

**Financial Intelligence Unit
of the Slovak Republic**

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ANNUAL REPORT

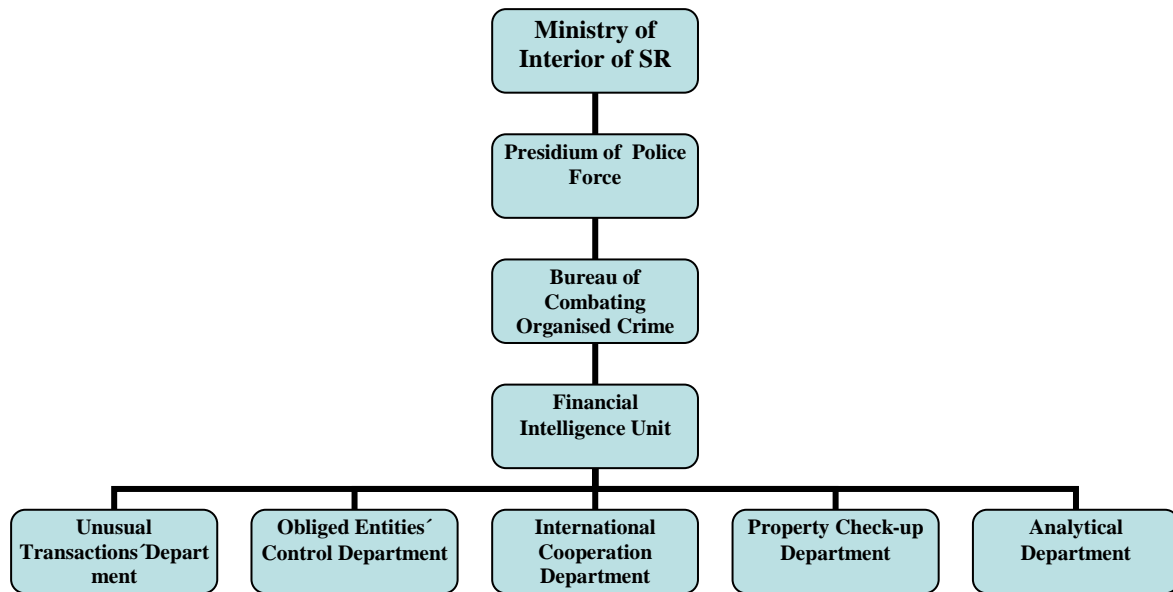
2009

I.

History of Financial Intelligence Unit and its organizational structure

Financial Intelligence Unit (hereinafter referred to as „FIU“) serves as a central national unit in the area of prevention and detection of legalization of proceeds of criminal activity and terrorist financing in the Slovak Republic. The organizational predecessor of FIU – Division of Financial Intelligence (hereinafter referred to as „DFI“) was established on 1 November 1996 as a separate department of Bureau of Financial Police (hereinafter referred to as „BFP“). After its establishment, DFI met recommendations of the European Community to function as the only national authority for receiving and processing information reported by obliged entities. DFI became a member of international organization associating financial intelligence units - Egmont Group in June 1997. The Slovak FIU is, or DFI was, financial intelligence unit of a police type and this condition assumes the effective use of police experience when receiving and processing of financial information related to suspicion of economic crime and related legalization of proceeds of criminal activity.

In 1996, BFP was a special service of Police Force under Act. No. 171/1993 Coll. on Police Force (hereinafter referred to as „Act No. 171/1993 Coll.“) and it was incorporated directly under the Minister of Interior of the Slovak Republic. Its status changed within organizational changes at the end of 1998 and BFP (also DFI) became a part of Presidium of Police Force and a newly established administration of criminal and financial police. BFP was cancelled on 31.12.2003 and DFI transformed to FIU as of 1.1.2004 and became a part of Bureau of Combating Organized Crime of Presidium of Police Force (hereinafter referred to as „BCOC“). The Slovak FIU currently consists of the following departments: the unusual transactions´ department, the obliged entities´ control department, the international cooperation department, the property check-up department (ARO) and the analytical department.



II. Legal framework

II.1. Legal framework for activity of the Slovak FIU

As of 1994, prevention of legalization of proceeds of criminal activity was closely connected with activities of BFP within the Slovak Republic which, under Act No. 249/1994 Coll. on the Prevention of Legalization of Proceeds of the Most Serious, especially Organized Types of Criminal Activity (hereinafter referred to as „Act No. 249/1994 Coll.“) and Regulation of Ministry of Interior of the Slovak Republic No. 181/1997 Coll. on suspicious bank transactions, was receiving suspicious bank transaction reports from banks residing in the Slovak Republic. Act No. 249/1994 Coll. was not fully compatible with Council Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering of 10 June 1991, especially in the following fields: obligations were laid down only to banks, the absence of control authority and absence of sanctions for violation of law, lack of law to postpone performance of financial transaction and the existence of bearer bank books. For the purpose of elimination of those legislative shortcomings the National Council of the Slovak Republic passed a new Act No. 367/2000 Coll. on Prevention of Legalization of Proceeds of Criminal Activity (hereinafter referred to as „Act No. 367/2000 Coll.“). The result of the act was that it was a preventive law aimed at obligations of obliged entity specified by the law to the financial police. On 26 October 2005, the European Parliament and Council passed Directive 2005/60/EC on the prevention and of the use of the financial system for the purpose of money laundering and terrorist financing. Act No. 367/2000 Coll. was not in full compliance with the mentioned directive, therefore the Slovak FIU proposed and submitted a new preventive law which was approved by the National Council on 02 July 2008. On 1 September 2008 Act No. 297/2008 Coll. on the Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing and on Amendments and Supplements to certain acts entered into force. This act implements Directive 2005/60/EC and Commission Directive 2006/70/EC laying down implementing measures for Directive 2005/60/EC as regards the definition of „politically exposed person“, technical criteria for simplified

customer due diligence procedures and exemptions based on financial activity conducted on an occasional or very limited basis.

Act No. 297/2008 Coll. on the Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing and on Amendments and Supplements to certain acts as amended by Act No. 445/2008 Coll. and 186/2009 Coll. (hereinafter referred to as „Act No. 297/2008 Coll.“) is a basic law stipulating activity in the field of combating legalization of proceeds of criminal activity and terrorist financing in the Slovak Republic. Act No. 297/2008 specifies in details terms such as legalization of proceeds of criminal activity in its Section 2 and terrorist financing in its Section 3. Compared to the previous Acts No. 249/1994 Coll. and 367/2000 Coll., the new law imposes more detailed identification on newly defined range of obliged entities and introduces obligation of follow-up verification of obtained identification data, allows for takeover of data and documents verified and identified by third parties. It stipulates in details the extent of customer due diligence (hereinafter referred to as „CDD“). Obligated entities must be careful with businesses to be concluded with politically exposed persons, as well as with businesses of unusually high transactions with no apparent economic or legal purpose. It pointedly enumerates some unusual transactions (hereinafter referred to as „UT“) for obliged entities which relate to legalization of proceeds of criminal activity as well as terrorist financing. This act also increases protection of employee of obliged entity who reports or detects UT, against the threat from third parties or from person to whom such UT relates. It also limits restriction to information exchange about UTs, requires preparing of own activity programme of obliged entity in writing and in details defines its compulsory parts. It stipulates effective, adequate and dissuasive sanctions. Evaluation is still carried out by obliged entities which, based on their experience, may assess the client's transaction most qualified way. Obligated entity assesses certain abnormalities which are obviously out of the usual framework or character of business of certain type or of certain client in their nature, contents or exceptionality.

As far as the Slovak FIU is of a police type, it is also regulated by provisions of Act No. 171/1993 Coll. The scope of tasks and powers used by FIU's officers in performance of duties related to protection of legalization of proceeds of criminal activity may be divided into the following groups:

II.1.1.

Tasks and powers stipulated by Act No. 171/1993 Coll.

The Slovak FIU's police officers incorporated under the service of financial service are authorized to make use of most powers stated in Act No. 171/1993 Coll. Because the Slovak FIU performs under Section 2 of the above mentioned act especially tasks related to detecting criminal offences and identifying their perpetrators, the Slovak FIU co-acts in detection of tax evasions and illicit financial operations, combating terrorism and organised crime, making use of the following powers under Act No. 171/1993 Coll., especially:

- Section 17a, power to request information from persons,
- Section 18, power to demand proof of identity,
- Section 21, power to seize a thing for period of 90 days,
- Section 29a (1), power while disclosing tax evasions and illicit financial transactions or legalization of proceeds of criminal activity where substantial damage is presumed

(26.500,- EUR), enter any place used for business purposes (including dwelling place if used for business purposes), inspect the accounting documents and take copies of them,

- Section 29a, paragraph 4, power while disclosing tax evasions or illicit financial transaction or legalization of proceeds of criminal activity, request from banks and foreign bank branches the reports on their client matters which are subject to bank secrecy,
- Section 36, power to use information and technical means,
- Section 38a, power to carry out investigative operational activity,
- Section 76, power to request data and information from the state bodies, municipalities, legal entities and persons,
- Section 77a, power to cooperate with police of other states, international police organizations, international organizations and organizations acting in the territories of other states, particularly by information exchange.

II.1.2.

Tasks and power stipulated by Act No. 297/2008 Coll.

Under this act, the Slovak FIU serves as a national unit for the area of prevention and detection of legalization and terrorist financing. The Slovak FIU keeps secret about the contents and origin of information obtained from obliged entity fulfilling its reporting obligation and ensures protection of information thus obtained.

- a) FIU under Section 16 (2) is authorized to requests obliged entity to postpone UT.
- b) FIU under Section 26 (2) is authorized to:
 - receive, analyze, evaluate and process UTRs and other information related to legalization of proceeds of criminal activity or terrorist financing for fulfilling the tasks under this act or under Act No. 171/1993 Coll.,
 - provide law enforcement authorities and tax administrator with information obtained by fulfilling its reporting obligation,
 - require and control compliance to obligations of obliged entities,
 - submit the initiative to impose fine on obliged entity due to infringement or non-performance of obligations under Act No. 297/2008 Coll. to authority authorized to fine the obliged entity, unless FIU itself deals with the case,
 - submit initiative for revocation of obliged entity's licence for conduct of business or other independent profitable activity of the obliged entity due to repeated infringement or non-performance of obligations imposed by Act 297/2008 Coll. to authority authorized to decide about revocation of licence,
 - disclose information on the forms and ways of legalization of proceeds of criminal activity and terrorist financing and the methods of recognizing UTs,
 - inform the obliged entity on the effectiveness of UT reports (hereinafter referred to as "UTR") and on the procedures that follow the receipt of UTR.
- c) Because of keeping summary statistical data, the Slovak FIU is under Section 27 authorized to request from public authorities and obliged entity data and information including number of persons prosecuted and convicted of legalization of proceeds of criminal activity, the value of seized, confiscated or forfeited property. Public

authorities and obliged entities are obliged to provide the requested data within deadlines specified by FIU. Other units subordinated to Presidium of Police Force are obliged to provide statistical data directly to FIU under internal regulation.

- d) The Slovak FIU is under Section 28 authorised to cooperate with the respective authorities of Member states of the European Community and with foreign FIUs associated in international organizations involved in the area of the prevention and detection of legalization of proceeds of criminal activity and terrorist financing.

II.1.3.

Powers stipulated by Act No. 301/2005 Coll. Code of Criminal Procedure

Police officers at the Slovak FIU have under Section 10 (10) of Act No. 301/2005 Coll. Code of Criminal Procedure and under general rule of law - Order of Ministry of Interior of the Slovak Republic No. 648/2008 Coll. partial powers like investigators of Police Force to execute decisions, measures and acts of criminal procedure within criminal proceedings or abridged criminal proceedings. The mentioned order exactly determines selected decisions, measures and acts of criminal procedure while the police officer has power to make decision in particular cases to commence criminal proceedings under Section 199 (1) of Code of Criminal Procedure, if he executed act of seizure, unrepeatable act or immediate act.

II.2.

Evaluation process by FATF and MONEYVAL

The Financial Action Task Force (hereinafter referred to as "FATF") published 40 Recommendations related to the area of legalization of proceeds of criminal activity and 9 Special Recommendations related to terrorist financing in October 2004. These recommendations are not bound by international agreement but each FATF member state issued so-called permanent governmental promise to combat legalization of proceeds of criminal activity at a national as well as international level with the following principles. The Slovak Republic is not a member of FATF but is a member state of the Council of Europe MONEYVAL Committee (which deals with monitoring of member states of the Council of Europe in the area of basic rules of combating legalization of proceeds of criminal activity and terrorist financing) which evaluates its member states as well as FATF does, based on the same international standards resulting from so-called „basic reference framework“. This framework contains 40+9 FATF Recommendations which the Slovak Republic as a member state of the Council of Europe and one of the constituent members of MONEYVAL Committee in 1997 is obliged to implement in its system of law. Furthermore, there are respective European Parliament and Council Directives: the European Community Directive No. 91/308/EEC on the prevention of the use of the financial system for the purpose of money laundering of 10 June 1991, the European Parliament and Council Directive 2001/97/EC of 4 December 2001 amending and supplementing the European Parliament and Council Directive No. 91/308/EEC and the European Parliament and Council Directive No. 2005/60/ES on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing of 26 October 2005, as well as other international conventions, e.g. the European Council Convention No. 141/1990 on money laundering,

search, seizure and confiscation of the proceeds of criminal activity of 8 November 1990 (the Strassbourg Convention), the European Council Convention No. 198/2008 on money laundering, search, seizure and confiscation of the proceeds of criminal activity and terrorist financing of 1 May 2008 (the Warsaw Convention), or the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1998 (the Vienna Convention), the United Nations Convention against Transnational Organized Crime, 2000 (the Palermo Convention) stipulating the area which the Slovak Republic acceded to or committed to.

Based on the analysis of possible causes of financial crisis of the beginning of April 2009 (G-20 Summit in London), FATF was delegated to select states (member and non-member states) which inadequately meet the international standards (40+9 Recommendations) in this area.

Within discussion of FATF's experts, the purpose of which was the selection of states and proposal for further progress in each jurisdiction, the Slovak Republic was listed on this „shorter list“ because of inadequate progress by implementation of 40+9 Recommendations (the plenary meeting of FATF in June 2009).

It is necessary to point out that evaluation report on the Slovak Republic where the Slovak Republic was evaluated by FATF as a jurisdiction with hindered international cooperation or as a country with existing shortcomings in the regime of combating legalization of proceeds of criminal activity and terrorist financing, was worked out by a team of foreign experts based on one week on-site visit and negotiations with representatives of government departments involved in enforcement of measures against money laundering and terrorist financing in the Slovak Republic (especially Ministry of Interior, General Prosecutor's Office, Ministry of Justice, the National Bank of Slovakia, Ministry of Finance). The evaluation report resulted from situation and status as there was in May 2005. On the basis of this evaluation report worked out by experts of MONEYVAL Committee and especially based on achieved ratings, the Slovak Republic was in 2009 listed in the new monitoring mechanism applied by FATF globally.

In accordance with the above mentioned and already started closed monitoring process by FATF, the following problems have been specified for the Slovak Republic:

1. criminalization of terrorist financing – it is concerning special recommendation (hereinafter referred to as “SR”) III of 9 Special FATF Recommendations related to terrorist financing. Each country should ensure that offences such as terrorist financing, terrorist acts and terrorist organisations will be in force.

Act No. 576/2009 Coll. amended provision of Section 419 of Penal Code on terrorism and some forms of participation in terrorism where there is defined financing of terrorism, terrorist acts and terrorist organizations in compliance with SR II. This Act entered into force on 1 January 2010. The mentioned recommendation is fully implemented into the legal system of the Slovak Republic.

2. Freezing and confiscation of terrorist assets – it is concerning SR II of 9 Special FATF Recommendations related to terrorist financing and recommendation (hereinafter referred to as “R”) 3 of 40 FATF Recommendations. It is necessary to ensure the functionality of freezing of funds based on the United Nations resolutions and within the Slovak Republic to solve legal framework of Act No. 460/2002 Coll.

on the Application of International Sanctions Assuring International Peace and Settlement and Security focussing on practical application.

SR III and R 3 related to freezing of funds are not fully implemented in the legal system of the Slovak Republic. Act No. 460/2002 Coll. on the Application of International Sanctions Assuring International Peace and Settlement and Security is formally in compliance, taking formal aspect of the act into account, but provisions of the act are not applicable in practice. That is why the sponsor of the area – Ministry of Economy in cooperation with Ministry of Foreign Affairs have prepared a draft bill fully implementing FATF Recommendations. The draft bill was in interdepartmental annotation process at the end of 2009.

3. Criminal liability of legal entity (civil liability or administrative liability) – it is concerning R 2 of 40 FATF Recommendations. This requirement relates to OECD requirements, as well as of MONEYVAL of the Council of Europe.

Ministry of Justice of the Slovak Republic prepared a draft bill of amendment of Penal Code. It proposes to institute sanctions against legal entities into the legal system of the Slovak Republic. The new legal framework - so-called indirect criminal responsibility of legal entities is proposed in the Slovak Republic. The draft reckons with extension of institute of forfeiture of a thing under Section 83 of Penal Code which relates to natural person, to the new institutes covering the property of legal entities, namely Section 83a – forfeiture of money and Section 83b – forfeiture of property. Prosecutor proposes to impose measures by means of proposal for its imposition submitted to a criminal court, in cases where criminal prosecution was initiated. The prosecutor's proposal shall not be conditioned by any relation to prosecution of natural persons. It will be possible to submit if the result of investigation reveals that managing persons neglected supervision and control and as a consequence of that neglect a criminal offence was committed by persons subordinated to legal entity or managing persons committed a criminal offence. This draft bill will be discussed by the National Council of the Slovak Republic in 2010.

4. Statistics proving the value of forfeitured and confiscated property

On 15 January 2009 the President of Police Force issued an internal regulation obliging police units to forward statistic data related to legalization of proceeds of criminal activity and terrorist financial to the Slovak FIU. Police units provide information on the number and value of returned things, deprived things, seized funds, seized booked securities.

General Prosecutor's Office of the Slovak Republic and Ministry of Justice of SR in order to follow Section 27 of Act No. 297/2008 Coll. on statistical data keeping ensured within their own competence the monitoring and evaluating of statistical data concerning punishments imposed under Section 32 of Penal Code, (e) confiscation of property and (f) confiscation of a thing, protective measures imposed under Section 33 of Penal Code, (e) forfeiture of a thing.

III. Activity of the Slovak FIU

The Slovak FIU is a police type of FIU and this fact assumes effective use of police experience in gathering and analysis of financial intelligence related to suspicions of particularly economic crimes and related legalization of proceeds of criminal activity. The Slovak FIU serves as a national unit which receives, analyzes unusual transactions from obliged entities and after checks and evaluation provides information from reports completed with own results to competent law enforcement authority, tax administrator or to foreign FIUs. Investigation of cases is performed by competent bodies of Force Force. As well, the Slovak FIU performs control of compliance to obligations of obliged entities, cooperates with the respective authorities of the Member States and international organizations, serve as a national authority responsible for detection and identification of property derived from criminal activity. The Slovak FIU also has a consulting and preventive function towards state authorities in the area of legalization of proceeds of criminal activity and terrorist financing. Another very important function of the Slovak FIU is its performance in the area of educating obliged entities and competent units of Police Force.

The Slovak FIU's police officers performed in total 27 trainings for obliged entities and their professional organisations in 2009 in order to eliminate application discrepancies stemming from interpretation of Act No. 297/2008 Coll.

Obligated entity	Number of trainings
Credit institution - bank	1
Insurance companies	4
Finance lease - leasing companies	2
Accountant and Tax advisor	1
Securities dealer association	1
Real Estate Agency	3
National Association of Real Estate Agencies	2
Export-Import Bank of the Slovak Republic	1
Postal undertaking	1
Gambling game operators	5
Trading in receivables	3
Court distrainer	1
Notary's Chamber	1
Service providers of property or management of company	1
Total	27

Chart No. 1: Number and structure of trainings performed for obliged entities in 2009

As far as under Section 29 of Act No. 297/2008 Coll. except for the Slovak FIU also the National Bank of Slovakia (hereinafter referred to as „NBS“) and Ministry of Finance (hereinafter referred to as „MF“) are authorized to perform control of compliance to

obligations of obliged entities, officers at the Slovak FIU carried out trainings for the mentioned state authorities (2 trainings at NBS and 1 training at MF) in order to unify the control process.

In 2009, 10 trainings at the police units were performed with the purpose to provide police officers dealing with detecting and investigating crime with complex information on legalization of proceeds of criminal activity, its phases, methods and case studies. For the purpose of statistical data keeping, the part of the trainings was also related to Order of the President of Police Force concerning providing statistical data in the area of legalization of proceeds of criminal activity from police units directly to the Slovak FIU.

Within educating activities of the Slovak FIU's police officers, during 2009 9 internal trainings aimed to the following topics were performed: 2 trainings related to the application of particular provisions of Act No. 297/2008 Coll. with new forms of legalization of proceeds of criminal activity, 3 trainings related to receiving, analyzing and evaluating of UTRs, 2 special trainings related to the use of provisions of law on control activity with the reference to particular shortcomings in control performance, 2 trainings related to financial verification.

The Slovak FIU also cooperates with the selected state administrative and public authorities in its subject competence. The biggest cooperation is realized within the meetings of multi-disciplinary integrated group of experts for elimination of legalization of proceeds of criminal activity and terrorist financing (hereinafter referred to as „MISO“). The head of this group is deputy head of the Slovak FIU and representatives are from NBS, MF, Tax Authority of the Slovak Republic, Specialized General Prosecutor's Office of the Slovak Republic, General Prosecutor's Office of the Slovak Republic, Ministry of Justice of the Slovak Republic, Customs Authority of the Slovak Republic, Unit of Combating Terrorism of BCOC, National Anti-Drug Unit of BCOC and Bureau of Justice and Criminal Police of Presidium of Police Force.

Tasks and recommendations from international authorities dealing with evaluation of results related to combating legalization of proceeds of criminal activity and terrorist financing were discussed within the above-mentioned meetings. At the same time new tasks and plans for the upcoming period were discussed as well, for example: establishment of Central Account Register which would decrease administrative load of banks, postal charges, shorten various kinds of procedures and make information exchange much more effective. Members of MISO were also dealing with problems of solving shortcomings while disbursing excessive value added tax deduction, as well as with ways and forms of seizure of funds on bank accounts. One of the initiatives of the Slovak FIU's police officers was solution to competences stemming from Act No. 460/2002 Coll. on the Application of International Sanctions Assuring International Peace and Settlement and Security – especially the competence of „freezing“ of bank accounts as far as this problem still has not been resolved. The current legislation enables to make use of Act No. 297/2008 Coll. for “freezing” of accounts.

III.1. Receiving of UTRs

The department of UTs is responsible for this area, its task is to receive, analyze, evaluate and process UTRs. Obligated entities specified in Section 5 of Act No. 297/2008 Coll. are obliged to report UTs by submitting of UTRs in the manner and scope as stated under the Section 17 of the above mentioned act. Police officers of the department evaluate and consider the completeness of UTR and in case of any deficiencies they request to complete relevant information and related documents. If obliged entity evaluates a transaction as unusual but does not possess all relevant information needed for postponement of UT under Section 16 of Act No. 297/2008 Coll., after verification and obtaining information about suspicion of crime the police officers of the department request the obliged entity to postpone UT for 48 hours. After consequent submitting of the case to law enforcement authorities (hereinafter referred to as „LEA“), the police officers require to postpone UT for another 24 hours by the obliged entity. In 2009, the Slovak FIU postponed 69 unusual transactions under Section 16 (2) of Act No. 297/2008 Coll. Information from those reports were submitted by the Slovak FIU to law enforcement authorities for further proceedings in accordance with Code of Criminal Procedure.

The police officers provide the information obtained by performing reporting obligation to:

- the competent LEA in case of reasonable suspicion of committing a crime,
- the tax administrator if such information substantiates the commencement of tax proceedings or is essential for the ongoing tax proceedings, namely Tax Authority of the Slovak Republic or Customs Authority of the Slovak Republic,
- foreign financial intelligence units and international organizations involved in the area of the prevention and detection of legalization of proceeds of criminal activity and terrorist financing.

The activity of police officers does not cover only processing of received UTRs but includes also giving advice and guidelines to obliged entities in particular concrete detected cases of unusualness, or about ways of recognizing unusualness of UT. In case of conformity of subjects from several UTRs, or modus operandi of crime forwarded by several obliged entities, the obliged entities are consequently informed about the forms and ways of commission of crime and recognition of UT. In this respect the Slovak FIU ensured that publishing of such information caused that other obliged entities refused to conclude business relationship or if business relation had already been concluded, the obliged entity reported that case as UTR to the Slovak FIU. Such information is provided to obliged entity electronically in encrypted form. In 2009, there were 36 information about ways how to recognize UTs and warnings about particular commission of crime.

For the purpose of unambiguous procedure when receiving, analyzing, evaluating and processing UTRs, in terms of the Slovak FIU an internal regulation has been elaborated. This internal regulation stipulates procedures followed by police officers who ensure activities related to UTRs.

Ways of application of provisions of Act No. 297/2008 Coll. are stipulated in this regulation, it provides contentual and formal essentials of the ways of receiving UTRs, its registering, analyzing, evaluating and decision-making on further disposal of the reports and its verifying with the use of appropriate methods, forms and tools of operational activity.

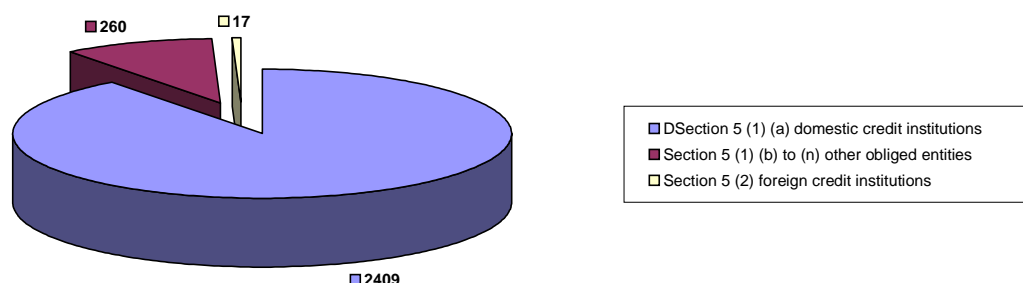
As far as the number of staff of department of UTs is not sufficient in regard to ongoing increase in UTRs, based on the actual need and performing tasks, also police officers from other departments are allocated to fulfil the tasks related to UTs.

III.1.1.

Number of UTs and the structure of obliged entities

Obliged entities defined in Section 5 under Act No. 297/2008 Coll. reported 2686 UTs in accordance with Section 17 under Act No. 297/2008 Coll. in 2009. Out of this number, 2409 UTs were received from domestic credit institution defined in Section 5 (1) (a) (hereinafter referred to as „domestic credit institution“), 17 UTRs were received from organisational units of foreign credit institutions defined in Section 5 (2) (hereinafter referred to as „foreign credit institution“) and 260 UTRs from other obliged entities defined in Section 5 (1) from (b) to(n) (hereinafter referred to as „other obliged entities“).

The graph and chart No. 2 illustrate total number of received UTRs by the Slovak FIU from all obliged entities defined in Section 5 of Act No. 297/2008 Coll. The chart No. 3 shows the overview of other obliged entities according to its line of business and number of received UTRs.



Graph No. 2: Total number of received UTRs in 2009

Obliged entity	Number of received UTRs
Sect.5 (1) (a) – domestic credit institutions	2409
Sect.5 (1) (b) to (n) – other obliged entities	260
Sect.5 (2) – foreign credit institutions	17
Total	2686

Chart No. 2: Total number of received UTRs in 2009

Line of business	Section 5 (1) (b) to (n)	Number
Court distrainer	(f)	1
Notary	(j)	2
Provider of money services	(b) 11	2
Sale, rent or purchase of real estates	(i)	2
Asset management company	(b) 4	2
Auditor, accountant	(h)	3
Health insurance company	(b) 8	4
Central Securities Depository	(b) 1	5
Gambling game operator	(d)	7
Postal undertaking	(e)	11
Securities dealer	(b) 5	27
Auctions out of distraintments, finance lease or other finance services	(b) 13	83
Insurance company	(b) 8	111
Total		260

Chart No. 3: Number of received UTRs from other obliged entities in 2009

The reported UTs from obliged entities after being received were analyzed, evaluated and subsequently the information from these reports were submitted in accordance with Sections 26 and 28 to:

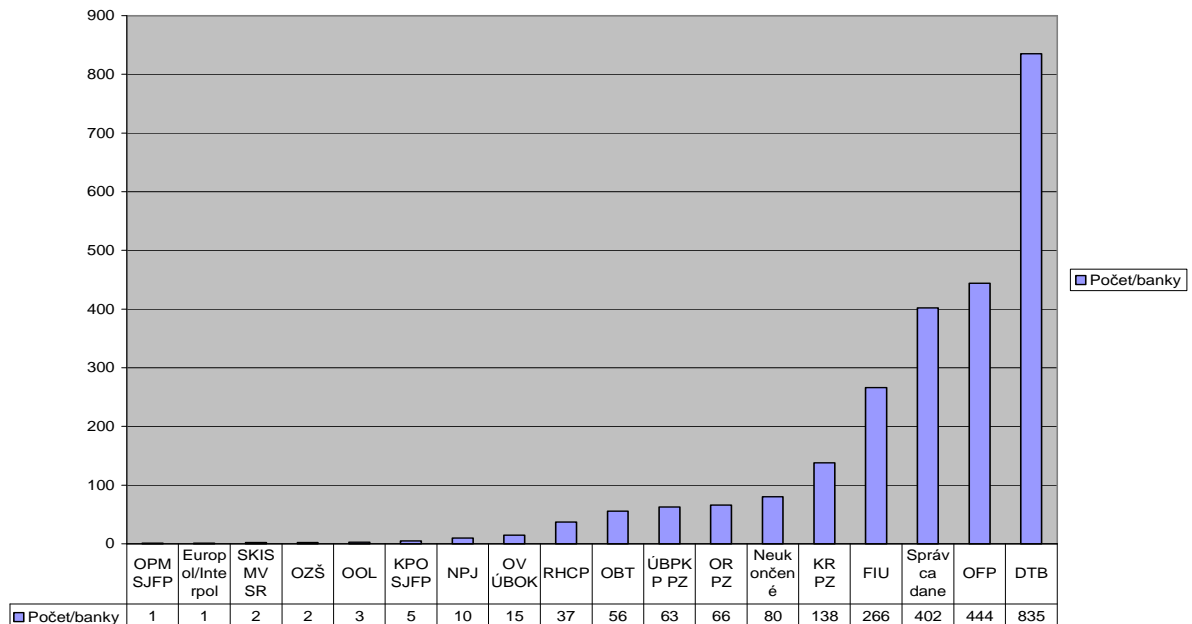
- the competent LEA in case of reasonable suspicion of committing a crime,
- the tax administrator if such information substantiates the commencement of tax proceedings or is essential for the ongoing tax proceedings, namely Tax Authority of the Slovak Republic or Customs Authority of the Slovak Republic,
- foreign financial intelligence units and international organizations involved in the area of the prevention and detection of legalization of proceeds of criminal activity and terrorist financing.

Statistical data on the effectiveness of the UTR, or efficiency of information reported by obliged entities are in details processed separately for credit institutions – banks, point III.1.2, other obliged entities point III.1.3. and in the end under point III.1.4. information is processed for all obliged entities under Section 5 of Act No. 297/2008 Coll.

III.1.2 Statistics on the effectiveness of UTRs – banks

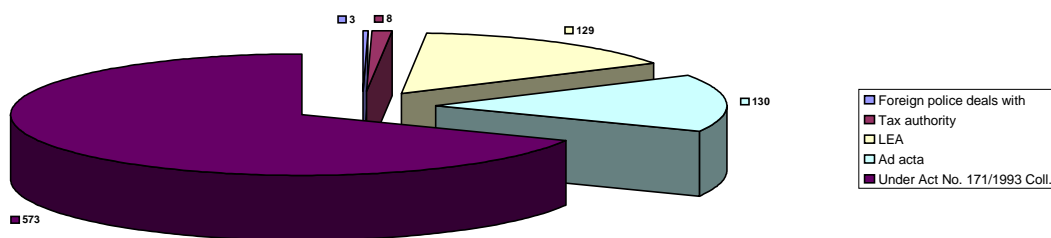
Graph No. 3 illustrates overall statistics on the effectiveness of UTRs for all credit institutions. Total number of received UTRs from all credit institutions was 2426 in 2009, i.e.

domestic credit institutions and foreign credit institutions together. Graph No. 3 shows units to which the Slovak FIU after evaluation and processing submitted information obtained by performing reporting obligation. The list of used abbreviations is listed on page 35. Abbreviation „DTB“ means that the information obtained from obliged entities was after its evaluation and processing inserted into electrical database of the Slovak FIU for further official use.



Graph No. 3: The effectiveness of UTRs received from domestic and foreign credit institutions in 2009

The Slovak FIU after evaluation and processing of UTRs submitted information obtained by performing reporting obligation to units specified in graph No. 3. These units verified the information and informed the Slovak FIU about results. Graph No. 4 illustrates results of verifications done by units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic. The note „PÚ“ means under Act No. 171/1993 Coll. that based on the forwarded information it was not possible to proceed according to provisions of Code of Criminal Procedure but first it was necessary to verify the provided information according to provision of Act No. 171/1993 Coll. on Police Force at first and consequently after its verification to make decision in the matter.



Graph No. 4.: The ways of completion of UTRs within Police Force units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic in 2009 received from domestic and foreign credit institutions.

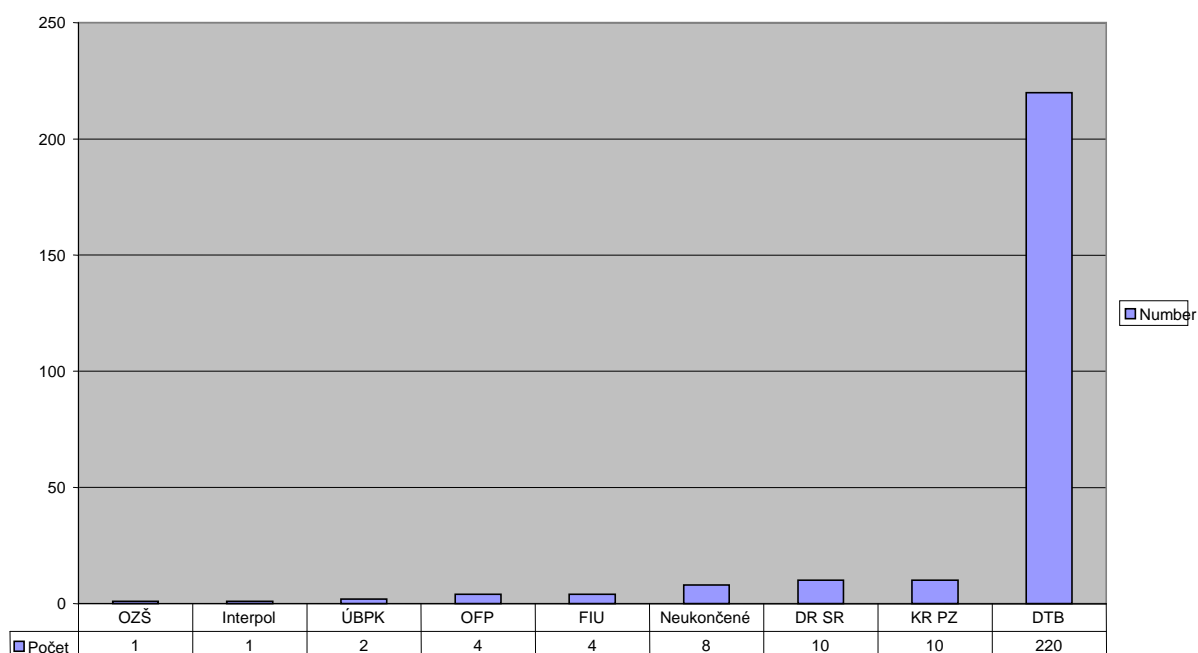
III.1.3.

Statistics on the effectiveness of UTRs – other obliged entities

Graph No. 5 illustrates overall statistics on the effectiveness of UTRs from other obliged entities. Total number of received UTRs from other obliged entities was 260 in 2009. Other obliged entities are defined under Section 5 (1):

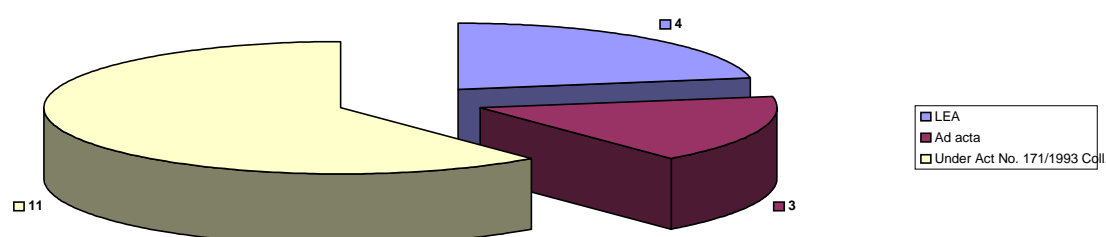
- b) a financial institution,
- c) the Export-Import Bank of the Slovak Republic,
- d) a gambling game operator,
- e) a postal undertaking,
- f) a court distrainer,
- g) an administrator who manages activity within bankruptcy, restructuring proceedings or debt removal proceedings,
- h) an auditor, an accountant, a tax advisor,
- i) a mediator of sale, rent or purchase of real estate,
- j) an advocat and a notary,
- k) a service provider of property management or a company service provider,
- l) organizational and economic advisor of public carriers and messengers or forwarding services,
- m) keeper of an auction hall, trader of art, collector's items, antiques, cultural monuments, precious metals or gemstones, pawnshop,
- n) other person if so laid down by a special regulation.

Graph No. 5 illustrates units to which the Slovak FIU after evaluation and processing submitted information obtained by performing reporting obligation.



Graph No. 5: The effectiveness of UTRs received from other obliged entities

The Slovak FIU after evaluation and processing of UTRs submitted information obtained by performing reporting obligation to units specified in graph No. 5. These units verified the information and informed the Slovak FIU about results. Graph No. 6 illustrates results of verifications done by units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic.

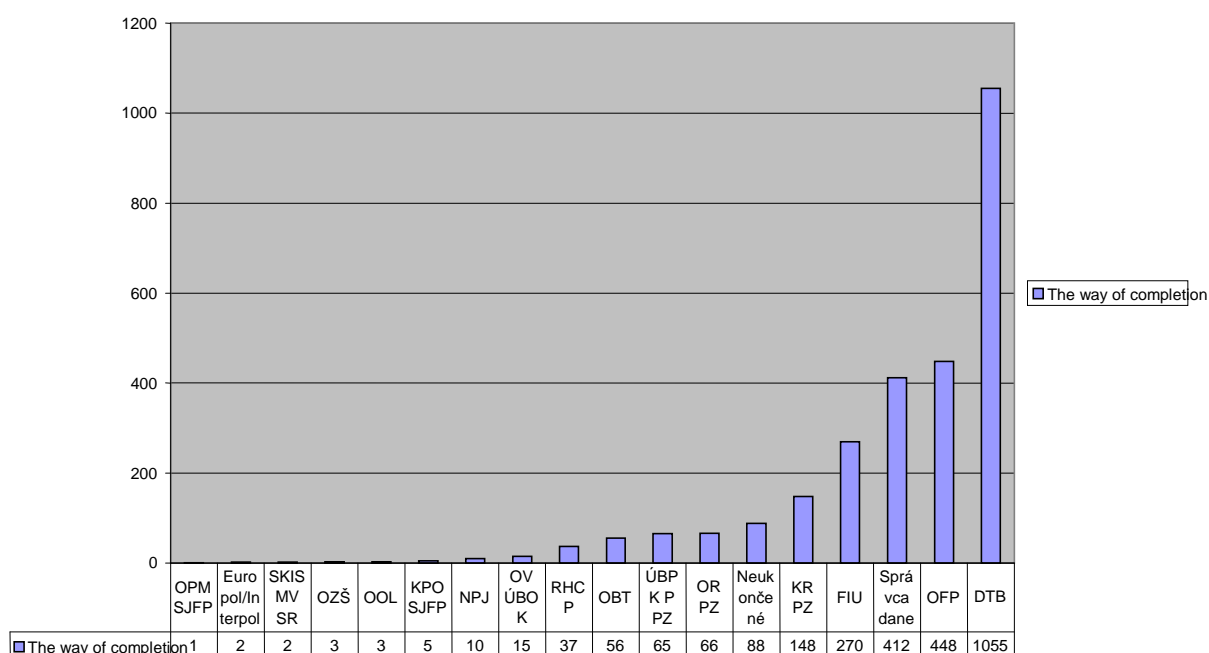


Graph No. 6.: The ways of completion of UTRs within Police Force units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic in 2009 received from other obliged entities.

III. 1.4. Overall statistics on the effectiveness of UTRs

Graph No. 7 illustrates overall statistics on the effectiveness of UTRs for all obliged entities defined under Section 5. Total number of received UTRs was 2686 in 2009. Graph No. 7 illustrates units to which the Slovak FIU after evaluation and processing submitted information obtained by performing reporting obligation

Out of total number of 2686 UTRs received in 2009, 56 UTRs were classified as reports with possible relation to terrorist financing and that is why all these reports were submitted to Unit of Combating Terrorism BCOC, in graph No. 7 under abbreviation „OBT“.

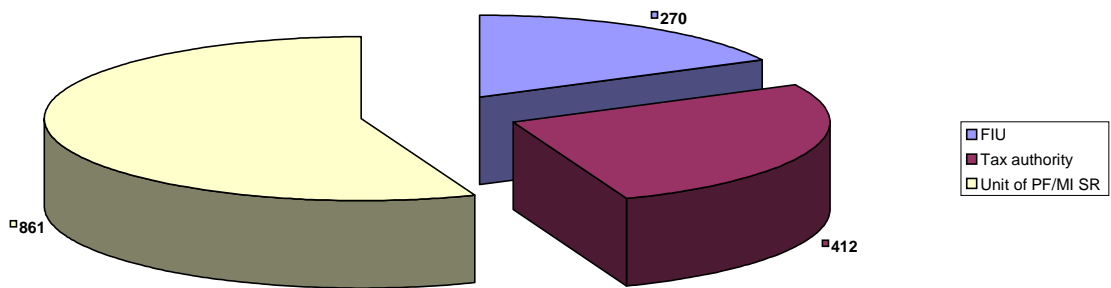


Graph No. 7: Overall statistics on the effectiveness of UTRs received from obliged entities defined under Section 5 in 2009.

Chart No. 4 and graph No. 8 illustrate selected statistical data related to total number of UTRs submitted to units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic, Tax authority and foreign Financial Intelligence Units.

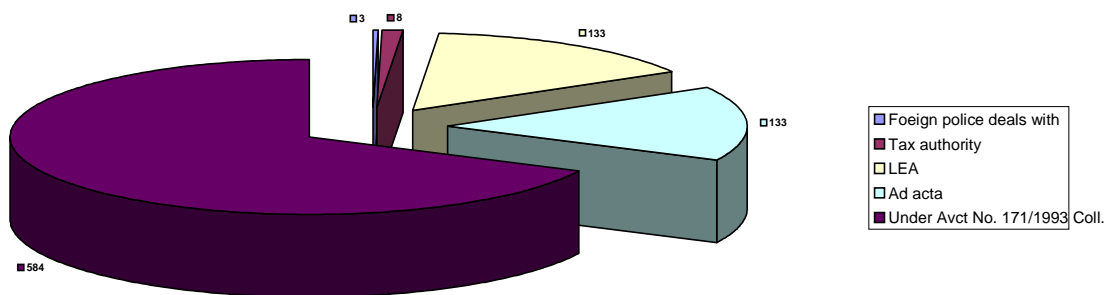
Way of completion	Credit institutions	Other obliged entities	Total
Unit of PF/MI SR	843	18	861
Tax authority	402	10	412
FIU	266	4	270
Total	1511	32	1543

Chart No. 4: Selected statistical data on the effectiveness of UTRs in 2009



Graph No. 8: Selected statistical data on the effectiveness of UTRs in 2009

The Slovak FIU after evaluation and processing of UTRs submitted information obtained by performing reporting obligation to units specified in graph No. 7 These units verified the information and informed the Slovak FIU about the results. Graph No. 9 and chart No. 5 illustrate results of verifications done by units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic.



Graph No. 9: The ways of completion of UTRs within Police Force units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic in 2009 received from all obliged entities defined under Section 5.

Completion at units of PF/MI SR	Banks	Financial institutions	Total
Foreign police deals with	3	0	3
Tax authority	8	0	8
LEA	129	4	133
Ad acta	130	3	133
PÚ under Act No.171/93 Coll.	573	11	584
Total	843	18	861

Chart No. 5: The ways of completion of UTRs within Police Force units integrated in the structure of Presidium of Police Force and Ministry of Interior of the Slovak Republic in 2009 received from all obliged entities defined under Section 5.

III.2. Control Activity of the Slovak FIU

The department of obliged entities' control is responsible for this area, its task is to control compliance to obligations of obliged entities stipulated by Act No. 297/2008 Coll. The Act requires obliged entity to prepare in writing its own activity programme aimed at the prevention of legalization of proceeds of criminal activity and terrorist financing (hereinafter referred to as „programme“), its primary task is to elaborate and modify performance of obligations stipulated by law to its own conditions, especially with respect to business activity (establishment of business or business relationships) as well as with respect to organizational structure (existence of more branches, subdivisions, etc.). The contentual structure of the programme is prescribed by the act which must be followed by obliged entities when creating it. The contents of particular parts must be conformed to the above mentioned facts so that persons following the programme, especially employees, are able to proceed in accordance with this programme on a daily basis. When performing control, police officers of the department focuss on the control of programme elaboration and accuracy of its particular parts as well as control of compliance to other obligations resulting from the act, especially application of risk approach to clients and thereto related particular levels of customer due dilligence. For the purpose of control activity, obliged entity is obliged to provide the Slovak FIU with all necessary cooperation, especially to provide documentation and information related to controlled business cases including information about persons participating in those businesses. The Slovak FIU may impose a fine or file an initiative to impose a fine to the competent authority or file an initiative with the authority authorized to decide on the revocation of a licence for the conduct of business or other independent profitable activity, for failure to comply with obligations stipulated by Act No. 297/2008 Coll. When determining the amount of fine, seriousness, duration and consequences of unlawful activity of obliged entity or repeated failure or breach to obligations stipulated by Act No. 297/2008 Coll. is considered. In certain cases also, e.g. amount of “disputable” transaction (not evaluated, not reported, not postponed) or other facts resulting from every single controlled case are considered.

With the view of unification of procedure when performing controls, internal regulation on control activity was elaborated and it methodically regulates procedures of police officers when performing controls. The particular ways of application of some provisions of Act No.

297/2008 Coll. are stipulated in this regulation, such as control process, fine imposition and dealing with misdemeanours.

In 2009, police officers carried out in total 21 controls of obliged entities as defined in Section 5 of Act 297/2008 Coll.

The list of obliged entities listed according to the line of business and number of controls:

- companies dealing with cash business in amount at least 15.000 EUR, number of controls 3,
- Exchange offices, number of controls 4,
- Leasing companies, number of controls 4
- Real estate companies, number of controls 3,
- Provider of loan from own sources, number of controls 1,
- Foreign bank branch, number of controls 1,
- Company providing money services, number of controls 1,
- Foreign insurance company branch, number of controls 1,
- Securities dealer, number of controls 2,
- Company authorized to carry out auctions out of distraintments, number of controls 1.

Within the performed controls of obliged entities in 2009, 14 decisions were issued to impose a fine, amount of which reached 58.100 EUR. Compared to the previous year, number of controls decreased as far as Act No. 297/2008 Coll. by its entering into force broadened the scope of obligations of obliged entities, especially in the field of customer due diligence (customer due diligence, simplified due diligence, enhanced due diligence), as well as the scope of activities performed within procedures from detection of UT until its reporting to the Slovak FIU which resulted in increased time consuming when performing control. This trend was also influenced by work done on already initiated control files during the previous period and by the fact that in certain period there was a parallel control of compliance to obligations under provisions of Act No. 297/2008 Coll. and 367/2000 Coll.

Control activity of the National Bank of Slovakia

The National Bank of Slovakia (hereinafter referred to as „NBS“) has under Section 29 (3) of Act No. 297/2008 Coll. the power to control compliance to obligations laid down in this act which are subject to supervision by the NBS. Under Act No. 566/1992 Coll. on the National Bank of Slovakia as amended, the NBS is competent to perform supervision of: banking system, securities dealers, capital market, insurance industry, pension savings, payment institutions and electronic money institutions, financial mediation and financial consulting.

In 2009 the control institutions of the NBS realized 6 controls of obliged entities in the area of compliance to obligations laid down in Act No. 297/2008 Coll., as follows: 4 controls in insurance companies, 1 control in a credit institution and 1 control at a securities dealer. In several cases it was detected with a credit institution that UT was not reported without undue delay. Deficiencies were detected with a securities dealer in delegating responsibility for reporting UTs during absence of authorized person. Deficiencies related to internal regulations stipulating reporting of UTs, special trainings of employees were detected with

insurance companies. Performed controls revealed no breach of law requiring to impose sanctions. Obligated entities took measures to eliminate deficiencies in compliance with requirements of the NBS.

Control activity of Ministry of Finance of the Slovak Republic

Ministry of Finance of the Slovak Republic (hereinafter referred to as „MF“) has under the Section 29 (3) of Act No. 297/2008 Coll. the power to control compliance to obligations laid down in this act which are subject to supervision by MF. In 2009, the control institutions of MF realized 2 controls in the area of compliance to obligations laid down in Act No. 297/2008 Coll. of obliged entities which operate gambling games under Act No. 171/2005 Coll. on Gambling Games. Control activity revealed no breach of provisions of Act No. 297/2008 Coll. with the controlled obliged entities.

Overall statistical data on controls performed under the competence of the Slovak FIU, the NBS and MF in 2009

The Slovak FIU, the NBS and MF have under Section 29 of Act No. 297/2008 Coll. the power of control compliance to obligations of obliged entities. In 2009, all three state authorities performed in total 29 controls of obliged entities specified in chart No. 6.

Obligated entity	Number of controlled subjects
Foreign bank branch	1
Company providing exchange services	1
Company authorized to carry out auctions out of distraintments	1
Domestic credit institution	1
Gambling game operator	2
Provider of loans from own sources	1
Securities dealers	3
Leasing companies	4
Real estate companies	3
Companies dealing with cash businesses in amount at least 15.000 EUR	3
Exchange offices	4
Insurance companies	5
Total	29

Chart No. 6: The structure of controls performed in 2009 according to the line of business of obliged entities.

Control activity of the Slovak FIU from 2001 to 2009

Chart No. 7 illustrates statistical data related to control activity of the Slovak FIU from 2001 to 2009, the line of business of obliged entity and number of controls in particular years.

Obligated entity/Year	2001	2002	2003	2004	2005	2006	2007	2008	2009
Bank	1	0	5	3	5	1	1	0	1
Insurance company	0	6	0	5	2	1	0	2	1
Leasing	0	11	3	7	16	14	10	16	4
Exchange office	0	4	6	7	6	4	0	3	4
Securities dealer	0	2	0	3	4	0	1	0	2
Real estate company	0	2	1	9	16	23	7	6	3
Pawnshop	0	0	2	1	1	1	1	1	0
Postal undertaking/forwarding agency	0	0	2	1	5	2	1	0	0
Gambling games	0	0	1	5	2	8	3	2	0
Financial services	0	0	3	9	11	8	4	7	1
Antiques/precious metals	0	0	0	7	5	4	0	0	0
Advocate	0	0	0	4	4	5	1	1	0
Audit	0	0	0	4	2	4	0	0	0
Auction company	0	0	0	1	4	2	2	2	1
Court distrainer	0	0	0	4	5	2	3	0	0
Loan from own sources	0	0	0	4	7	5	9	2	1
Trustees company/depository	0	0	0	1	2	0	0	0	0
High value goods	0	0	0	0	0	1	2	0	3
Notary	0	0	0	0	0	4	2	4	0
Total	1	25	23	75	97	89	47	46	21

Chart No. 7: Comparison of number of controls performed by the Slovak FIU from 2001 to 2009 according to the line of business of obliged entity

Chart No. 8 illustrates statistical data concerning the control activity of the Slovak FIU from 2001 to 2009, number of controls performed in particular years, the way of control completion and information on sanctions imposed.

Year	Number of controls	Methods of completion		Sanction in SKK	Paid up	Enforce by law
		No sanction	Sanction			
2001	1	1	0	0	0	0
2002	25	18	7	1.150.000	1.110.000	40.000
2003	23	13	10	1.610.000	1.410.000	200.000
2004	75	39	36	3.685.000	2.715.000	970.000
2005	97	49	48	2.530.000	1.890.000	640.000
2006	89	36	53	1.455.000	1.215.000	240.000
2007	47	17	30	1.030.000	940.000	90.000
2008*	46	16	30	1.843.585	1.623.585	220.000
2009*	21	5	14	58.100 EUR	54.100 EUR	4.000 EUR

* see detailed information

Year	Fines in SKK	Fines in EUR	Total in SKK	Total in EUR
2008	1.345.000	16.550	1.843.585	61.196
2009	Number of control s21	No sanction - 5	Sanction-14	Pending controls-2

Chart No. 8: Comparison of sanctions imposed by the Slovak FIU from 2001 to 2009

III.3. International cooperation

The task of the international cooperation department is to develop and make use of international cooperation. Police officers of the department perform international cooperation with foreign FIUs within information exchange in order to verify, detect or prevent legalization of proceeds of criminal activity and terrorist financing. Information exchange includes especially information from UTRs but this department represents also an important support for local financial police departments of BCOC as far as it ensures international cooperation within verified and realized cases of particularly serious criminal activity under the competence of BCOC.

Information exchange in the area of legalization of proceeds of criminal activity and terrorist financing is secured by encrypted electronical security network ESW (Egmont Secure Web) created within the international organization Egmont Group and system FIU.NET in accordance with Section 28 of Act No. 297/2008 Coll and Section 77a of Act No. 171/1993 Coll. Within international cooperation at the level of FIUs associated in EGMONT GROUP and via FIU.NET, out of total 115 Member States of Egmont Group, the Slovak FIU cooperated with 61 partner FIUs from Member States of Egmont Group and out of total 25 Member States of FIU.NET, the Slovak FIU cooperated with 5 Member States of FIU.NET in 2009. The most intense cooperation is realized with the FIU of the Czech Republic, Hungary, Austria, Germany, Cyprus, Italy, the Russian Federation, Ukraine, the United Kingdom and the USA.

FIU	Request for	Information/request	Number of provided	Information on processing of UTs	Consent to disseminate information from UTs
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	information	from a foreign FIU	Information from UTs	feedback	to LEA
Australia	0	1	0	0	1
Belgium	3	2	3	0	1
Bahama	1	0	0	0	0
Belize	2	1	0	0	0
Belorussia	0	1	2	0	1
Bosnia - Herzegovina	0	1	1	0	0
British Virgin Islands	1	0	0	0	0
Bulgaria	1	0	1	0	1
Costa Rica	0	2	0	0	0
Cyprus	11	1	4	0	1
Czech Republic	12	20	69	1	14
Montenegro	0	4	0	1	0
Denmark	1	1	1	0	0
Estonia	1	4	1	0	2
Finland	0	2	2	0	0
France	2	1	2	1	0
Greece	1	1	1	0	0
Gibraltar	1	0	0	0	0
the Netherlands	2	0	2	1	0
Hong Kong	1	0	0	0	0
Croatia	1	1	1	0	1
India	0	1	0	0	0
Ireland	0	0	1	0	0
Isle of Man	2	0	1	0	2
Israel	0	1	2	0	0
Canada	0	0	0	1	0
Lebanon	0	0	1	0	0
Lichtenstein	3	0	0	0	0
Lithuania	1	0	3	0	0
Luxemburg	1	1	1	0	0
Latvia	3	1	1	0	0
Macedonia	0	1	0	0	0
Hungary	19	10	102	8	18
Malta	1	0	1	0	0
Marshall Islands	1	0	0	0	0
Mexico	0	1	0	0	0
Moldova	0	1	0	0	0
Monako	3	0	0	0	1
Germany	35	3	23	9	17
Nigeria	0	2	1	0	0
New Zealand	1	0	0	0	2
Islands Turc and Caicos	0	1	0	0	0
Panama	1	0	0	0	0
Poland	4	9	6	0	3
Portugal	0	0	1	0	0
Austria	8	1	16	1	6
Romania	14	1	11	0	4
Russian Federation	7	1	6	1	1
Slovenia	0	0	0	0	0
United Arab Emirates	0	0	0	0	0
Sri Lanka	0	1	0	0	0
Serbia	0	2	1	0	0
Spain	5	0	3	0	0
Sweden	2	0	2	0	1
Switzerland	3	1	2	0	3
Taiwan	0	0	0	0	0
Italy	5	0	5	5	3
Turkey	0	1	3	0	0
Ukraine	7	7	13	2	4
the USA	4	0	7	0	1
Venezuela	0	3	0	0	0
the United Kingdom	12	3	7	3	1
Total	183	96	310	34	89

Chart No. 9: Statistical data on international cooperation in 2009

Interpretative notes to particular columns in chart No. 9:

- own requests for information, requests from the Slovak FIU related to own cases addressed to foreign FIUs,
- information /request from abroad, providing with information on UTs from foreign FIUs for the Slovak FIU or requests for verification of Slovak subjects addressed from another FIU,
- number of information provided from UTs, information obtained by the Slovak FIU from obliged entities sent to foreign FIUs, as sometimes some information are utilizable for more than one foreign FIU, in some cases one information is provided to several FIUs and therefore there is a difference in number of provided information as stated in graph No. 7 (number 270) and in chart No. 9 (number 310),
- information on processing of UTs – feedback, foreign FIUs sent information on utilization of the provided information to the Slovak FIU, after verification the information were inserted in the databases of the foreign FIU,
- consent to disseminate the provided information on UTs to LEA, foreign FIUs requested the Slovak FIU for consent to disseminate the provided information for foreign LEA.

Out of total number 270 of provided information to foreign FIUs, 89 information were used for intelligence purposes of foreign LEAs.

The department processed in total 1125 requests related to own requests sent abroad or requests from foreign partners, providing with information, consent to disseminate the provided information to the third party or replying questionnaires from abroad related to legal framework of legalization of proceeds of criminal activity and terrorist financing.

Police officers of the department represented the Slovak FIU in the meetings of European institutions and committees such as regular meetings of the Council of Europe Committee for money laundering and terrorist financing MONEYVAL. Representatives of 30 countries participate in the committee meetings and the Slovak Republic actively participates in performing tasks resulting from its activities and realizes steps aimed at elimination of deficiencies of legal system based on adopted evaluation reports on the Slovak Republic. The plenary meeting which took place in September 2009 (20. – 24.9. 2009) was of the biggest importance in this regard. The second report on progress of the Slovak Republic in the area of enforcement of measures against legalization of proceeds of criminal activity and terrorist financing in accordance with the international standards for period from 2007 to 2009 was negotiated on the plenary with the result that several countries expressed their satisfaction with achieved progress, especially in the area of enforcement of law. Police officers of the department also regularly participate in the meetings of European financial intelligence units related to communication encrypted channel FIU.NET or meetings of so-called AROs (Asset Recovery Offices) of the European Union countries associated in the CARIN (The Camden Asset Recovery Inter-Agency Network) network and plenary meetings of the CARIN network.

The CARIN network was established on constitutive congress on 22 – 23 September 2004 in the Hague. The aim of the congress was the establishment of informal network associating practitioners and experts with the aim to improve knowledge about the methods and techniques in the area of cross-border identification, seizure and confiscation of proceeds of criminal activity or other property derived from criminal activity. The Slovak Republic as a member of the CARIN network from its establishment in 2004 has its representatives from the Slovak FIU for the area of detection and identification of property derived from criminal

activity and a representative from General Prosecutor's Office of the Slovak Republic for the area of seizure of property derived from criminal activity or other property related to crime. Plenary meetings of CARIN are held every year and representatives of the CARIN network member states currently counting 42 countries of the world take part in the meetings where annual reports evaluating cooperation of the countries using the network are submitted and approved as one part of agenda.

Adoption of Council Decision 2007/845/JHA of 6 December 2007 concerning cooperation between Asset Recovery Offices of the Member States in the field of tracing and identification of proceeds from, or other property relate to, crime was the accomplishment of CARIN efforts to provide legal basis for information exchange between AROs. On the basis of Council Decision 2007/845/JHA each Member States should set up or designate domestic office for detection and identification of proceeds of crime and other crime related property. Cooperation between AROs is realized in accordance with the procedures and time limits provided for in Council Framework Decision 2006/960/JHA on simplifying the exchange of information and intelligence between law enforcement authorities of the Member States of the European Union. The Slovak FIU is a designated office for the Slovak Republic performing tasks stipulated in Council Decision 2007/845/JHA.

The aim of the department is development of international cooperation to achieve the effective information exchange needed for own activity of the Slovak FIU and activity of BCOC. Another aim is to obtain knowledge and experience from national FIUs being more experienced. The experience may be then used within direct performance and in the legislation area.

III.4. Financial verification

The property check-up department is responsible for this area and ensures fulfillment of Council Decision 2007/845/JHA of 6 December 2007.12.2007 concerning cooperation between Asset Recovery Offices of the Member States in the field of tracing and identification of proceeds from, or other property relate to, crime. Based on this decision the Slovak FIU has been designated as a national ARO responsible for tracing and identification of property derived from crime. Cooperation between national AROs is realized in accordance with the procedures and time limits provided for in Council Framework Decision 2006/960/JHA on simplifying the exchange of information and intelligence between law enforcement authorities of the Member States of the European Union. In 2009, 5 requests were received through Europol channel, out of them 4 were from Hungary and 1 from Russia.

Information exchange between AROs is realized through the CARIN network, the member of which the Slovak Republic has been as of 2004 and the representatives from the Slovak FIU are delegated for the field of tracing and identification of property derived from crime. In 2009, the Slovak FIU sent 14 requests through the CARIN network, out of them 12 to the Czech Republic, 1 to Cyprus and 1 to Ireland. The Slovak FIU received 12 requests from foreign AROs in 2009, out of them 11 were from the Czech Republic and 1 from France.

Information related to bank accounts, movables and immovables as well as information concerning criminal records of persons are required within these requests. When performing financial verification, police officers of the department follow provisions defined in Act No. 171/1993 on Police Force and internal regulation stipulating procedures when detecting financial status of persons and for the purpose of custodial acts of LEAs aimed at detection, seizure and recovery of proceeds of criminal activity. This regulation stipulates the scope and way of financial verification as well as the scope of additional information being detected.

As far as from the point of view of the Slovak FIU, Slovak LEAs do not sufficiently make use of possibility to verify financial status of persons, informative documents was worked out providing summary information in the form of guidelines about kind of information which may be provided by the Slovak FIU and how to proceed to request for such information. The Slovak FIU included also information related to terrorist financing and AROs into its training programme.

III.5. Analytical activity

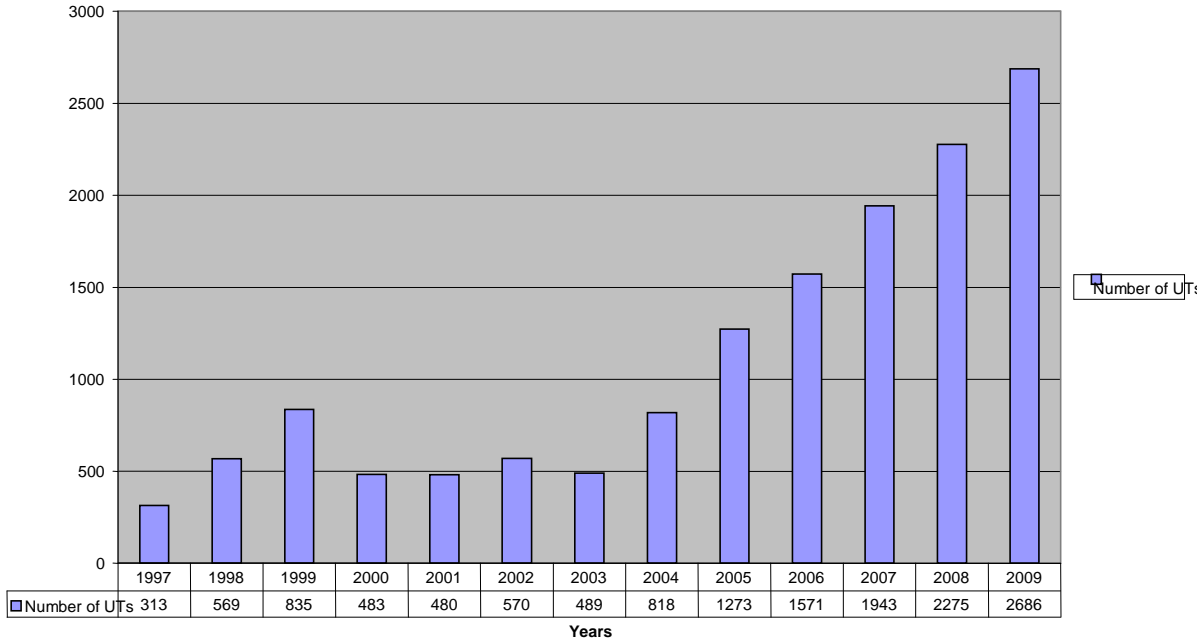
On 1 September 2008 Act No. 297/2008 Coll. implementing the European Parliament and Council Directive 2005/60/ES and the Commission Directive 2006/70/EC entered into force. In terms of requirements resulting from these directives, inter alia, requirements related to statistical data keeping and providing information on efficiency of UTRs to obliged entities were incorporated to provisions of Act No. 297/2008 Coll. Because there was need to perform new obligations specified by law, on 1 April 2009 there was a new organizational structure of the Slovak FIU and a new department dealing with analytical activity was created. The basic task of the department is to collect, conduct and analyse statistical data as defined in Section 27 of Act No. 297/2008 Coll. with the aim to publish the summary statistical data in the annual report of the Slovak FIU. At the same time feedback information on effectiveness of UTRs is elaborated by the Slovak FIU for the needs of obliged entities so that the obliged entity may see the review of the reports and its efficiency. As far as obliged entity considers certain abnormalities being apparently beyond the common framework or the character of transactions of certain type or of certain client with regards to its complexity, contents or singularity and from its point of view the transaction is evaluated as unusual, for the needs of obliged entity feedback from the Slovak FIU is essential. Another obligation of the department is to provide information and cooperate with state authorities performing tasks in the field of constitutional establishment, national order and state security related to combating terrorism and organized crime.

Because of the need to keep central summary statistical data related to criminal offence of legalization of proceeds of criminal activity under Sections 233 and 234 of Penal Code and all criminal offences related to seizure of property, confiscation of property and forfeiture of property, the Slovak FIU is authorized under Section 27 (2) of Act No. 297/2008 Coll. to request statistical data from public authorities and under Section 27 (3) public authorities are obliged to provide the requested data for the needs of the Slovak FIU. Internal regulation of the President of Police Force providing for automatic information on statistical data directly from the Slovak FIU was issued within the competence of Police Force for the purpose of collection and analysis of statistical data. Statistical data from state authorities other than

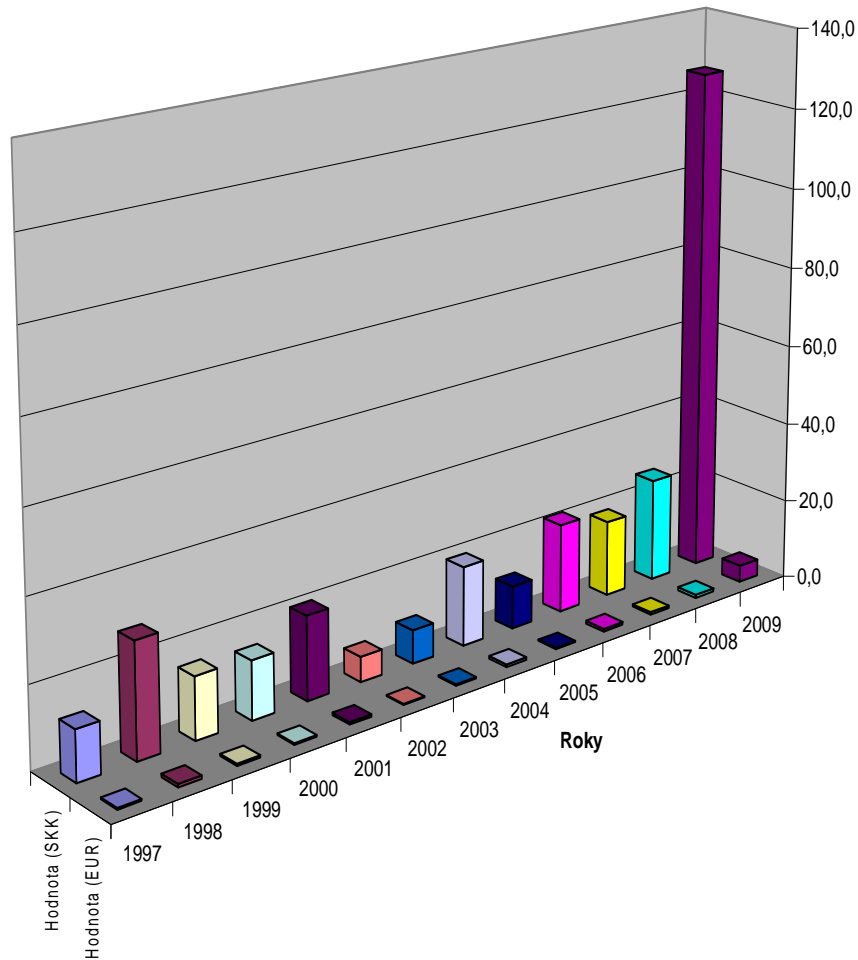
those under the competence of the President of Police Force are provided based on written requests.

Statistical data on UTRs from 1997 to 2009

Comparison of number of received UTRs and amount of transactions within received UTRs from 1997 to 2009. Numbers and amounts of received UTRs from 1997 to 2009 are illustrated in graphs No. 10, 11 and chart No. 10. Permanent increase of received UTRs has been recorded since 2004.



Graph No. 10: Comparison of number of received UTRs from 1997 to 2009.



Graph No. 11: Comparison of amounts within received UTRs from 1997 to 2009

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Amount in mld. SKK	12,4	28,0	15,2	14,4	20,6	6,2	8,3	19,7	10,6	22,1	18,9	25,7	126,5
Amount in mld. EUR	0,41	0,93	0,50	0,48	0,68	0,20	0,27	0,65	0,35	0,73	0,63	0,85	4,20

Chart No. 10: Comparison of amounts within received UTRs from 1997 to 2009

IV.

Summary statistical data for the Slovak Republic

Summary statistical data presented in parts IV.1. and IV.2. were provided by all state authorities in the Slovak Republic performing tasks given by law in given the field. The information were obtained from activity of operative authorities, LEAs and courts under the competence of Ministry of Interior of the Slovak Republic, Ministry of Finance of the Slovak Republic, General Prosecutor's Office of the Slovak Republic and Ministry of Justice of the Slovak Republic. Summary review of statistical data is divided into three parts as follows: IV.1. statistical data related to criminal offence of legalization of proceeds of criminal activity, IV. 2. related to all crimes and IV.3. related to import, export and transit of funds in cash or other equivalent means of payment through the customs territory of the European Union.

IV.1.

Statistical data related to criminal offence of legalization of proceeds of criminal activity

As far as courts in 2009 adjudicated pursuant to provisions of Section 252 and 252a of Penal Code No. 140/1961 Coll. as amended and also pursuant to provision of Section 233 and Section 234 of Penal Code No. 300/2005 Coll. being in force (in force as of 1 January 2006), statistical data in the part for Ministry of Justice are illustrated jointly. In chart No. 11 there are complete statistical data related to criminal offence of legalization of proceeds of criminal activity obtained by the Slovak FIU from state authorities of the Slovak Republic: Ministry of Interior of the Slovak Republic, General Prosecutor's Office of the Slovak Republic and Ministry of Justice of the Slovak Republic.

No.	Provision of Penal Code	Description	MI			GP			MJ		
			Number of cases	Number of persons	Damage	Number of cases	Number of persons	Damage	Number of cases	Number of persons	Damage
1.		Suggestion for criminal prosecution submitted by perative units of PF	54	112	23.448.294						
2.	Sec. 199	Commencement of prosecution	62		9.793.521						
3.	Sec. 206	Exhibit of charge	24	36	6.341.517						
4.	Sec. 209	Termination of investigation with proposal of accusation	1	1	5.212						
5.	Sec. 214	Surrender of matter	3		14.980						
6.	Sec. 215	Discontinuation of prosecution	5	0	17.100						
7.	Sec. 288 par. 1	Stay of prosecution	9	1	109.445						
8.	Sec. 228 par. 5	Continuation of prosecution	1	0	2.655						
13.	Sec. 234	Indictment					22				
14.	Sec. 284	Judgement							10		
15.	Sec. 331	Agreement of guilt and punishment					3				

Chart No. 11: Statistical data related to criminal offence of legalization of proceeds of criminal activity, amounts in EUR.

IV.2. Statistical data related to all criminal offences

As far as it is essential to prove proceeds from crime and funds for commitment of crime, their placement, nature, state and price under Section 119 (1) (f) of Code of Criminal Procedure within criminal proceedings, the following statistical data related to evidence within criminal proceedings related to property seized were obtained from police units.

No.	Provisions of Code of Criminal Procedure	Description	MI	
			Number of cases	Amount
1.	Sec. 89	Obligation to surrender a thing	6.077	65.891.212
2.	Sec. 91	Dispossession of a thing	282	2.086.352
3.	Sec. 92	Takeover of a seized thing	2.052	879.508
4.	Sec. 95	Seizure of funds	50	2.871.941
5.	Sec. 97	Return of a thing	3.732	44.151.221
6.	Sec. 550	Surrender of a thing (international legal assistance)	12	300
7.	Sec. 551	Seizure of property (international legal assistance)	8	4.858

Chart No. 12: Acts of criminal proceedings realized by investigators of Police Force, amount in EUR

In 2009, General Prosecutor's Office realized 3 cases of international legal assistance related to requests from abroad related to criminal offence of legalization of proceeds of criminal activity.

IV.3.

Statistical data related to transit of funds in cash

Under Section 4 (1) of Act No. 199/2004 Coll. Customs Act and on amendments and supplements to certain acts, funds in cash entering the territory of the Slovak Republic from the third country or leaving the territory of the Slovak Republic to the third country are subject to customs supervision. Funds in cash mean marketable financial bearer instruments including monetary bearer instruments such as travel checks, marketable instruments – checks, own bills, postal notes in the form of bearer security without restriction drawn on a fictitious payee or in such a form that the legal claim is transferable to another person by its delivery as well as incomplete instruments including checks, own bills and signed postal notes without the name of receiver and all banknotes and coins circulating as a tool of exchange.

Reporting obligation accrues under Section 4 (2) of Act No. 199/2004 Coll. for natural entity transporting funds in cash in amount at least 10.000 EUR. The natural entity is obliged to report this fact in writing to the customs office in place where the transport is realized, on a form. The customs office is under the above mentioned act obliged to send the filled-in forms on reporting obligation as well as announcements on breach of customs regulations under Section 72 (1) (n) to the Slovak FIU until the fifth day of the calendar month following the month when the transport was realized.

The Slovak FIU obtained 5 reports on transport the funds in total amount of 124.500 EUR from Customs authority of the Slovak Republic in 2009 related to transport of funds on enter from the external border to the European Union from Ukraine to the Slovak Republic. In all those cases it was concerning transport of funds in cash in currency EUR and the transport was realized by Ukrainian citizens declaring the purpose of funds for purchase of a van in 2 cases, purchase of a car in 2 cases and purchase of consumer goods in 1 case. Germany was declared as a country for the purchases. Declared purposes of purchases were verified by the Slovak FIU with the following results: in 1 case the declared purchase was fulfilled - the vehicle was bought in Germany and transported through the Slovak Republic to Ukraine. In other cases no transport of goods from the Slovak Republic to Ukraine was recorded.

According to the statement of Customs authority of the Slovak Republic, when performing control at the external border of the Slovak Republic in 2009, no cases of illegal transport of funds in cash was detected. All of the reported cases relate to reporting obligation under Section 4 (2) of Act No. 199/2004 Coll.

List of used abbreviation

The Slovak FIU	Financial Intelligence Unit of Bureau of Combating Organised Crime, Presidium of Police Force
BCOC	Bureau of Combating Organised Crime, Presidium of Police Force
PPF	Presidium of Police Force
MI	Ministry of Interior of the Slovak Republic
MF	Ministry of Finance of the Slovak Republic
MJ	Ministry of Justice of the Slovak Republic
GP	General Prosecutor's Office of the Slovak Republic
NBS	the National Bank of Slovakia
BFP	Bureau of Financial Police
DFI	Department of Financial Intelligence
Act No. 297/2008 Coll.	– Act No. 297/2008 Coll. on the prevention of legalization of proceeds of criminal activity and terrorist financing and on amendments and supplements to certain acts as amended by Act No. 445/2008 Coll. and Act No. 186/2009 Coll.
UT	unusual transaction
UTR	unusual transaction report
ARO	Asset Recovery Office, national office for detection and identification of property derived from crime
CARIN	The Camden Asset Recovery Inter-Agency Network, network for information exchange between AROs
LEA	law enforcement authorities
EUROPOL	the European Union Police Bureau
INTERPOL	international police cooperation organization