

The Head of the State Financial Monitoring Service of Ukraine, Igor Cherkaskyi, presented the Public Report for 2020

02.04.2021 15:16

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Dear Colleagues!



Let me present the results of the State Financial Monitoring Service of Ukraine (SFMS) activities for 2020.

Last year was a time of continuous challenges and threats for all of us, we found the strength to carry out balanced operational work on conducting financial investigations in terms of efficiency and effectiveness.

The detailed SFMS Report for 2020 is available on the official website of the SFMS.

To begin with, the Report outlines information on the main aspects of legal and regulatory provisions of the Service, its organizational structure, personnel, funding and the main results of the SFMS in terms of detecting and blocking assets from crime or related to terrorist financing.

The first important result in 2020 was the presentation of the 2nd Follow-up Report of Ukraine following the results of the 5th round of mutual evaluation of Ukraine by the MONEYVAL, which took place within the framework of the MONEYVAL 2nd

Intersessional Consultations meetings.

The approval of this Report reconfirmed the recognition by the international community of steps taken by our country towards increasing the efficiency of the national financial monitoring system.

The second key event in 2020 was the signing by the President of Ukraine of the Decree “On the Day of the Financial Monitoring System Employee”, which defines the significant contribution of the national financial monitoring system employees.

In order to implement the amended Basic Law, the SFMS drafted 10 resolutions, that were adopted by the Cabinet of Ministers of Ukraine.

Pertaining to the cooperation between the SFMS and reporting entities, I would like to note that the number of reports from all reporting entities in 2020 has declined more than twice vis-à-vis 2019, due to the transition to the detection of financial transactions subject to financial monitoring on a risk-based approach.

As part of the generalization of typological research, in the reporting year, the Service published a typological study: “Laundering of the proceeds from tax crimes”, which seeks to analyse existing schemes of money laundering from tax crimes and means for their implementation, as well as to support AML system entities in their identification.

In the context of improving the effectiveness of cooperation with law enforcement and intelligence agencies, to which the SFMS submits the relevant case referrals, it is necessary to emphasize the following.

1,036 referrals were sent to law enforcement agencies in 2020. The amount of suspicious financial transactions in the mentioned referrals is UAH 76.2 billion.

In total, 5,528 case referrals were sent to law enforcement agencies from March 2014 to December 2020.

The coordination of financial monitoring system participants was based on the implementation of Strategy for the development of the financial monitoring system till 2020, through Government AML/CFT Council activities, as well as via cooperation with professional associations of reporting entities and the public.

Pursuant to the information level, the Unified State Information System functioning was effective. In 2020, the modernization of the SFMS IT system has continued. In particular, in the reporting year, the Service received a copy of the software of the financial monitoring system e-cabinet and conducted its experimental exploitation.

Moreover, in order to enhance public outreach, a new web portal of the SFMS was launched, which in the first half of 2020 was recognized as one of the best state websites in Ukraine (first place).

Let me briefly turn to the methodological support and cooperation with reporting entities.

I would like to note that in 2020 more than 2,300 specialists from public and private sectors have been trained on the basis of the State Institution of Postgraduate Education "Academy of Financial Monitoring", under the management of the Service.

The SFMS, with the assistance of the OSCE Project Coordinator, has also prepared and published "Guidance on a risk-based approach for specially designated reporting entities" and "Guidelines for disclosure of the information about the ultimate beneficial owners".

In the international context the Service cooperates with many international organizations, including the FATF, the MONEYVAL, the Egmont Group of Financial Intelligence Units and others. Currently, the SFMS has signed 79 Memoranda of Understanding with foreign financial intelligence units. In 2020, the Service actively exchanged financial information with foreign financial intelligence units.

Speaking about plans for the future.

An important area of work will be the continuation of cooperation with the MONEYVAL within the framework of coordination activities for the preparation and presentation of the 3rd Follow-up Report, which is scheduled for the end of the third quarter of 2021.

Furthermore, the SFMS will consistently conduct an analysis (operational and strategic) of financial transactions subject to financial monitoring, other financial transactions or information that may be related to money laundering and terrorist financing suspicion.

The SFMS will ensure productive cooperation with state regulators, law enforcement agencies, reporting entities and especially civil society institutions.

I would like to thank each employee of the Service for the contribution to the achieved results and all whose hard work help the SFMS in the implementation of the state financial monitoring policy.