

Estonia enhances the efficiency of the fight against money laundering

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The government has approved draft changes to the Money Laundering and Terrorist Financing Prevention Act, which will significantly improve the scope of preventing money laundering.

The planned changes would create protection for whistleblowers and a legal basis for creating a database of bank accounts based on the electronic arresting system. The Financial Intelligence Unit will be granted access to the register to be created. The changes in legislation will create a legal mechanism for improving the quality of data on beneficial owners of companies and other legal entities.



According to the Minister of Finance **Martin Helme**, the draft legislation is very important for improving Estonia's scope for countering money laundering. "Estonia is not a place for money laundering. The government will do everything to keep our economic environment to be honest and transparent. The parliament last week passed legislation imposing stricter regulations on granting licences for activities involving virtual currencies. The government has also presented the parliament with draft legislation designed to increase maximum fines in the financial sector. These laws give Estonia a stronger legal basis to counter money laundering much more efficiently," said Finance Minister **Martin Helme**.

The draft approved by the government will also create a basis for establishing a list of politically exposed persons in Estonia, for whom higher requirements will be applied for the prevention of money laundering. Such persons include ministers, members of parliament, heads of constitutional institutions and state authorities as well as board members of political parties. The draft also increases protection of whistleblowers and widens the circle of obliged entities who must take into consideration stricter money laundering prevention measures in their activities. The planned changes are important step from Estonia in transposing rules established with the fifth European Union directive on the prevention of money laundering (AMLD V).

The adoption of the draft legislation is important in anticipation of the Moneyval assessment in the autumn of 2021. This time Moneyval will assess how Estonia has implemented different laws and regulations in practice and consider the capability of the country's institutions to tackle money laundering. "We must exert effort as a state in order to pass the assessment successfully," said Finance Minister **Martin Helme**.

Moneyval or Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism is the Council of Europe expert committee that evaluates countries' measures for preventing money laundering prevention.

The draft legislation approved by the government and the explanatory memorandum are available for review on the website of the Ministry of Finance:

- Draft <https://www.rahandusministeerium.ee/sites/default/files/news-related-files/rahapts-191218eelnou.pdf> (PDF)
- Explanatory memorandum <https://www.rahandusministeerium.ee/sites/default/files/news-related-files/rahapts-191218seletuskiri.pdf> (PDF)