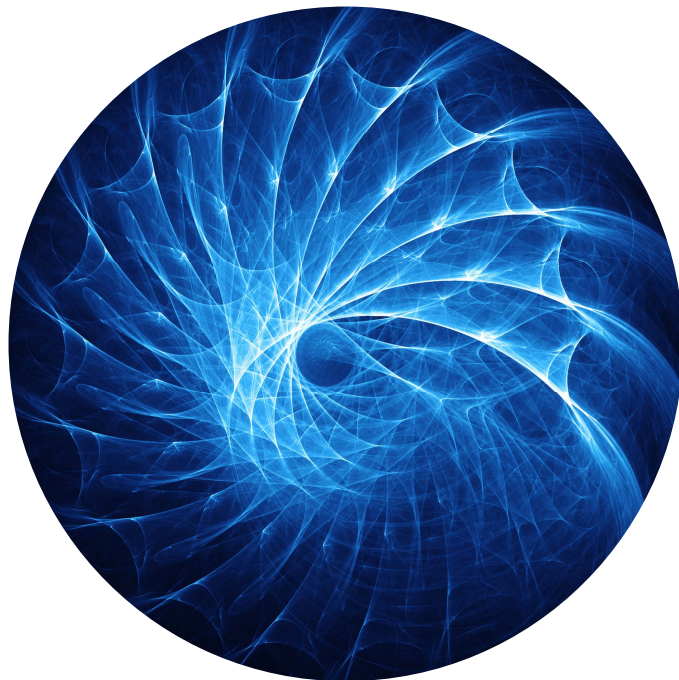


ANNUAL REPORT

Financial Analytical Unit of the Czech Republic



FAU 2017

Dear Readers,

I am pleased to evaluate the first year of operation of the Financial Analytical Office, which was established on 1 January 2017 and fulfils the role of a Financial Intelligence Unit of the Czech Republic. In the previous Annual Report, I expressed my strong belief that we would be able to build on more than 20-year history of this Unit as an organizational unit of the Ministry of Finance. After the first year, I am sure we have succeeded in, both in terms of organization and performance.

This Report summarizes information on activities of the Office in the year 2017, it contains information on current trends in the area of anti-money laundering and countering terrorist financing and the prognosis of their further development in the Czech Republic. An overview of statistical data complements this information.

As each year, I would like to thank all the FAU staff for the work they had done and for their dedication and enthusiasm. Each of the staff contributed significantly to the results presented in this Report.

The presented and evaluated results for the year 2017 would not have been possible without very good cooperation with a whole spectrum of obliged entities, in particular from the banking sector, which I have been considering as a cooperation on a high and professional level. In order to be successful in our work, cooperation with customs and tax administration is also very important for us. This cooperation significantly contributes to the achievements in the area of anti-money laundering and countering terrorist financing. Improvement and increasing effectiveness of this cooperation is a long-term process in which all stakeholders are actively involved. Analysis of individual cases would not be possible without an international dimension and as a representative of the Czech Financial Intelligence Unit I have to appreciate very good mutual cooperation with our foreign counterparts.

I would also like to thank members of the Standing Committee of the Chamber of Deputies on the Supervision of the FAU for their cooperation at the meetings of this Committee.

Statistical data show that the number of suspicious transaction reports increased by 19,5% compared to 2016. Further development will prove if this is a change in the trend of past few years, when this number was basically stable. In any case, the number of charges lodged with the Police is similar to 2016 both, in the total number and in the amount of funds seized which was 2.146 billion Czech Crowns, which confirms that the settings of the AML system is well balanced and focused on serious cases.

Ing. Libor Kazda

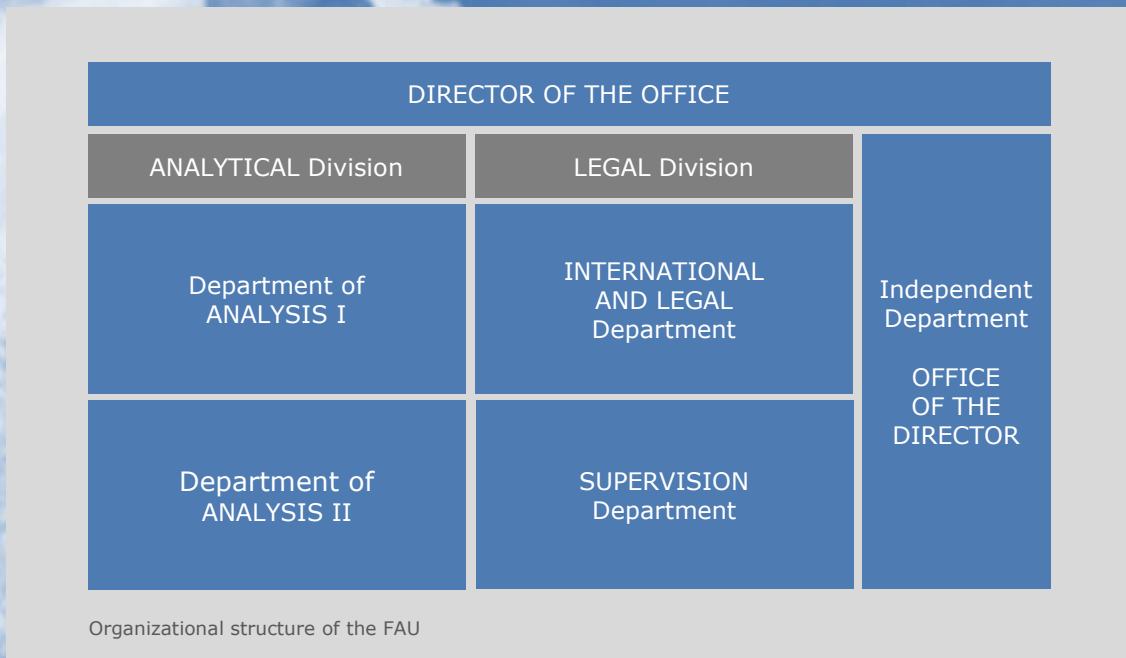
Director of the Office

The background of the page features a pattern of thin, light blue lines radiating from the center, creating a sense of depth and movement. A solid, dark blue horizontal band runs across the middle of the page, serving as a backdrop for the title.

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THE FIRST YEAR OF THE FAU



The Financial Analytical Office (further as "Office" or "FAU"), which was established as of 1 January 2017 by Act No 368/2016 Coll., amending Act No 253/2008 Sb., on Selected Measures against Legitimation of Proceeds of Crime and Financing of Terrorism, lived its first year of independent existence. In the scope of its competence it continues in activities of its predecessor, the Financial Analytical Unit of the Ministry of Finance, which was established in 1996. The newly established Office assumed the function of the Financial Intelligence Unit of the Czech Republic. In this role, the FAU is a member of a global network of Financial Intelligence Units which have been established since the early 1990s around the world and cooperating within the Egmont Group since 1997. The beginnings are never easy and the same was the case with the FAU, despite the fact that the Office built on solid foundations.

The FAU is the main body in charge of measures to prevent and combat money laundering, financing of terrorism and proliferation of weapons of mass destruction. Its main function is to analyse suspicious transaction reports from so-called obliged entities which include a wide range of subjects such as banks, other financial market entities, real estate agencies, gambling operators or virtual currency service providers. Suspicious transaction reports are analysed and based on the results of the analysis further steps are taken.

Last but not least the FAU is the main body coordinating the implementation of international sanctions and a supervisory and administrative body in the field of combating money laundering, terrorist financing and international sanctions.

In parallel to a life of a young person who had lived with parents in a common household and set off on an independent journey of life, the FAU as a new administrative body, after 21 years under the Ministry Finance, started to write a new chapter of fight against money laundering and terrorist financing. Acknowledgements goes to the FAU staff, colleagues at the Ministry of Finance and to many other participating persons from both the public and private sectors.

A detailed black and white photograph of a mechanical assembly, likely a calculator or a similar precision instrument. The image shows several cylindrical gears of different sizes mounted on shafts. The gears are interconnected, and the shafts are supported by a complex frame of metal plates and bearings. The lighting highlights the metallic textures and the precise engineering of the components. A blue horizontal band is overlaid across the middle of the image, containing the text 'ANALYTICAL WORK' in white, sans-serif capital letters.

ANALYTICAL WORK

A close-up view of a specific gear from the mechanical assembly. The gear is cylindrical and has a white band wrapped around its circumference. On this band, the numbers '2', '1', '0', and '9' are printed in a bold, black, sans-serif font. The gear is mounted on a shaft, and its teeth are visible at the bottom. The background shows other parts of the machine, including shafts and bearings, in a slightly blurred state.

2 1 0 9

A close-up view of another gear from the mechanical assembly. The gear is cylindrical and has a white band wrapped around its circumference. On this band, the number '6' is printed in a bold, black, sans-serif font. The gear is mounted on a shaft, and its teeth are visible at the bottom. The background shows other parts of the machine, including shafts and bearings, in a slightly blurred state.

6

Detection and the subsequent analysis of suspicious transactions is the cornerstone of the system of anti-money laundering and countering terrorist financing (AML/CFT) in the Czech Republic. The primary purpose is to detect cases of money laundering and terrorist financing (ML/TF) in the financial system. The system is regulated by the AML Act that clearly defines competencies, powers and obligations of individual parts of the system. The basis is the duty of obliged entities, especially banks and other financial institutions but also a number of other entities (see Section 2 of the AML Act) to report to the FAU. An important moment is the significant delegation of investigative activity to the obliged entities, accompanied by a relatively high level of independence in assessing the suspicion of individual transactions. There are no financial limits for mandatory reporting of suspicious transactions in the Czech Republic. A suspicious transaction is defined in Section 6 of the AML Act as a transaction performed under circumstances raising suspicion of attempting to legalize proceeds of crime, or suspicion that funds used in a transaction are intended to finance terrorism, or other evidence that might suggest such suspicion. The ultimate assessment of all indicators of suspicion and evaluation of the transaction as suspicious is, with a few exceptions, delegated to the obliged entities. The suspicious transaction report (STR) is a statutory submission of the primary suspicion of the obliged entity to the regulator. Upon receipt of the STR, the FAU, as the top analytical workplace in the field of AML, conducts its examination. Its purpose is to verify the initial suspicion of the obliged entity and procure other information necessary for the decision on other steps. In addition to the basic information sources provided almost in real time by the obliged entities, the FAU may request information from the Police, intelligence services and public authorities, from financial administration and other statutory sources. Given the global dimension of money laundering, an increasing number of cases is investigated in cooperation with foreign counterparts. The output of FAU's analytical work is a criminal complaint, submission of information to financial administration or other institutions and in the case of an international element dissemination of information to a foreign FIU. If illegal proceeds are found, both FAU and obliged entities are empowered to temporarily secure the funds, the purpose of which in case of "danger of delay" is to prevent the frustration or substantial deterioration of seizure of illegal proceeds. This tool, often referred to as the "FAU blocking" is regulated by Section 20 of the AML Act and is frequently used in practice.

Suspicious Transaction Reports received



2017

3,524

2016

2,948

2015

2,963

In 2017, the FAU received in total 3,524 STRs. The number of reports increased by 576 compared to 2016. This relatively rapid increase was caused i.a. due to the extension of the types of obliged entities by an amendment to the AML Act.

Number of criminal complaints filed



2017

539

2016

556

2015

514

05

The STRs received were subject to thorough analysis the result of which was filing a total of 539 criminal complaints to the law enforcement authorities.

Number of criminal complaints where funds were secured



2017

377

2016

402

2015

294

In 377 cases the criminal complaint was accompanied by blocking of funds.

Funds secured

[CZK million]



2017

2,146

2016

3,836

2015

5,542

07

More than CZK 2,146 million were secured in accordance with the AML Act.

Submissions to the General Financial Directorate



2017

1,647

2016

1,419

2015

1,744

In 2017, close cooperation between the FAU and the tax authorities continued. A total of 1,647 information was reported to the financial administration in accordance with the AML Act on the grounds of a suspicion of a tax breach.

Submissions to the General Directorate of Customs



2017

106

2016

64

2015

75

09

The FAU's close cooperation with the Customs Administration also continued in 2017. The FAU according to the AML Act submitted a total of 106 information on suspicion of violation of customs regulations, representing an almost 66% increase compared to 2016.


In the year 2017 a total of 1,753 information was submitted in compliance with the AML to the Financial Administration and the Customs Administration Act for suspicion of a breach of tax and customs regulations. In 2016 there were 1,483 submissions of information.

The year-on-year increase of 270 cases proves that tax issues continue to be one of the most frequent predicate crime, and show the importance of cooperation between the FAU and tax administrators. The information provided by the FAU contribute significantly to the success of the tax administration in tax collection.

From the point of view of the typology of predicate crime, the FAU encounters a whole range of offenses defined in the Criminal Code. The most widely represented are the aforementioned tax offenses, various forms of fraudulent practices, including all types of de facto simple general fraud, such as, for example, money laundering under the pretext of supply of goods, execution of work, services, etc., but also highly sophisticated premiums, credit and subsidy fraud, including the ongoing phenomenon of the so-called "CEO fraud". Other common predicate offenses have traditionally been bankruptcy offenses and, to a lesser extent, offenses related to corruption, prostitution and drug sales.

Among the techniques and procedures traditionally used by offenders to launder dirty assets, i.e. the attempt to create an illusion that assets are legally acquired, there have been repeated transfers between bank accounts in the Czech Republic and abroad, cash deposits and withdrawals, bank accounts based on a fake or stolen identity, forwarding services, tax havens, real estate investment, and virtual currency. In practice, there are almost always different combinations of these techniques depending on the predicate crime, the level of organization, the intellect of the perpetrator, etc.

In the globalized world, good and fast international exchange of information is a prerequisite for efficient and effective AML work. In general, the trend of continuous improvement in all aspects, i.e. in terms of the scope, quality and speed of the information provided, can be noted over the past year. Increasingly, international financial cooperation is also being implemented within the framework of international cooperation.



Another fundamental field of the FAU's competence is the financing of terrorism. Terrorist financing means financing of activities aimed at carrying out terrorist acts. Terrorists abuse the financial system very similarly to other criminals. The cost of terrorist attacks can be relatively low. On the other hand, when maintaining and developing a terrorist organization cost rise significantly. It is necessary to distinguish financing of individual attacks and financing of the operation of a terrorist organization. In the first case, this largely involves small or relatively small costs ranging from units to a maximum of several hundred thousand. In the latter case, there is a need for a regular supply of large amounts of funds. Terrorist cells use a variety of methods to acquire and legalize funds, including both sophisticated fraudulent acts and drug trafficking, as well as the use of legal financial resources, including those from charities and regular business companies. Taking into account the current situation in the world, the FAU has intensively devoted itself to the issues of terrorist financing in the course of 2017. Close cooperation with all relevant stakeholders continued, both at national and international level, including educational and methodical outreach to obliged entities.

WHAT CAN BE EXPECTED?

From the analysis of the long-term developments and taking into account the current events and trends in money laundering and terrorism financing in the Czech Republic, the following may be anticipated:

- From the point of view of predicate crime a large share of various forms of fraud and tax offenses.
- Attempts to legalize proceeds of crime through bank accounts opened on a false or stolen identity.
- Efforts to find new ways to commit tax crime as a response to systemic measures of the Financial Administration.
- Investment of proceeds of crime committed in the Czech Republic and abroad in domestic real estate.
- More frequent use of virtual currencies, electronic payment gateways and electronic wallets .

Prognosis of Further Development in the Field of Money Laundering and Terrorist Financing

Forecasting trends and the prognosis of further development are very complex in the field of money laundering and terrorist financing. In any case, it is quite clear that ML/TF will continue to be among the greatest global threats. Damage caused by ML/TF impacts on entire economies and amounts to billions. In the case of terrorism, the damage is incalculable. In the most sophisticated cases, offenders operate in highly organized criminal structures active globally, relying on quality legal and economic service. In particular, due to this background, these structures will always be able to use the most modern and "most effective" money laundering tools and techniques for their activities. They will certainly continue to use the global financial system for their activities. It is for this reason that the nation-wide AML systems of individual countries are no longer sufficient. An effective fight against both threats is a matter of global importance, the fulfilment of which will be conditioned by active attitude of all stakeholders at international level.

From the international point of view, the continuing effort to leak funds from third countries via rapid transfers through bank accounts held for foreign entities in Czech banks is foreseeable.



FAU AND COBRA

Cooperation of the FAU in Tax Cobra Project

In the framework of fight against money laundering and terrorist financing, the Financial Analytical Office plays a major role in combating tax crime. In this field, the Office has been actively working with all bodies integrated in the Tax Cobra Project from the outset. Although the FAU is not officially embodied in Tax Cobra structure for tactical and legislative reasons (the FAU's independence as a financial intelligence unit based on international principles), it participates fundamentally in its activities, both at the consultative and methodical level where FAU representatives participate in all strategic negotiations and meetings, and especially at the operational level. Here, thanks to well-defined legal definition in the AML Act, the FAU cooperates very closely and efficiently with both the Financial Administration and law enforcement authorities, including both the Czech Police and the police authorities of the Customs Administration. Communication is also often conducted directly with the supervising public prosecutor.

Since in the Czech Republic it is not possible to commit tax crime without using Czech bank accounts, the FAU has focused from the outset on detecting tax fraud within the banking system. This approach logically corresponds to the FAU's priority mission, i.e. the analysis of suspicious transactions. In the Tax Cobra Project, the FAU was assigned to set up a suspicious transaction detection system in such a way as to be able to detect cases of carousel fraud, cases of fictitious costs in order to reduce the tax base etc. The fulfilment of this task has required, among other things, educational and methodical outreach on the affected obligated entities. It can be concluded that the original assignment has been fulfilled, and tax crime, including new forms and methods, has been very successfully detected thanks to the quality of the AML system.

This ultimately means an invaluable amount of information provided by the FAU to the Tax Cobra Project in the form of criminal complaints, the provision of information to tax administrators or by means of replies to statutory eligible project participants.

If the FAU finds suspicion of committing a criminal offense, the procedural output of its analysis is a criminal complaint, which is addressed either to the Police Chief of the Police of the Czech Republic or to the General Directorate of Customs. The FAU is not sure whether its criminal complaint has been included in the Tax Cobra Project, however, given the damages or techniques, it is assumed that at least the cases quantified in the following table were included in the Project, at national or regional level. This presumption is confirmed, among other things, by the fact that in almost all the major media cases of the Tax Cobra Project the Police in its press releases mentioned participation of the FAU.

	No of criminal complaints	Funds secured [CZK]	Damage caused [CZK]*
2014	18	436 897 365,06	2 227 564 277,50
2015	23	58 904 731,93	1 937 657 915,44
2016	16	100 065 316,00	684 783 723,37
2017	15	80 293 652,84	949 886 723,53
Total	72	676 161 065,83	5 799 892 639,84

* The damage caused can not always be quantified at the time of filing, so it is the sum of the cases where it was quantified, with the actual damage being probably much higher.

The FAU's statutory powers include, among other things, the monitoring of transactions in near real time, with the parallel possibility of blocking the transferred funds. Simultaneously with the filing of a criminal complaint, in most cases the funds are also secured on bank accounts. This approach corresponds to one of the basic principles, that "crime can not be paid", because in most cases economic punishment has a much more drastic impact on criminals than other instruments of criminal law.

The FAU, in the case of its own criminal complaints, focuses primarily on the currently "running" cases with large damages, or on cases where a new "modus operandi" is detected in the commission of criminal activity. In cases where the FAU does not file a criminal complaint, it submits relevant information to tax administrators who use them in their criminal complaints and generally in their activities (see below). From the above data, it can be inferred that the number of cases the FAU provides to the Tax Cobra structure has not decreased significantly. Generally, the FAU's criminal complaints have high information value and include information subject to banking and tax secrecy. The highly quality is appreciated also by the Supreme Public Prosecutor's Office

Another contribution of the FAU to the activities of the Tax Cobra Project is bilateral cooperation with tax administrations. The FAU is primarily providing a huge amount of up-to-date information that is relevant to the performance of activities of the Financial Administration and the Customs Administration (Section 32, paragraph 2 of the AML Act). These information include findings on carousels or fictitious costs, as well as information about transactions made on accounts that are not known to tax administrators, including those held abroad. Fast and up-to-date information on current bank account balances can be quite crucial for tax administrators. On the other hand, the FAU requests information from tax administrators for the purpose of analysing suspicious transactions, and at the same time receives complaints in the form of reports of abuse of the tax administration system - HZSSD (Section 30, paragraph 2 AMLZ). The following table shows that FAU's support to tax administrators, who are members of the Tax Cobra, tend to increase.

Besides the Financial Administration and the Czech Police, the FAU also provides information on the basis of Section 39 paragraph 1, letter m) or Section 32, paragraph 2 of the AML Act. In this context, it is necessary to recall the cooperation of the FAU with the Czech Police and the Customs Administration in cases of police "performances". In such cases the FAU primarily focuses on blocking of criminal proceeds in bank accounts.

In combating tax crime, the FAU's activities related to prevention can also be considered as crucial. This comprises mainly a methodical and educational outreach to the banking sector,

	HZSSD – FA (§ 30/2 AML Act)	HZSSD – CA (§ 30/2 AML Act)	Info FA (§ 32/2 AML Act)	Info CA (§ 32/2 AML Act)
2014	405	28	1491	103
2015	438	28	1744	75
2016	316	39	1419	64
2017	361	44	1647	106

emphasising criteria of clients' acceptability, which also includes the possibility of not opening a bank account if certain degree of risk is detected.

In view of the above, cooperation of the FAU with entities integrated in the Tax Cobra Project can be considered as very intense, beneficial and meaningful .





INTERNATIONAL COOPERATION

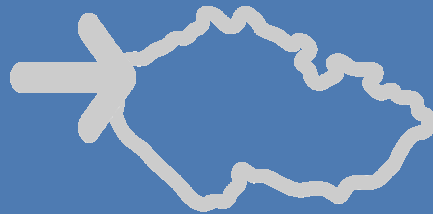
Cooperation of Financial Intelligence Units

An integral and fundamental part of the fight against the legalization of proceeds of crime is high-quality international cooperation. In 2017, the trend of significant improvement in the quality of this cooperation continued, especially as regards the exchange of operational information with partner foreign financial intelligence units operating already in 155 countries. Exchange of information is carried out through two secure networks - Egmont Secure Web at the global level and FIU.NET at European Union level. This exchange includes, among other things, financial information, information on beneficial owners of companies, information from the databases of law enforcement authorities, copies of documents obtained at customer due diligence (company founding documents, invoices, contracts, etc.), information on links between companies and individuals, property ownership data, and other relevant information.

Within the framework of international cooperation, the possibility of postponing the customer's order (i.e. temporary blocking of funds) was repeatedly applied in 2017, both in the Czech Republic - at the request of foreign Units and abroad - at the request of the FAU. Blocking is accompanied by filing of a criminal complaint to law enforcement authorities. Such a blocking is followed by mutual legal assistance request, which is communicated between law enforcement authorities.

The high efficiency of the AML system is evidenced by the fact that in 2017 the FAU was asked several times to block phishing attacks, CEO fraud, etc. and in a number of these cases, the requested funds had already been blocked at the time of receiving the foreign request, the FAU had filed a criminal complaint and the funds were secured by the law enforcement authorities. In these cases, foreign counterparts were informed about the blocked funds and received information on the police department involved in the case.

Requests from abroad



2017

384

2016

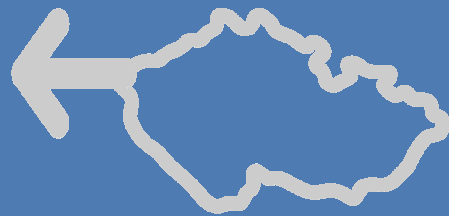
275

2015

247

In 2017, the Financial Analytical Office received 384 requests from its foreign counterparts concerning cases of money laundering and terrorist financing.

Request sent abroad



2017

277

2016

297

2015

254

23

The Financial Analytical Office requested information from foreign financial intelligence units in 277 cases

Foreign spontaneous information received



2017

217

2016

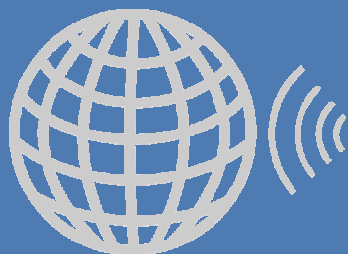
133

2015

183

Foreign financial intelligence units submitted to the FAU 217 spontaneous information.

Spontaneous information sent abroad



2017

800

2016

469

2015

328

25

Based on the occurrence of a foreign element in the investigated cases, the FAU disseminated 800 spontaneous information to its foreign partners. Compared to 2016, this volume represents an increase of almost 71% and an increase of 144% compared to 2015.



CASE STUDIES



When analysing individual cases, the FAU encounters a wide range of situations.

27

Certain number of cases has traditionally been published...

Fraudulent Crypto-Currency

A new trend of so-called "ICO scams" has been detected by the FAU among the received suspicious transaction reports. The ICO scam is a public offering of a crypto-currency on the basis of a fraudulent project aimed at luring funds from investors. Company accounts of a Czech company X, which changed its managing director and registered office, were credited with a total of CZK 15 million in cash over a period of one month through wire transfers and cash deposits from various domestic natural persons for the purpose of purchasing vouchers for a subsequent exchange for newly emitted domestic Ycoin crypto-currency. Company X sold vouchers on the basis of a brokered agreement with the Ycoin crypto-currency issuer - company Y, controlled by a lawyer registered in the Commercial Register as managing director and partner of many other so-called ready-made companies. The offer of vouchers was advertised on social networks, various websites, and by targeted phone calls on randomly generated phone numbers. The FAU's examination questioned the existence of the crypto-currency and its designation which was similar to an already known crypto-currency. Another indication of the possible fraudulent background of the case was a piece of untrue information about the current distribution of the crypto-currency among investors, information on capitalization and the development of the crypto - currency exchange rate as well as other information on the project's website. Statements of the vendor of vouchers about the project as a whole, or its funding, did not shed light on it either. The FAU blocked account balances of companies X and Y in the order of millions of crowns and hundreds of thousands of euros and filed a criminal complaint. .

Suspicious Trademark Protection

The FAU repeatedly examined legal entities that were presenting themselves on their websites as International Patent and Trademark Agencies managing a world-wide intellectual property database, in particular of patents and trademarks. The companies offered publication, registration or record keeping of industrial rights in their registers or databases on the Internet. For this activity they issue invoices for payment of fees in different currencies. Foreign legal entities are addressed, in particular. However, the described activity does not correspond to the activities of these companies or to any official publication. Companies are involved in so-called catalogue fraud. This is a deceptive business practice that leads to the unintentional conclusion of a business-to-business relationship by the person addressed, by misleading him and subsequently making use of this error by a fraudulent catalogue company for unauthorized enrichment of the later.

The examination revealed that one of the common features of companies involved in catalogue fraud is that they have short business history, their names are very similar, and there is also a visible link between them. These companies have registered offices and bank accounts in the Czech Republic, their owners are also Czech citizens. After analysing accounts opened for the companies subject of the FAU's investigation, it was found that the funds received as payments for the alleged patent and trademark registration were largely transferred to foreign bank accounts of a foreign legal entity. One company was owned by a person of Czech nationality, who had been associated with so-called catalogue fraud in the past.

The received funds were largely withdrawn from the foreign account of the legal entity in cash abroad or sent to bank accounts maintained in the Czech Republic which are also controlled or personally connected with that person. The Financial Analytical Office issued a decision on the blocking of funds in the orders of millions of Czech crowns and filed a criminal complaint.

Transit Accounts

Control systems of a Czech bank registered a significant increase in the volume of financial transactions on corporate accounts of a long-term Czech client controlled by Russians with a residence permit in the Czech Republic. The change was correlated with a period when entitlement to handle the corporate accounts was extended to another Russian person without any link to the Czech Republic, who was subsequently registered as the new owner of the company. The company was not a VAT payer and did not publish financial results of its business. In accordance with the AML Act, the Bank initiated customer due diligence in order to get explanation of changes in the financial profile of the customer and, given the low level of customer compliance, filed a STR to the FAU.

The examination revealed that the new foreign owner of the company had become entitled to handle Czech accounts of other companies registered in Slovakia and Cyprus. Transactions on these accounts were similar— payments in hundreds of millions of roubles from Russian accounts were converted into euro and US dollars and then transferred to foreign accounts in Turkey, China, Hong Kong, Bulgaria, Slovakia, Estonia and Latvia with a general description of "payment for goods or contract". Increasing transit payments on Czech corporate accounts were substantiated by unauthorized copies of multi-party contracts or invoices. Although the illegal origin of the transferred funds was not detected, relevant information was provided to the competent authorities of the Czech Financial Administration and, in the framework of international cooperation, to the foreign financial intelligence units. The actual result of the examination was a significant limitation of transit payments on the Czech company accounts.

Gambling Lawyer

An attorney, in the course of his/her practice, offered clients legal custody. In two years, funds totalling CZK 25.5 million were received into the legal custody. The attorney transferred some of these funds successively to his/her business account and subsequently used them for payments to betting agencies running on-line bets via Internet portals. The volume and frequency of payments to the betting agencies showed an increasing tendency and reached in total CZK 7.6 million. The FAU filed a criminal complaint and secured funds in the order of millions of Czech crowns.

Forex Robot

From January 2012, a Slovak national was opening and closing accounts with various Czech financial institutions for his domestic and foreign companies. Companies formed a complex holding structure and often resided in tax havens. The accounts were used to receive payments from people mainly from Central Europe for purchase of so-called forex robots and their licenses, which the owner of the holding presented as software to allow investments in foreign exchange markets under promise of high appreciation of the funds invested. The volume of the amounts thus received exceeded one billion CZK. The investigation, and in particular, the monitoring of bank accounts, revealed a suspicion that the received funds were not further appreciated by the holding but were used for other purposes. The valuations that were paid to clients were provided from new clients' deposits, and the entire system displayed Ponzi's features, where the funds are not invested, rewards are paid only to some clients, and are likely to be paid only until new clients are coming. Following a large-scale investigation, a criminal complaint was filed by the FAU with a simultaneous blocking of funds.

Misuse of Internet Banking

The FAU's investigation found that a natural person had access to Company X's bank account, which the person was not officially authorized to have. The access was acquired in an unidentified manner (probably using an illegal software tool). An amount of more than € 450,000 was transferred by on-line banking orders from the account. The funds were transferred to Company Y's account, to which that natural person was entitled to dispose. From Y's account, one part of funds was immediately withdrawn in cash, and another part was subsequently transferred through accounts of different companies, after which a large part was credited to the account of a passenger car dealer for the purchase of a luxury car. The FAU's immediate response secured funds on the passenger car dealer's account and the

accounts of companies that were used only for the misappropriation of funds. A criminal complaint was filed. Altogether, more than 93% of the fraudulently lured amount was secured.

Recruitment Company

The FAU also noted the trend of abusing recruitment companies for evasion of VAT. Recruitment companies that did not have properly registered employees, or employment agencies, which only reported part of their staff were detected. At the same time, other recruitment companies were detected which, although with duly registered employees, applied unlawfully VAT deductions for fictitiously received transactions in order to reduce their tax liability. In one of these cases, an organized group of people from Ukraine created a "ready-made" chain of companies led by foreigners, mostly from Ukraine and Romania. Funds stemming from tax cuts relating to the provision of foreign workers in the Czech Republic and from fictitious fulfilment without economic substance were subsequently legalized through bank accounts of these companies. The companies in the position of the missing trader were often changed by the group in order to hamper control by the tax administrator. After the investigation and the reveal of the fraudulent chain, the case was completed within the COBRA Project with the initiation of criminal prosecution of several persons.

Developer and VAT

The FAU, based on a STR, analysed suspicious financial transactions on an account of a housing development company. Funds were transferred for the sale of housing units by individual buyers on the company's account, but they were not subsequently taxed. During certain period, the company did not report any taxable transactions. The funds from which value added tax should have been paid were then transferred to the account of the then owner of that developer whose head office was abroad. This account was then cancelled and the funds transferred through another account of an asset-linked entity with the same foreign owner, followed by a transfer to a newly established company linked by property and ownership with the above mentioned companies. The newly established company was also a developer and the person behind it was preparing a new development project for the construction of apartment buildings. The FAU blocked funds on the newly created company's account in the amount of approximately CZK 60 million, of which value added tax was to be paid and a criminal complaint was filed.

Foreign Criminal Proceeds

The FAU has analysed a financial transaction on the account of a citizen of a former Soviet Republic. This person was convicted in the home country of corruption and scams committed in an organized group with a loss of almost USD 3 million and executed a sentence in prison. At the same time all the property of this person was confiscated. However, funds from the sale of real estate abroad were transferred to the person's bank account, rights of disposal of which were also granted to a family member. Based on cooperation with a partner foreign FIU, it was found that the property was originally acquired for the funds gained from the aforementioned crime. The FAU blocked these funds as proceeds of crime, a criminal complaint was filed .

Subvention

In the framework of international cooperation with several foreign FIUs, the FAU managed to map international financial flows taking place in the network of domestic and foreign entities, at the beginning of which the source payment was found in connection with a payment of a subsidy title. This international financial flow showed patterns of money laundering, and it raised suspicion that the reimbursed subvention project could have been overvalued. After documenting all relevant facts, the FAU filed a criminal complaint in this matter for suspicion of committing a crime of damaging the interests of the European Union pursuant to Section 260 of the Criminal Code, an offense of abuse of competence of public official pursuant to Section 329 of the Criminal Code and Crime of Legalization of Proceeds of crime according to Section 216 of the Criminal Code. A total of CZK 2 million was secured in bank accounts.

Foreign Heritage

Last year, the FAU analysed cases where foreign fraudsters targeted users of dating sites or lone people using social networks. A case of an alleged foreign legacy worth billions of CZK from an unknown relative was also recorded. A common element of all these attacks is the effort to lure as much money as possible under various pretexts. In these cases, the FAU filed criminal complaints against unknown offenders. The sad fact remains that the injured people do not believe that they have become victims of fraud. In spite of the ongoing police investigation, they do continue to send funds to their virtual partners, various lawyers or intermediaries handling the "inheritance".



INTERNATIONAL ACTIVITIES AND LEGISLATIVE WORK

On 1 January 2017, an amendment to the AML Act implementing the requirements of Directive 2015/849 of the European Parliament and of the Council of 20 May 2015 on the Prevention of the Use of the Financial System for the Purpose of Money Laundering or Terrorist Financing (the so-called 4th AML Directive) came into force. The Czech Republic, as the first of the EU Member States, incorporated the requirements of this European regulation into its legislation. In line with the European Commission's Action Plan to Strengthen the Fight against Terrorist Financing of February 2016, it did so almost half a year before the expiry of the due date for its implementation.

In response to the terrorist attacks in Paris and to the Panama Papers case, the European Commission presented in June 2016 a proposal for a revision of the 4th AML Directive (the so-called 5th AML Directive). During the whole of 2017, a number of negotiations took place, initially the agreement between the Council and the European Parliament seemed difficult to achieve. Finally, a compromise agreement on the text of the Directive was reached in the December trilogue which was subsequently confirmed at the Coreper meeting on 20 December 2017.

In the first half of 2018, formal approval procedures will take place, and the 5th AML Directive should enter into force in June 2018. The basic implementation period for most of

Main points of the 5th AML Directive

- Inclusion of providers of certain services related to virtual currencies among obliged entities
- Publicly accessible register of beneficial owners
- Obligatory registry of banking accounts
- Unification of the approach towards non-cooperating third countries
- Extending authorizations of FIUs
- Extension of cooperation among supervisory authorities

its articles is 18 months, the provisions for the Registry of Beneficial Owners and the Bank Accounts Register are longer.

As of July 1, 2017, Act No. 183/2017 Coll., which amends certain laws in connection with the adoption of the Act on Liability for Offences and Proceedings Thereon and the Act on Certain Offences, has affected number of legal acts, including the AML Act. The most visible change brought about by the amendments is the fact that violations under this Act will no longer be classified as administrative delicts, but as offenses .

In May 2018, the General Regulation on Personal Data Protection (GDPR) enters into force. Like almost all private and public sector entities, the FAU had to take certain steps to comply with this regulation. It was necessary to prepare an amendment to the AML Act, which, in particular with regard to the range of obliged entities, but also with regard to experience with international requirements, required the essential elements of the protection of personal data to be regulated directly in the AML Act or at least by a specific reference. It was proposed to provide a clear legal title for the processing of personal data. This legal title is the fulfilment of a legal obligation. The empowerment of obliged entities to process personal data without the consent of the data subject follows directly from the GDPR. In line with the requirements of the Regulation, the institute of Data protection officer was proposed. It is essential for the FAU to be designated as its own data protection officer because of the specificities of its activities and the extent of the competencies associated with the performance of its function.

At the end of 2017, the FAU actively participated in the trial operation of the Central Bank Account Registry, operated by the Czech National Bank. The Office fundamentally participated at the introduction of the Registry into the Czech legislation and its subsequent implementation. The Registry has been fully deployed since 1 January 2018.

On 1 January 2018, the Registry of Beneficial Owners of Legal Entities was also launched. The FAU cooperated with the Ministry of Justice on the drafting of the relevant legislation and the methodology for the registration and operation of this register. Legal entities

registered in the Commercial Register must register their beneficial owners by 1 January 2019; other legal entities registered in other public registers have to register their beneficial owners until 1 January 2021.

During the course of 2017, FAU representatives participated in activities of working groups dealing with the fight against money laundering and terrorism financing within the EU (Platform of Financial Intelligence Units, Expert Group on Money Laundering and Terrorist Financing at the European Commission and Financial Services Working Group of the EU Council which discussed the proposal of the 5th AML Directive), in Moneyval Committee of the Council of Europe and in the Egmont Group. The FAU representative also works in the expert group on the "Supranational Risk Assessment" (SNRA).

From 10 to 11 May 2017, an annual regional meeting of representatives of FIUs was held in Warsaw. The main topics were tax fraud, central bank account registers and technical aspects of the exchange of operational information from the point of view of individual participants in national units. Other topics included the current issues of implementation of the 4th AML Directive into national law and the cases and trends faced by individual FIUs. The workshop was attended by representatives of the Czech Republic, Poland, Slovakia and Hungary.



MONEYVAL



MONEYVAL

Development in 2017

The year 2017 brought to the Financial Analytical Office and to a number of other institutions actively involved in combating money laundering and terrorist financing, a fundamental long-term task in the form of the 5th round of the Czech Republic's evaluation by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing Terrorism of the Council of Europe ("Moneyval").

The last round, i.e. the 4th, was completed at the plenary session in Strasbourg in December 2016, where the Czech Republic defended its last follow-up report. In January 2017 the preparatory work for the 5th round of evaluation began.

The new round of evaluations has brought new challenges for the countries under review. In line with the FATF Recommendations of 2012 and its Methodology, which set the international standards that are assessed by the Moneyval, the evaluation focuses on assessing the effectiveness of the anti-money laundering and terrorist financing system. After more than 20 years of monitoring of legislation and country-specific legislation, FATF considered it necessary to move forward and focus on the practical implementation of the measures in force.

This does not mean, however, that the assessment of the legislation has been omitted. As in previous rounds, relevant legislation should be properly documented in all aspects covered by the 40 FATF Recommendations. The results of this section are presented in an appendix to the evaluation report. The key part of the Report evaluates 11 Immediate Outcomes. These 11 areas focus on the effectiveness of the assessed country in the areas of risk assessment and mitigation, international and interinstitutional cooperation, supervision, preventive measures, transparency of beneficial ownership, financial intelligence unit, investigation, prosecution and lawsuits in the area of money laundering, confiscation,

the fight against terrorist financing, and the implementation of international sanctions against both terrorism and proliferation financing.

The final output of this process will be an evaluation report which should be debated and adopted at December plenary meeting of the Moneyval. Our goal is to do as much as possible to have in the report a true depiction of our system and to get inspiration and practical recommendations.

Money Laundering and Terrorist Financing Risk Assessment

The purpose of assessing the risks of money laundering and terrorist financing is to identify, understand and assess risks so that the risks can be effectively managed and mitigated. Such formalized processes are carried out in accordance with the 4th AML Directive at three levels, namely the level of obliged entities, at the national level and at the European level.

Risk Assessment by Obligated Entities

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Since 2017, with the effect of the amended AML Act, obliged entities have been required to process in writing an assessment of risks. The basic content requirements for this document are published on the FAU's website. The form of the assessment has been left to the discretion of obliged entities. This is due, among other things, to differences in the extent to which individual segments of obliged entities are exposed to money laundering and terrorist financing threats, which is essentially due to the products and services provided by them and their vulnerabilities. There is an important and logical interdependence between risk assessment and the System of Internal Principles because specific vulnerabilities must be addressed by specifically targeted measures to mitigate them.

National Risk Assessment

In January 2017, the Czech Government approved the Report on the First Round of the Money Laundering and Terrorist Financing Risk Assessment. The public version of the Report is located on the FAU's website. The FAU and all stakeholders understand that dissemination of information to obliged entities is a key component of the anti-money laundering and counter-terrorist financing system. For this reason, the Office has created twelve non-public versions tailored to meet the needs of individual segments of obliged entities. Obligated entities who do not yet have their version available may apply for it. The method of request is also described on the FAU's website.

The FAU has been raising awareness of the National Risk Assessment and related risk-based approach. It has been also fulfilling tasks imposed on it by the Government's Resolution. Tasks include dialogue with self-regulatory bodies of legal and counselling professions and their sectoral regulators to mitigate possible misuse for money laundering and terrorist financing. The FAU has also used all opportunities to raise awareness of the potential (not detected) risk of abuse of non-governmental non-profit organizations to finance terrorism. This risk assessment process will be repeated periodically, so the FAU welcomes any feedback.

Supranational Risk Assessment

In June 2017, the European Commission issued a report assessing the risks of money laundering and terrorist financing that have an impact on the internal market and are related to cross-border activities. The report (unlike the national one) focuses only on the AML/CFT prevention system. It is structured according to individual segments of obliged entities, their products and services respectively. It recommends a number of risk mitigation measures. These recommendations are both legislative and non-legislative.



The background of the slide is a blue-tinted photograph of a metal padlock and chain. The padlock is rectangular and appears to be made of steel, with a keyhole on the right side. It is attached to a heavy-duty metal chain. The chain is composed of large, interlocking links. The padlock is secured to a vertical metal post. The overall image has a soft, slightly blurred quality, giving it a professional and serious appearance.

INTERNATIONAL SANCTIONS

Unlike in 2016, when a significant part of anti-Iranian sanctions was released, the year 2017 did not bring about a change of similar magnitude for the FAU, who is the national coordinator of implementation of international sanctions in the Czech Republic.

At the end of 2017, the EU declared its autonomous sanctions (i.e. sanctions that are not based in UN Security Council resolutions) against Venezuela. However, given the fact that until the end of the year the lists of persons against whom certain types of restrictive measures have been applied remained empty and also probably due to the considerable geographical distance of the territory (and the relatively small amount of mutual trade), the Office has not yet recorded any case, which would be related to the implementation of these sanctions.

In the area of sanctions against Iran, significantly reduced at the moment, the Office has, based on a request by a Czech exporter, authorized export of goods listed in one of the annexes to the relevant sanction regulation concerning Iran. It was one of the four exceptions to international sanctions, which the Office had decided on in the last year and which were all allowed. Of the remaining three, two concerned the authorization of exports of goods to the Russian Federation and, in the last case an exemption from sanctions against the DPRK was granted.

The continuous tightening of sanctions against the DPRK was probably the most significant feature of the development in the field of international sanctions in 2017. During that year, the EU reacted to the newly adopted resolutions of the UN Security Council on the DPRK, not only by application of these restrictive measures but also by tightening these sanctions. Perhaps the most significant change in this respect is the complete ban on EU-DPRK transfers of funds (in both directions), with only listed cases being allowed upon a written authorization by the Office. During 2017, the Office did not receive any such application. One of the reasons may be the continuing negative assessment of North Korea by the FATF, which, for its very inadequate measures against money laundering and terrorist financing, has long classified the country as the most risky territory posing a serious threat to the integrity of the international financial system. One of the other new, tightened measures against the DPRK is the ban on the employment of citizens of the DPRK in the EU.

On the basis of previous decisions of the FAU, restrictive measures against two designated persons, citizen of the Russian Federation and Ukraine, remained in force. The restrictions concern assets of the designated persons and will be enforced for the duration of the sanctions measures against these persons. The sanctions have been in force for several years by now.

In 2017, the Office did not conduct any proceedings to impose a fine for violation of international sanctions.

EU Sanctions Map

The EU sanctions map (www.sanctionsmap.eu) was launched on the Internet by the end of 2017 on the initiative of the Estonian presidency of the EU Council .

It is a practical tool for easy access to information on EU sanctions, including the possibility of searching for a EU sanction against a specific person, entity or body and, in case of positive matches it shows which type of sanction should be applied.


The portal is managed by the European Commission. It is only an informative but very useful tool to find basic information. The binding wording of the restrictive measure can then be found in the specific regulation, to which there is a link at the EU Sanctions Map. The EU Sanctions Map reflects only EU sanctions currently in force, either those implementing the relevant UN Security Council resolutions or EU autonomous sanctions. It does not therefore provide information on national sanctions of EU Member States or any third countries.

https://www.sanctionsmap.eu/# EU Sanctions Map

EU Sanctions Map

EN

THEMATIC RESTRICTIONS ▾



Search... REGIMES, PERSONS, ENTITI... ▾

The image shows a web browser window displaying the 'EU Sanctions Map' website. The browser's address bar shows the URL 'https://www.sanctionsmap.eu/#' and the page title 'EU Sanctions Map'. The website's header features the logo and name 'EU Sanctions Map', along with an information icon, the language 'EN', and a menu icon. Below the header is a dropdown menu labeled 'THEMATIC RESTRICTIONS'. The main content area contains a world map with several countries shaded in dark grey, indicating sanctions. At the bottom, there is a search bar with the placeholder text 'Search...' and a dropdown menu with the text 'REGIMES, PERSONS, ENTITI...'.

A grayscale photograph of a hand holding a magnifying glass over a document. The document contains several paragraphs of text, which are mostly out of focus. A solid blue horizontal bar is overlaid across the middle of the image, containing the word 'SUPERVISION' in white, uppercase letters.

SUPERVISION

The FAU's supervisory activities were based on the 2017 Control Plan. The control plan was elaborated based on an approved methodology for compiling annual control plans, on specific developments in the field of money laundering and terrorist financing, and last but not least on risk-based approach. In order to streamline the control activities and prevent overloading of the inspected obliged entities, the control plan was consulted with other supervisory authorities, especially with the Czech National Bank. Communication with other supervisors include the exchange of specific knowledge relevant for the control activity itself.

In 2017, 20 inspections of obliged entities were scheduled. The number of inspections was set taking into account inputs received during the year and with respect to other duties performed by the Supervision Department, in particular the offense proceedings initiated for non-compliance with the AML Act. Another duty of the Supervision Department is to examine systems of internal principles sent by obliged entities.

In 2017, a total of 48 inspections were carried out. The most frequently controlled obliged entities were exchange offices, payment service providers, gambling operators and credit providers. As in previous years, exchange offices were controlled in the form of control purchases. There was a slight decrease in the number of control purchases made, mainly due to the fact that inspections were carried out in regions with lower concentration of exchange offices.

In the past year, the FAU also conducted one joint control. It was carried out in cooperation with the Czech Trade Inspection Authority at a trader with items of cultural value and focused on the uniform application of control procedures of the participating supervisory authorities.

As in the case of inspections, the number of which slightly decreased in 2017, there was also a slight decrease in the number of administrative proceedings initiated. This was mainly due to the type of obliged entities targeted by controls that year, but above all, there is a growing awareness among obliged entities in terms of compliance with measures to prevent money laundering and terrorist financing.

The most frequent offense committed by obliged entities was, as in previous years, the non-fulfilment of the customer due diligence. In a minority of cases, there has been a breach by obliged entities of the obligation to designate a contact person and to provide for the compulsory training of employees who may encounter suspicious transactions.

Part of the supervisory activity of the FAU is to examine the compliance of systems of internal principles of obliged entities with the requirements imposed on these systems by the AML Act. In 2017 there was an enormous increase in the number of systems sent to the FAU by obliged entities. This increase is attributed to the fact that on 1 January 2017 a substantial amendment to the AML Act entered into force, requiring obliged entities to elaborate a risk assessment in writing and send it to the regulator. In many cases, the documents submitted did not comply with the legislation in force and the obliged entities had to revise them; the FAU staff devoted tens of hours to telephone and personal consultations explaining the legislative arrangements and regulatory expectations. In spite of the large number of systems of internal principles sent, the staff was able to examine them in short terms, and the average examination time of one version of the system of internal principles was shorter than one month.

Controls under the AML Act



2017

48

2016

55

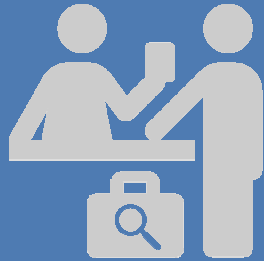
2015

51

51

48 inspections of obliged entities under the AML Act were carried out in 2017.

Examinations Of Systems of Internal Principles



2017

251

2016

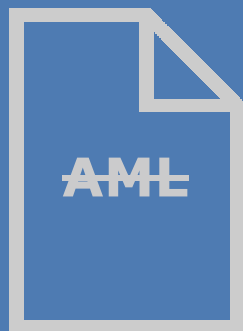
42

2015

57

In 2017, the Financial Analytical Office examined a total of 251 Systems of Internal Principles in accordance with the AML Act.

Administrative proceedings for breach of the AML Act



2017

16

2016

18

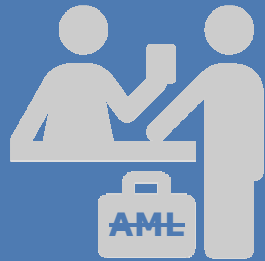
2015

35

53

In 16 cases administrative proceedings were commenced in connection with violation of the AML Act.

Fines for breaching the AML Act



2017

14

2016

16

2015

33

In 14 cases fines were imposed for violation of the AML Act.

Amount of fines for the violation of the AML Act [CZK million]



2017

2.490

2016

2.385

2015

2.470

55

The total fines paid amounted to CZK 2.490 million

Control purchases



2017

26

2016

32

2015

29

The FAU carried out in total 26 control purchases at obliged entities.

Administrative proceedings relating to control purchases



2017

11

2016

4

2015

17

57

11 administrative proceedings relating to control purchases were initiated.

FINANCING OF THE OFFICE



As already mentioned, 2017 was the first year of independent existence of the Office, which as of 1 January 2017 has replaced the previous Financial Analytical Unit of the Ministry of Finance. The new Office has taken over all the powers and duties of its predecessor and continues without interruption to act as a financial intelligence unit of the Czech Republic. The establishment of the new Office has required constant day-to-day care and learning new knowledge that is necessary for its operation. We can state that the transformation was successful, mainly thanks to the provision of administrative-economic, technical and operational facilities, which together created appropriate working conditions for the performance of all activities of the Office.

The FAU did not have an approved state budget for the financial year 2017 because the legislative norm that established the Office was adopted only in November 2016. The budget of the Office was created from budget chapter 312 of the Ministry of Finance through budgetary measures.

Incomes

Non-tax revenues of the FAU reached a total of CZK 12.494 million in 2017. The amount of fines imposed by the Office relating to its control activity reached CZK 2.490 million (RP 2212) in the given year. The costs of administrative proceedings amounted to CZK 15 thousand (RP 2324).

In 2017, the FAU concluded the EEA/Norway Program - Financial Mechanisms CZ 10 Anti-Corruption Measures and Money Laundering. A refund from the last project of this program was received on behalf of the Office in the amount of CZK 9.989 million (RP 4218).

Expenditures

As mentioned above, the FAU was formed on 1 January 2017 without an approved budget. The FAU budget was drawn up through the budgetary measures of Chapter 312 of the MoF. The FAU's expenditures, after budgetary measures were implemented, amounted to CZK 71.597 million, of which the capital expenditures were CZK 12.541 million, current expenses amounting to CZK 59.056 million. Budgetary measures involved unspent expenditure claims amounting to CZK 42.016 million, of which capital expenditures amounted to CZK 32.474 million and current expenses amounted to CZK 9.542 million .

Involvement of unused expenditure claims was necessary to complete the EEA/Norway Program - Financial Mechanisms CZ 10 Anti-Corruption Measures and Money Laundering. Total expenditures for the FAU represent CZK 113.613 million in 2017, of which CZK 45.015 million capital expenditures and current expenditures of CZK 68.597 million. Actual expenditure amounted to CZK 81.232 million as of 31 December 2017, of which CZK 30.087 million capital expenditures and current expenditures CZK 51.145 million. The FAU cannot compare its expenditures with 2016, as the Office did not exist at that time.

Foreign missions have been carried out to the extent necessary for the work of the FAU and for the fulfilment of international obligations arising from membership of the European Union and other international organizations aimed at combating money laundering and terrorist financing and international sanctions.



OVERSIGHT OF THE FAU

The oversight of the FAU's activities was carried out during the year 2017 by the Standing Committee For Oversight of Activities of the Financial Analytical Office of the Chamber of Deputies of the Parliament of the Czech Republic. The Standing Committee met four times, always with the participation of the Director of the Office and his deputy. Meetings were held on 12 January, 6 April, 25 May and 13 July 2017 .

The invitations and resolutions adopted are available on the website of the Chamber of Deputies. Topics discussed at the meetings included: the establishment of Office, current problems the Offices faces and their solution. A report on the FAU's work for 2016 was also discussed in detail. International activities of the Office's staff and the current legislative processes at EU and Czech level were also discussed at the meetings. The Standing Committee was informed of the results of the annual regional meeting of representatives of the Financial Intelligence Units in Warsaw, attended by the Director of the Office and a tax specialist from the Department of Analysis. The Committee has also been kept informed of the preparatory work for the 5th Evaluation Round of the Czech Republic by the Moneyval Committee in the field of money laundering and terrorist financing and the preparation of background material for this assessment.



YOU AND THE FAU

The Financial Analytical Office due to the nature of its activity as a financial intelligence unit cannot often present its work. In many cases, these are so-called live cases, in which the Office is mostly providing financial analysis and related intelligence. However, the Office does not close itself the public, but actively communicates with all stakeholders, as only with the support and cooperation of the broad professional public the fight against money-laundering and terrorist financing can be successful. In 2017, the Office staff provided many lectures and counselling. Several hundred questions have also been answered in numerous consultations.

Together with the establishment of the Financial Analytical Office, the website www.financnianalytickyurad.cz was launched on 1 January 2017, serving as the main electronic source of information on AML/CFT, international sanctions, the system of internal principles etc. for both professional and non-professional public.

In 2017, more than 21,000 visitors accessed the Office's website and performed more than 150,000 projections. The total of 587 persons mostly from obliged entities subscribed for FAU's newsletter. The average visit time of the web presentation was 2 hours and 30 minutes, with 3.25 pages per visit. Visitors focused on the published news, updates of legislation, FAU's opinions and recent events in the field of international sanctions. The ranking of mostly visited segments is as follows: mediated identification, news, FAU's opinions, career, legislation, international sanctions and control activities. We believe that the website of the Office contributes to public awareness and broadens the knowledge of the professional audience.

STATISTICS

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	2015	2016	2017
Number of suspicious transaction reports received	2963	2948	3524
Total number of criminal complaints filed	514	556	539
Number of criminal complaints with funds secured	294	402	377
The amount of funds secured [CZK mill.]	5542	3836	2146
Submissions to the General Financial Directorate	1744	1419	1647
Submissions to the General Directorate of Customs	75	64	106
Number of foreign requests	247	275	384
Number of requests abroad	254	297	277
Number of foreign spontaneous information	183	133	217
Number of spontaneous information abroad	328	469	800
Number of control purchases	29	32	26
Number of administrative proceedings relating to control purchases	17	4	11
Number of controls performed under the AML Act	51	55	48
Number of examined systems of internal principles	57	42	251
Number of administrative proceedings for violation of the AML Act	35	18	16
Number of imposed fines for violation of the AML Act	33	16	14
Amount of fines for violation of the AML Act [CZK mill.]	2,470	2,385	2,490*
Number of notifications on transfer of funds to/from Iran	316	11**	-
Number of requests for transfer of funds to/from Iran	65	17**	-
Number of proceedings for violation of international sanctions	5	0	0
Number of imposed fines for violation of international sanctions	5	0	0
Number of proceedings on exemptions from international sanctions	7	8	4
Number of granted exemptions from international sanctions	1	5	4

* amount of fines on the Office's revenue account for that year

** regulation repealed on 15 January 2016

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