with those of the designated individual included in the consolidated list) and were later unfrozen in the established manner.

In particular, frozen in 2021 were the funds in amount of USD 500, which were sent via the money transfer system to the Republic of Turkey to the RT citizen who was included in the national list of individuals designated by Tajikistan as linked to terrorism.

Also frozen in 2021 were the funds transferred to a person whose ID data were similar to those of the person included in the consolidated list. However, the subsequent checks revealed that the recipient was not the listed person, and the funds frozen by mistake as a result of the false positive match were later unfrozen in the established manner.

43. In the first quarter of 2022, there were three instances of suspension of transactions carried out by persons included in the national list, as a result of which the reporting entities froze the funds in total amount of USD 838 and RUR 1000.

### **V. CONCLUSION**

44. This follow-up report provides information on the measures taken by the Republic of Tajikistan to address technical compliance deficiencies on R.1, R.6, R.8, R.13, R.28, R.30, R.37 and R.39, and to improve the effectiveness of the national AML/CFT system on Immediate Outcomes 3, 4, 6, 7, 9 and 10 since the approval of the 2nd follow-up report of the Republic of Tajikistan for the period from June 2021 until April 2022.

45. The Republic of Tajikistan does not request in this report a re-rating on any of the FATF Recommendations and will continue to report to the EAG on further progress in improving the national AML/CFT system.