COUNCIL OF EUROPE CONSEIL DE L'EUROPE

COMMITTEE OF EXPERTS ON THE EVALUATION OF ANTI-MONEY LAUNDERING MEASURES AND THE FINANCING OF TERRORISM (MONEYVAL)

Public statement under Step VI of MONEYVAL's Compliance Enhancing Procedures in respect of Azerbaijan

12 December 2008

The Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) has been concerned since 2006[1] with deficiencies in the anti money laundering/combating the financing of terrorism (AML/CFT) regime in Azerbaijan.

At its 28th plenary meeting in Strasbourg, between 8-12 December, MONEYVAL noted that a draft AML/CFT law had passed a second reading on 31 October 2008. This draft law does not comply in a comprehensive manner with key international standards. MONEYVAL calls upon Azerbaijan to further revise this draft law in accordance with those standards before completing the legislative process, and urgently to implement satisfactory and comprehensive AML/CFT legislation.

MONEYVAL also calls on its member States and other countries to advise their financial institutions to pay special attention by applying enhanced due diligence to transactions with persons and financial institutions from or in Azerbaijan in order to address the ML/FT risks.

[1] A graduated series of steps have been applied since 2006, culminating in February 2008 with a high level mission under Step V in the Procedures to reinforce MONEYVAL's concerns about Azerbaijan's non-compliance with its reference documents. MONEYVAL, at its 27th Plenary Meeting in Strasbourg in July 2008, noted that draft AML/CFT legislation had been sent to the Azerbaijan Parliament in June 2008 and had passed a first reading before the summer recess.