2021

# Activities report




Financial Intelligence
Unit of Andorra

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# LIST OF ABBREVIATIONS

- **AEOI:** Automatic Exchange of Information
- **AFA:** Andorran Financial Authority ("*Autoritat Financera Andorrana*")
- **AML/CFT:** Anti Money Laundering and Combating the Financing of Terrorism
- **ARO:** Asset Recovery Office ("*ORA - Oficina de Recuperació d'Actius*")
- **CPP:** Permanent Committee for the prevention and fight against money laundering and terrorist financin
- **DG Just:** Directorate-General for Justice and Consumers
- **EU:** European Union
- **FATF:** Financial Action Task Force
- **IMF:** International Monetary Fund
- **IRA:** Individiual Risk Assessment
- **Law 14/2017:** Law 14/2017, of 22 June, on the prevention and fight against money laundering and terrorist financin
- **ML/TF:** Money laundering (ML) and terrorist financing (TF)
- **MER:** Mutual Evaluation Report
- **Moneyval:** Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
- **NPOs:** Non-profit organizations
- **NRA**: National Risk Assessment
- **OECD**: Organization for Economic Co-operation and Development
- **STR:** Suspicious Transaction Report
- **Uifand:** Financial Intelligence Unit of Andorra
- **UNCAC:** United Nations Convention against Corruption
- **UNTOC:** United Nations Convention against Transnational Organized Crime
- **UNODC:** United Nations Office on Drugs and Crime

- **VA:** Virtual Assets

- **VASPs**: Virtual Asset Service Providers

- **5th Directive (EU) 2018/843**: Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU.

# 1. PRESENTATION

Now that the year 2021 has come to an end, it is once again necessary to review and present the activities carried out by Uifand in this activities report.

The previous year, I began this presentation by referring to the exceptional personal and professional situation, both internal and external, caused by the pandemic, which had necessarily entailed a significant change in work and relational habits.

Well then, far from reducing this circumstance and its consideration as exceptional, the reality that is being imposed is that a habitual routine is obligatorily installed to encourage this singularity in work, which is redirected by telematic means, rather than in face-to-face attendance.

Therefore, the measures already taken during the previous year, in order to respond to our commitments, have not only been maintained for this year 2021, but have also been increased with others, to end up shaping a consolidated work methodology.

Additionally, and as will be developed in the following sections, three main events have either taken place or developed this year: (i) the presentation of the 3rd Follow-up Report of the fifth round of Moneyval assessments, initially planned for December 2020, but which the circumstances referred to above obliged the Secretariat to postpone to the plenary session of December 2021, (ii) in terms of the Monetary Agreement, the transposition of the 5th Directive (EU) 2018/843, and finally (iii) the initiation of the control and monitoring of the implementation of the measures to improve the ML/TF prevention system resulting from the Action plan derived from the 2020 NRA.

Finally, it is worth highlighting a transcendent but natural fact of the passing of time, which is that it is 20 years since the Financial Intelligence Unit was created and put into operation, which has motivated our front page.

To conclude, and as usual, I would like to thank once again all the people within the Uifand for their unwavering dedication and effort, always remaining efficient.

Carles Fiñana Pifarré

Head of the Financial Intelligence Unit of Andorra

# 2. BALANCE

Once the new approach to work has been established in a more consolidated manner, also with regard to our most common internal interlocutors, this section will reflect, especially in the area of supervision, that we are once again reaching pre-pandemic figures in terms of results.

Prior to this, though, we will now go on to detail the three main points highlighted in the presentation, relating to:

## 2.1. Moneyval's fifth round of evaluations

As a result of the measures taken, which have led to new rules of procedure put into practice by the Moneyval Secretariat and approved by all members, the work of submitting mutual evaluation reports, follow-up reports, and the holding of plenary sessions, as well as working timeframes, have undergone a substantial change in order to adapt to the circumstances that arose at the end of 2019, continued throughout 2020 and remained in this last year 2021.

As far as we are concerned, the initial forecasts for the presentation of the 3rd Follow-up report in December 2020 were postponed to the 62nd Plenary session in December 2021, especially due to the fact, already transcribed in the last year's activities report, of the good results achieved to date by our Delegation.

Previously, however, the work submitted and provided to the Secretariat and our assessors during the month of March 2021, was analysed and revised in the following months, in accordance with the legally established deadlines, leading to a consolidated text, which was debated, accepted and approved during the course of said plenary session, which was basically held virtually, as only one representative per country was accepted to attend in person.

The most relevant fact and main objective of our work was the request for the re-rating of FATF Recommendation 8 regarding NPOs from partially compliant (PC) to largely compliant (LC) in view of the improvements made to the deficiencies that still existed.

Indeed, after lengthy legal discussions and multiple documentary contributions, our thesis was accepted, thus achieving the planned increase in the rating.

Normally, this would have meant that the Principality of Andorra would currently have 38 ratings out of the 40 FATF Recommendations with a rating of compliant (C) or largely compliant (LC), with Recommendations 31 on the powers of the law enforcement and investigative authorities, as well as Recommendation 36 on international instruments, still awaiting improvement.

Nevertheless, following the rules of procedure for the fifth round of mutual evaluations approved in December 2014 and revised in May 2020, rule 21.8 *in fine* states that, and I quote: *"If any of the FATF standards have been revised... the country will be assessed for compliance with all revised standards at the time its re-rating request is considered..."*.

And so, according to the amendments made by the FATF with respect to Recommendation 15 on new technologies, namely: (i) the new formulation of its content and its interpretative note published in October 2020, and (ii) the subsequent applicable methodology published in November 2021, have obliged us to re-examine the said recommendation to confirm or not the available rating, which in this case for the Principality of Andorra was compliant (C).

The final result has been, mainly in view of the current legal situation in the Principality in relation to the lack of a comprehensive regulation or law on virtual assets, it is resolved that there are deficiencies, for which reason the rating is downgraded to partially compliant (PC).

### 2.2. 10 years of the Monetary Agreement

As members of the Andorran delegation that integrates the Joint Committee together with representatives of the EU, this year 2021 we have participated in the preparatory work and attended the 10th working meeting held virtually on 18 November, this time under the Andorran presidency.

At the meeting, our presentation focused on two main issues:

(i) the work undertaken by UIFAND in the 2020 period, namely:

a) the completion of the 2020 NRA, its approval and adoption, as well as the Action plan to be developed,

b) the approach to the 3rd Follow-up report submitted to Moneyval, and

c) the implementation of European regulations in accordance with the annual annex, also approved.

ii) the annual work of legislative implementation foreseen, and therefore:

a) The presentation and development of the transposition of the 5th Directive (EU) 2018/843,

b) the effective implementation of Regulations (EU) 2020/855 of 7 May 2020 and 2021/137 of 7 December 2020, both relating to lists of high-risk third countries, and

c) the presentation of the work in progress with regard to the implementation of: (i) Regulation (EU) 2018/1672 of the European Parliament and of the Council of 23 October 2018 on controls on cash entering or leaving the Union, and (ii) Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law.

Furthermore, as highlighted in the heading, it is worth noting that it is 10 years since the signing on 30 June 2011 in Brussels of the Monetary Agreement between the Principality of Andorra and the EU.

The Monetary Agreement has 14 articles and is accompanied by an annex listing the European legal provisions that the Government will have to implement following the timetable agreed between Andorra and the EU, including those relating to the prevention of money laundering.

Recital (6) also refers to the need to establish a Joint Committee composed of representatives of the Principality of Andorra and the EU to examine the implementation of this Agreement, to determine the annual limit of currency issuance and to assess the measures taken by the Principality of Andorra to implement the relevant EU legislation.

In this regard, Article 8.1 states that the Principality of Andorra commits to adopt all appropriate measures through direct transposition or, if necessary, through the adoption of equivalent measures, in order to implement the legal acts and regulations of the EU listed in the Annex to this Agreement, in the following areas: "*c) prevention of money laundering, prevention of fraud and counterfeiting of cash and non-cash means of payment".*

As a result, in application of the aforementioned, and having constituted the delegations of both parties that make up the Joint Committee, ten meetings have been held, alternatively, either in Brussels or in the Principality of Andorra, , which have allowed, in this case, the implementation of an important volume of Community legislation in domestic law.

Specifically, from the first of these regulations, Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, to the last and most current, the aforementioned 5th Directive (EU) 2018/843, a total of 15 legal acts have been transposed.

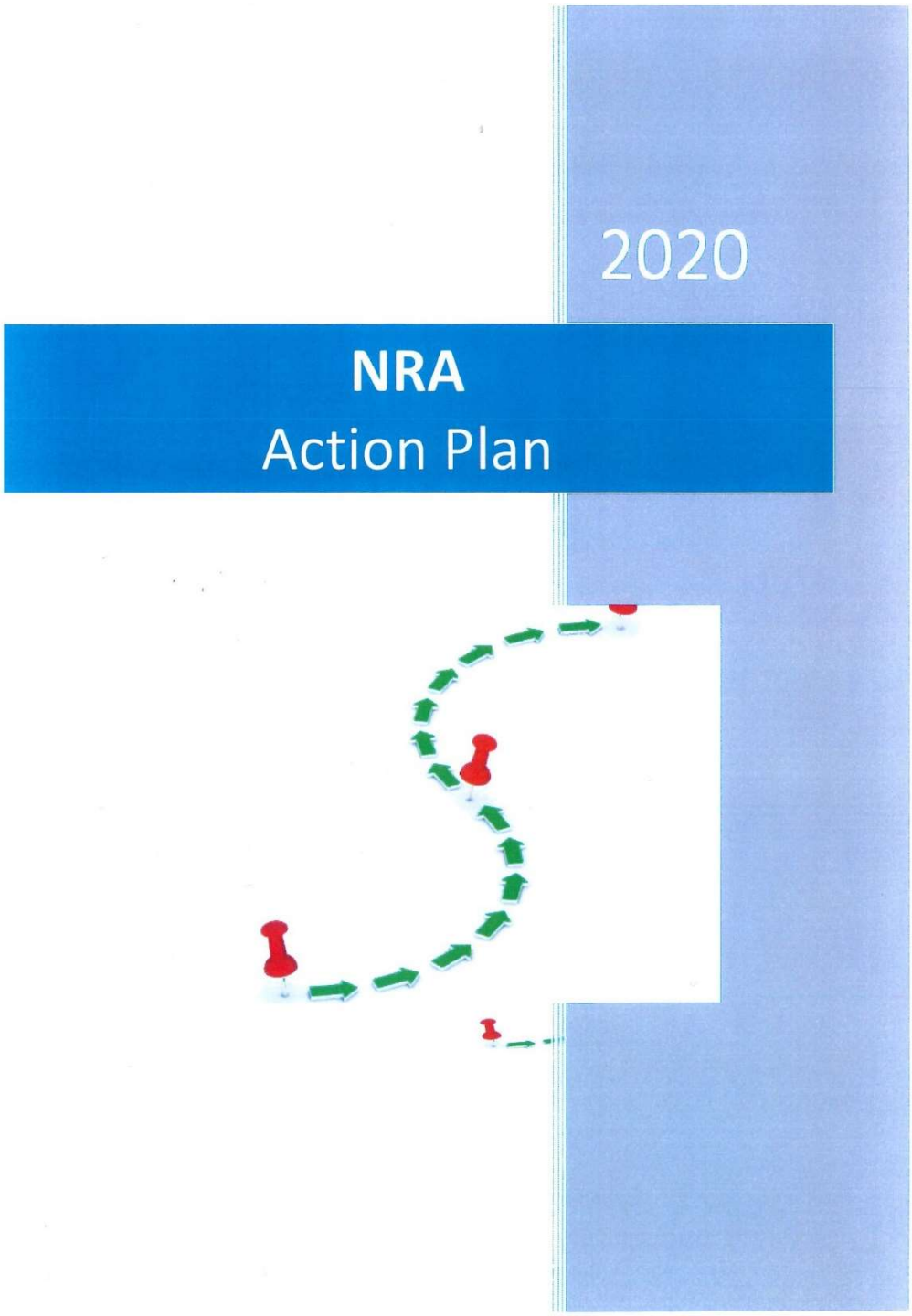
Not only for this reason, but also due to the implementation of the FATF Recommendations through the Moneyval evaluation rounds, we have achieved a robust and demanding internal regulation, which also allows us to have an exemplary level of ratings and compliance with the latter body.

### 2.3. Monitoring of the Action Plan

After presentation to the Council of Ministers by the UIFAND, on 12 May 2021, the Government approves and adopts the 2020 NRA and also agrees to publish it for general dissemination, which was done on 13 May 2021, through our website.

This assessment, which constitutes a risk-based approach, is an effective means of combating ML/TF, meaning that, on the one hand, the authorities must allocate resources according to needs andon the other hand, the bodies responsible for supervision and control must ensure that all reporting entities effectively implement their obligations.

The same study leads to an Action plan, to be developed and implemented as a national priority, which compiles the different types of improvements resulting from the in-depth national and sectoral analysis of all the indicators that converge for each of them.




Specifically, these indicators lead to a series of improvement actions aimed at reducing the vulnerabilities detected in the area of ML/TF.

The different sections or annexes that incorporate improvement actions are:

- assessment of threats at national level,
- assessment of vulnerabilities at national level,
- assessment with regard to the risk of terrorism and its financing,
- specific assessment in the context of the proliferation of weapons of mass destruction and their financing,

- assessment of the vulnerabilities of financial institutions,
- assessment of the vulnerabilities of designated non-financial businesses and professions,
- study of the VA sector: characteristics, scope, regulation and risks, and finally,
- study of the risk of NPOs being abused to finance terrorism.

These actions contained in the aforementioned sections or annexes of the 2020 NRA, are classified by category, and are individually assigned to one or more authorities and reporting entities responsible for their management.

66 improvement actions are derived, and are classified as follows:

- 13 regulatory measures, covering those improvement actions that involve revisions/modifications of the Andorran legal system, and/or the creation of new legal frameworks, and that basically focus on:
    1. update the legal framework for international cooperation
    2. regulate the activity of accounts auditing,
    3. extend the summary secrecy periods,
    4. broaden the scope of criminal ordinance ("*ordenança penal*"),
    5. introduce into the Andorran legal framework the capacity of the authorities to establish time limits for information requests, and
    6. revise the procedural system in view of the new criminal typologies linked to information technologies.

- 38 development actions, in relation to measures to promote and strengthen controls, and to improve existing measures in the fight against ML/TF, among them:
    1. automate the collection of judicial statistical data,
    2. increase the human and/or technical resources of the authorities in charge of the fight against ML/TF,
    3. provide training to the authorities in charge of the fight against ML/TF,
    4. draw up a guide to specify the documents, data and information subject to conservation, in accordance with article 37 of Law 14/2017,
    5. create a register of real estate ownership,
    6. improve the effectiveness of the ARO,
    7. sign, ratify or finalise the implementation of the UNCAC and other international conventions, and
    8. elaborate guides adapted to the sector of VASPs.
- 15 supervisory actions, referring to control, inspection, observation and review measures, essentially aimed at:
    1. develop specific training adapted to the needs of the reporting entities,

2. carry out joint actions between the authorities and the sectors to improve the understanding and assessment of sectoral ML risks linked to the sector, mainly regarding life insurance,
3. introduce a regular reporting process, based on the NRA reporting requirements, to monitor the risk indicators analysed,
4. carry out specific measures to ensure that criminals cannot abuse authorised financial agents for ML/TF purposes,
5. adopt awareness-raising actions by non-financial reporting entities on ML/TF risks, so that these are properly contextualised, identified and mitigated, and so that their IRAs present real, accurate and consistent risk assessments.

The appropriate follow-up in the implementation and development of these actions has been carried out periodically, in two phases:

a) the first one, on 28 May 2021, with the presentation and description on an individual basis for each of the reporting entities and the ministries and other public administration bodies involved, of the actions that concern them, and
b) the second one, on 12 December 2021, with the request of information to all of them on the status of implementation of their respective measures.

### 2.4. Areas of the UIFAND

The **operational area**, whose internal work is based on the analysis of intelligence and strategic measures to be applied with respect to the information available to it from the reports it receives, maintains, in terms of results, a high percentage of resolution of the instructed files.

In this sense, the data and figures provided in the statistics section reflect this assessment.

The **supervision area**, made up of the largest number of members of the Unit, has to deal with a multiplicity of tasks that are fundamental in terms of prevention and control of ML/TF.

In contrast to the previous year, in which we focused on the impact of the pandemic situation caused by Covid-19, for this 2021 I can say that its activity has returned to pre-pandemic figures, with the establishment of a new working methodology, which is now very much focused on telematic means.

In this way, and this can be seen reflected in the data provided below, this approach to work has become standardised and is fully accepted by their usual external interlocutors.

In particular, on 28 November 2020, the procedure for on-site inspections due to the effects of the pandemic was reviewed with a twofold objective to ensure that: (i) the supervisory function could continue to be carried out while respecting the recommendations of the health authorities to minimise the risk of contagion and protect both the members of the UIFAND and the agents/reporting entities to be supervised, and (ii) maintain the level of effectiveness in the work carried out.

This revision of the procedure, which mainly consists of prioritising on-site inspections through telematic means, has been applied in the vast majority of inspections carried out in 2021 (14 out of the16), constituting a new work and follow-up plan, whosemain stages are as follows:

- communication of the inspection to the reporting entity by e-mail, indicating in the notification letter that the new procedure implies a telematic exchange of information and/or documentation and the use of videoconferencing for the meetings to be held. The letter of notification is accompanied by the corresponding prior request for information on matters relating to the internal AML/CFT control procedures implemented by the reporting entity.
- interview with the representatives of the reporting entity entirely by videoconference, in order to clarify the doubts raised during the analysis of the response to the previous information request, as well as the specification of the risk profile of the reporting entity in order to determine the sample.
- request by e-mail to the reporting entity the documentation relating to the sample of files to be reviewed, which must be provided completely in a digital format. All documents exchanged with the reporting entity must be duly password-protected or encrypted.
- in the event of any doubt in the desk-based analysis of the sample, or in order to extend the sample, the reporting entity is contacted electronically (e-mail, telephone, videoconference, etc.)
- delivery of the inspection report to the reporting entity, with the corresponding acknowledgement of receipt, by e-mail or through the restricted access on the Uifand website in the case of financial reporting entities.
- once the inspection report has been issued, deletion of the documents and sample data provided by the reporting entity during the course of the inspection.
- post-inspection follow-up of the reporting entity's compliance with the recommendations made.

In addition, within the procedures of the supervision area, the possibility of carrying out thematic inspections of a specific and horizontal nature is envisaged.

For this reason, during 2021, a thematic inspection on the assessment of risk and classification of customers by the non-banking insurance sector has been initiated, a fact that explains the high number of inspections in this sector in this period (specifically 11, which covers the entire sector).

In this case, the inspection focused on the assessment of risk and the classification of clients by the non-banking insurance sector as a whole. The review of the documentation by means of samples during the course of the inspection focused on verifying the adequacy of the information provided by the reporting entities for both the assessment of risk and the classification of customers, as well as that the level of risk assigned was decisive in the application of the diligence measures.

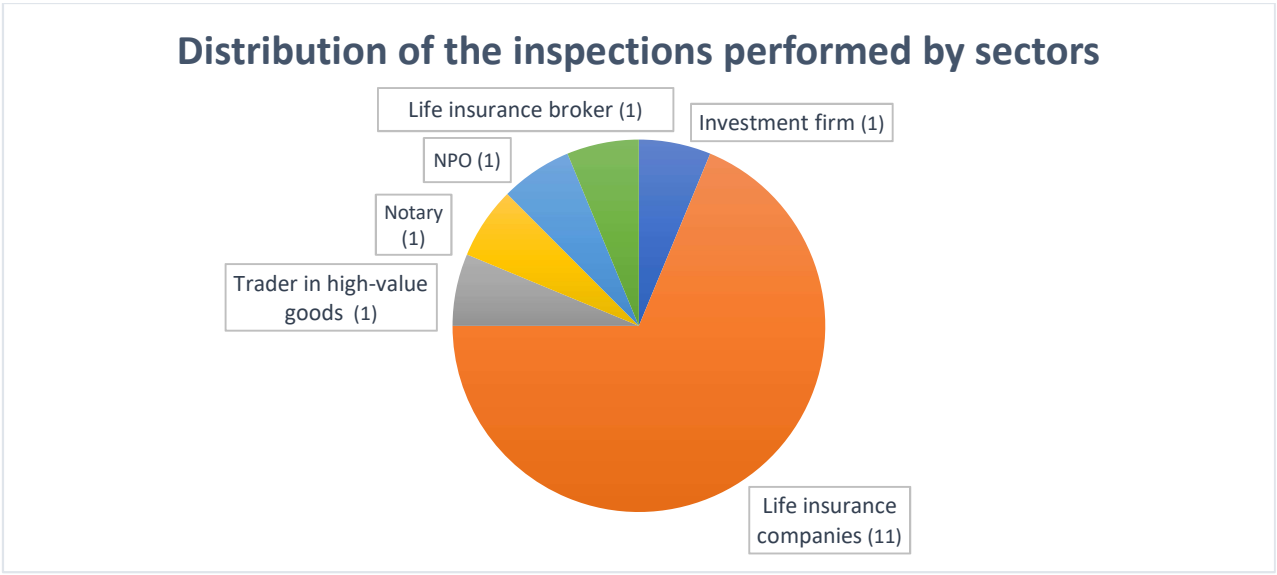
For this purpose, the risk self-assessment document, known as the Individual Risk Assessment (IRA), drawn up by the reporting entities themselves in compliance with Article 5 of Law 14/2017, has also been taken into account.

The main objectives of the thematic inspection are to obtain the relevant sectoral conclusions and to be able to determine a more accurate risk profile for each of the insurance companies, in order to be able to better assess the intensity and frequency of future supervisory actions, both on-site and off-site. These conclusions are expected to be available during the first quarter of 2022.

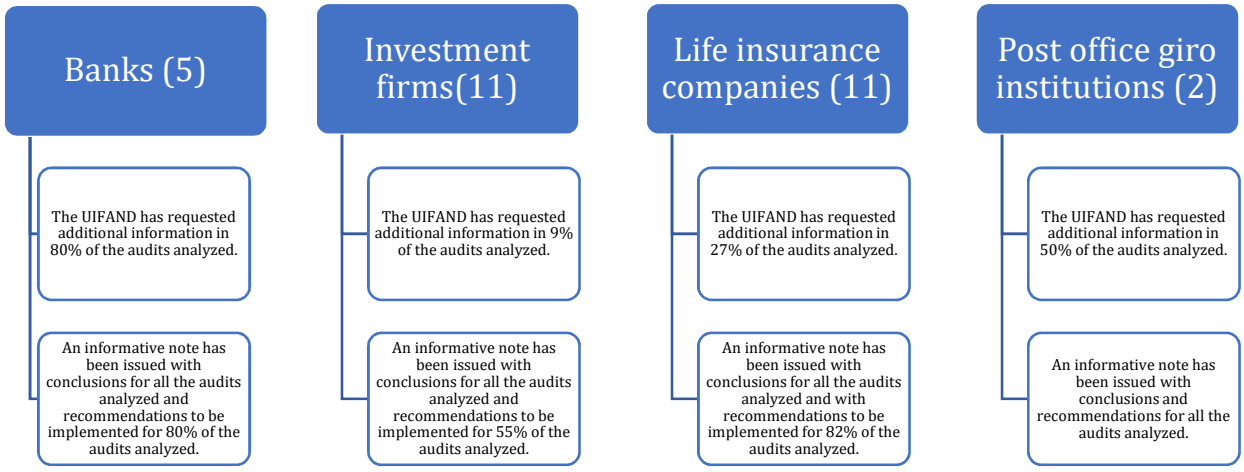
With regard to the statistics to be presented, and in relation to the inspections carried out 2021 in the following two tables, both the number and the different sectors affected can be seen (16 in total, of which 13 for financial reporting entities and 3 for non-financial reporting entities).

In any case, these are in line with the annual forecasts established, although it is true that the allocation of resources to complete tasks related to the 2020 NRA during the first quarter of the year has made it impossible to carry out inspections during this period, a fact that affects the total number of inspections for the year.

| **1er quarter (January - March)** | |
|---|---|
| **Financial reporting entities (0)** | **Non-financial reporting entities (0)** |
| Banks<br>Investment firms<br>Post office giro institutions<br>Life insurance companies<br>Life insurance brokers | Lawyers<br>Real estate agents<br>Accountants/Tax advisors/Auditors<br>Company service providers<br>Traders in high-value goods<br>Notaries<br>NPO |
| **2nd quarter (April - June)** | |
| **Financial reporting entities (2)** | **Non-financial reporting entities (2)** |
| Banks<br>Investment firms (1)<br>Post office giro institutions<br>Life insurance companies<br>Life insurance brokers (1) | Lawyers<br>Real estate agents<br>Accountants/Tax advisors/Auditors<br>Company service providers<br>Traders in high-value goods (1)<br>Notaries (1)<br>NPO |
| **3rd quarter (July - September)** | |
| **Financial reporting entities (11)** | **Non-financial reporting entities (0)** |
| Banks<br>Investment firms<br>Post office giro institutions<br>Life insurance companies (11)<br>Life insurance brokers | Lawyers<br>Real estate agents<br>Accountants/Tax advisors/Auditors<br>Company service providers<br>Traders in high-value goods<br>Notaries<br>NPO |
| **4th quarter (October - December)** | |
| **Financial reporting entities (0)** | **Non-financial reporting entities (1)** |
| Banks<br>Investment firms<br>Post office giro institutions<br>Life insurance companies<br>Life insurance brokers | Lawyers<br>Real estate agents<br>Accountants/Tax advisors/Auditors<br>Company service providers<br>Traders in high-value goods<br>Notaries<br>NPO (1) |
| **TOTAL YEAR 2021** | |
| **Financial reporting entities (13)** | **Non-financial reporting entities (3)** |
| Banks (0)<br>Investment firms (1)<br>Post office giro institutions (0)<br>Life insurance companies (11) (thematic risk assessment)<br>Life insurance brokers (1) | Lawyers (0)<br>Real estate agents (0)<br>Accountants/Tax advisors/Auditors (0)<br>Company service providers (0)<br>Traders in high-value goods (1)<br>Notaries (1)<br>NPO (1) |




In relation to the external audits requested from financial, banking and non-banking reporting entities, the following two sections explain the content of the response received, the analysis involved and the conclusions of the audits:



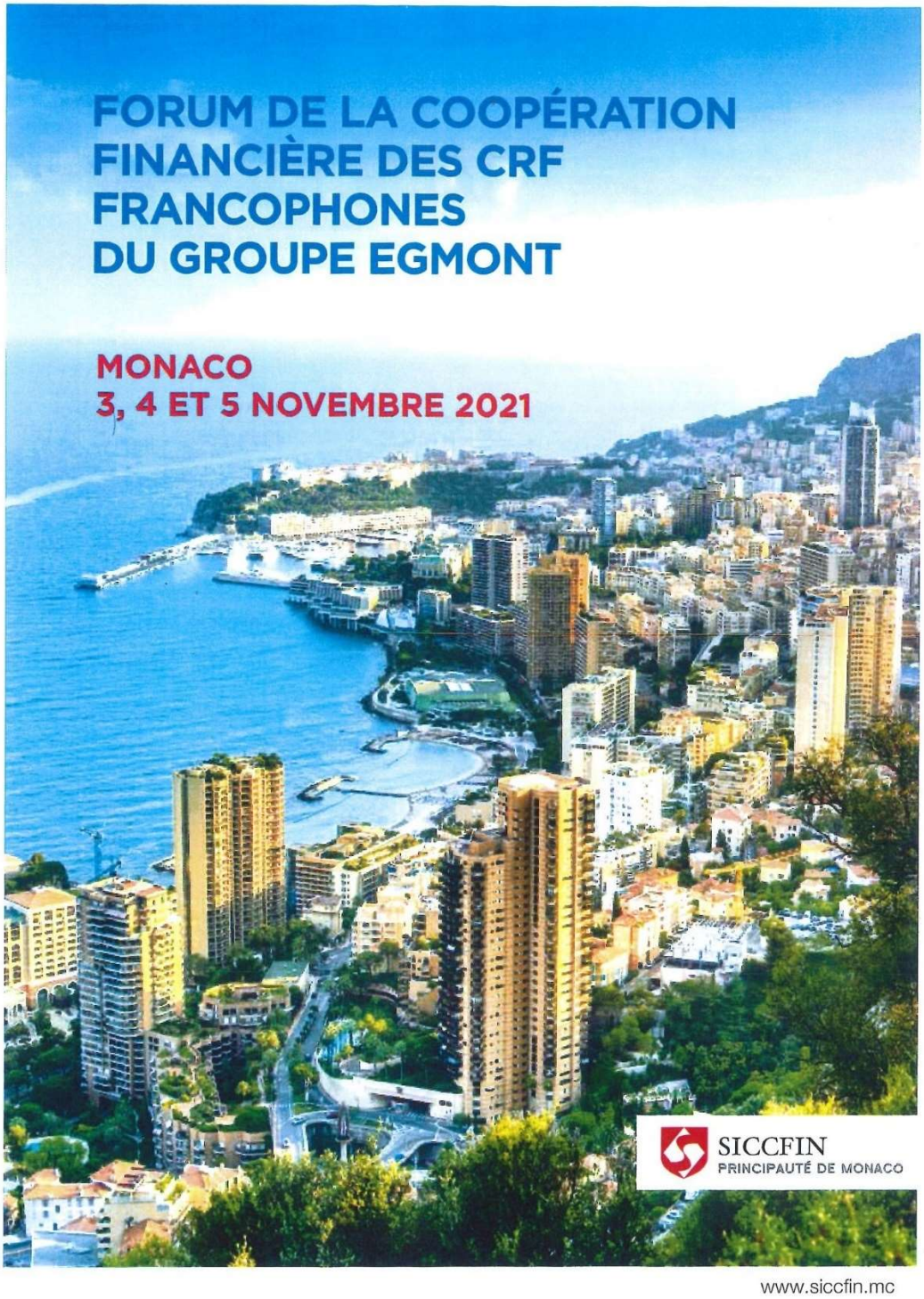

| | Banks | Investment firms | Life insurance companies | Post giro office institutions |
|---|---|---|---|---|
| Number of audits delivered and reviewed | 5 | 11 | 11 | 2 |
| Number of audits in which additional documentation has been requested: | 4 | 1 | 3 | 1 |
| • Audit complements | 4 | 1 | 2 | - |
| • Information requests | 1 | 1 | 2 | 1 |
| Informative Notes | 5 (4 with recommendations and 1 with none) | 11 (6 with recommendations and 5 with none) | 11 (9 with recommendations and 2 with none) | 2 (with recommendations) |

With regard to the new publications incorporated into our website, https://www.uifand.ad/en/ the attached table provides information on this dissemination work:

| Designation | Targeted reporting entities | Date | Remarks |
|---|---|---|---|
| **Technical Communiqués (9)** | | | |
| CT-01/2021 – High-risk countries according to the FATF | All | 26/02/21 | Updated list of the countries classified as high risk by FATF, published on 25/02/2021. |
| CT-02/2021 – High-risk countries according to the FATF | All | 28/06/21 | Updated list of the countries classified as high risk by FATF, published on 25/06/2021. |
| CT-03/2021 – High-risk countries according to the EU | All | 03/08/21 | Update of the list of high-risk countries according to the EU. |
| CT-04/2021 – Non-profit organizations (NPOs) | NPOs, All | 19/10/21 | Update, according to the results of the 2020 NRA and the current trends, of CT-02/2020, regarding risk indicators and main methods used by terrorists and terrorist organisations to abuse NPOs. |
| CT-05/2021 – High-risk countries according to the FATF | All | 22/10/21 | Updated list of the countries classified as high risk by FATF, published on 21/10/2021. |
| CT-06/2021 – Instructions for audits in matters of prevention and fight against money laundering and terrorist financing. | Life insurance companies | 28/10/21 | |
| CT-07/2021 – Instructions for audits in matters of prevention and fight against money laundering and terrorist financing. | Investment firms | 28/10/21 | |
| CT-08/2021 – Instructions for audits in matters of prevention and fight against money laundering and terrorist financing. | Banks | 28/10/21 | |
| CT-09/2021 – Instructions for audits in matters of prevention and fight against money laundering and terrorist financing. | Post giro office institutions | 28/10/21 | |
| **AFA-UIFAND joint Technical Communiqués (1)** | | | |
| CT-01/2021 – Information requirement – Cross-border flows | Banks | 03/06/21 | Quarterly reporting of information related to wire transfers. |
| **Informative Notes (1)** | | | |
| Informative note on best practices for the non-profit sector (NPOs) | NPOs | 19/10/21 | Guidelines and examples of best practices to ensure that NPOs are not abused to channel funds or resources to individuals and entities linked to terrorist groups or organizations. |

## 2.5. International events and participations

As part of the **EGMONT** Group, a delegation from Uifand attended the "Financial Cooperation Forum" held in Monte Carlo (Monaco) from 3 to 5 November 2021, in the context of the Intelligence Units of the French-speaking region, to which we were invited.




The rest of the global events have been held in all member countries, virtually.

In this regard, we have participated in several meetings and in the 27th Plenary Session held between 28 June and 9 July 2021, as explained in the attached table:

| SCOPE | DATE | THEME |
|---|---|---|
| **Europe II** | 4/3/2021 | Europe II Regional Meetings |
| | 12/7/2021 | |
| **27th plenary of the Egmont Group** | 28/6/2021 | IEWG (Information Exchange Working Group) Project Team Meetings:<br>- 1: Asset Recovery: the Role of FIUs<br>- 2: Digital transformation for AML/CFT Purposes |
| | 28/6/2021 | TATWG (Technical Assistance and Training Working Group) |
| | 30/6/2021 | MSCWG (Membership, Support and Compliance Working Group) |
| | 2/7/2021 | PPWG (Policy and Procedures Working Group) |
| | 5/7/2021 | Operational training session 1 - The Flexible, Consistent Information Exchange Standards – Moving to Production |
| | 7/7/2021 | Operational training sessions:<br>- 2: Combatting Online Child Sexual Abuse and Exploitation One year Later<br>- 3: Tackling Illicit Finance Associated with Human Trafficking |
| | 9/7/2021 | Operational training session: 4 - Introduction and Application of the New Egmont Secure Web and Egmont Biennial Census |
| **Joint Meeting FATF (RTMG) and Egmont (IEWG)** | 20/9/2021 | Virtual joint RTMG (Working Group on Risk, Trends and Methods) and IEQG (Information Exchange Working Group) meeting on Digital Transformation |
| **HoFIUs meetings** | 28/6/2021 | Heads of Financial Intelligence Units meetings |
| | 9/7/2021 | |
| | 12/7/2021 | |

With regard to **MONEYVAL**, two plenary sessions were held, the first corresponding to the 61st plenary session held online between 26 and 30 April, and the second to the 62nd plenary session held between 13 and 17 December, simultaneously -semi face-to-face and virtually- in view of the restrictions maintained, with the presence of only one representative, and for the reason of having to present the 3rd Follow-up report of the fifth round of evaluations, already analysed in section a).

## 2.6. Other aspects

In this section, we develop all the significant issues related to our work.

First of all, we would like to refer to the **training** that our members have participated in/attended or have given over the course of this year, which are summarised in the following table:

| Designation | Organizers | Venue | Date | Nº of UIFAND participants | Hours |
|---|---|---|---|---|---|
| **Received** | | | | | |
| UNTOC Review Mechanism: Training on the use of RevMod | UNODC | Online | 02/02/2021 | 2 | 2 |
| Moneyval standards implementation training | Moneyval | Online | 30-31/03/2021 | 5 | 8 |
| Regulatory issues of blockchain and crypto-assets | Uría Menéndez<br>Esade Law School | Online | 11, 18 and 25/05/2021 | 2 | 4,5 |
| Training on the use of RevMod | UNODC | Online | 25/05/2021 | 1 | 2 |
| Contents of ARQ-DXP Technical session for focal points | UNODC | Online | 01/06/2021 | 1 | 2 |
| Cryptocurrencies and Anti-Money Laundering Training | Basel Institute of Governance | Online | 07-10/06/2021 | 2 | 12 |
| Regional Government & Civil Society Forum "Non-profit organizations and risk assessment – engagement lessons learned for effective implementation" | Republic of North Macedonia – Ministry of Finance –Financial Intelligence Office<br>European Center for Not-for-Profit Law<br>Konekt<br>Moneyval | Online | 10/06/2021 | 3 | 2 |
| UNTOC Review Mechanism: informal briefing session | UNODC | Online | 30/06/2021 | 1 | 2 |
| Cooperation between national customs authorities and Financial Intelligence Units: operational matters, challenges and solutions. | EGMONT Group (ECOFEL) | Online | 29/07/2021 | 1 | 5 |
| AML/CFT supervision in times of crisis and challenging external factors | Moneyval | Online | 28/09/2021 | 5 | 9 |
| Contrôle base sur les risques (RBA supervision) | FATF-GAFI | Online | 07/10/2021 | 1 | 1 |
| Regional Learning Forum: Religious organizations on the pathways to risk-based approach in AML/CFT | Konekt<br>HSC (part of GIZ Global Program Combating Illicit Financial Flows) | Online | 27/10/2021 | 1 | 2 |
| Forum de la coopération financière des CRF francophones (Financial Cooperation Forum of Francophone FIUs) | SICCFIN | Monaco | 04-05/11/2021 | 2 | 14 |
| 13th meeting of the Conference of the Parties to the CETS No.198 | C198-COP | Online | 17-18/11/2021 | 2 | 13 |
| 5th Global conference on criminal finance and cryptocurrencies | Basel Institute of Governance<br>INTERPOL<br>Europol | Online | 07-08/12/2021 | 5 | 7 |
| **Provided** | | | | | |
| Training for judges in the prevention of money laundering and financing of terrorism. | UIFAND | UIFAND | 22-23/03/2021 | 5 | 9 |
| III Course on Prevention of Money Laundering and Financing of Terrorism (Block I) | Universitat d'Andorra (University of Andorra)<br>ABA | Universitat d'Andorra (University of Andorra) | 12/11/2021 | 32 | 2 |
| Preventing the misuse of NPOs to finance terrorism | UIFAND | Online | 17/11/2021 | 12 | 1,5 |

Furthermore, with regard to the opening of **administrative sanctioning proceedings**, having detected the possible commission of any of the infringements established in Law 14/2017, in 2021 a sanctioning proceeding was opened against a non-financial reporting entity.

| Number of files | Type of reporting entity | Type of infringement | Typology of infringement | Amount of the penalty imposed |
|---|---|---|---|---|
| 1 | Trader in high-value goods | 2 serious infringements | **Article 72.13**: failure to comply with the obligation to establish adequate and sufficient internal control procedures. | 30,002 euros |
| | | | **Article 72.15**: breach of the obligation to carry out an appropriate, sufficient, objective and realistic individual risk assessment. | |

Likewise, **meetings have been held with other international organisations** that have required our attention and participation for all that concerns us, and in the global framework of their assessments regarding the the Principality of Andorra, as detailed below:

- **International Monetary Fund (IMF):**

Following the Principality of Andorra joining the IMF on 16 October 2020, thus becoming its 190th member country, and in accordance with Article IV of the IMF's Constitutive Agreement, the UIFAND participated in the assessment of the economic and financial development of the Principality in two meetings held on 30 March and 1 April 2021.

The most notable points discussed were: (i) the most important ML/TF risks to which the Principality of Andorra is exposed, (ii) the current ML/TF prevention and control strategy of the Principality of Andorra, (iii) the most important steps that have been taken and developed to strengthen the effectiveness of this preventive system, (iv) the difficulties in terms of supervision by UIFAND, and finally (v) the control of cross-border financial flows.

- **DG JUST:**

Participation in the decision on the alignment of the Principality of Andorra's data protection with the EU, and in particular the protection policies and international data flows of DG Just.

The meetings were held on 16 April, 6 May and 30 July 2021.

- **UNTOC Review Mechanism (UNODC's review mechanism):**

In the framework of the revision of the United Nations Convention against Transnational Organised Crime and its protocols of 15 November 2000 (Palermo Convention), the UIFAND has participated, in collaboration with the Ministries of Foreign Affairs and Justice and Home Affairs, in the response to Andorra's self-assessment questionnaire, in relation to "Cluster 1" on criminalisation and jurisdiction.

- **ODCE's Global Forum:**

Together with and in support of the Ministry of Finance, the Uifand has provided the necessary information for: (i) the Global Forum's Automatic Exchange of Information Report (AEOI); and (ii) the drafting of the Follow-up Report on the recommendations arising from the first report on the exchange of information upon request.

- **13th Plenary Meeting of the Conference of the Parties to CETS No. 198:**

Concerning the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime and on the Financing of Terrorism, December 2008, in two meetings held on 17 and 18 November 2021.

Finally, and largely in line with the previous one, we have answered different questionnaires.

- **Moneyval – Typologies Supervision Questionnaire:**

The response offered serves as a basis for the development of the typologies project related to the supervision of ML/TF prevention in times of crisis, which was agreed to be implemented at the 60th Moneyval Plenary held in September 2020.

- **Moneyval – AML/CFT changes 2020:**

This questionnaire aims to collect all the measures taken by the country in the field of AML/CFT in order to give additional visibility to the efforts made by all countries in the fight against ML.

- **United Nations Office on Drugs amd Crime (UNODC)**

In relation to the annual questionnaire (ARQ), answers are given through the new online platform Data eXchange Platform, regarding everything related to drugs.

- **Questionnaire in relation to the second 12-month review of the revised FATF Standards relating to the new Recommendation 15 and its Interpretative Note:**

This Recommendation analyses VA and VASPs, and following the first review in June 2020, this second review has three main elements: (i) monitoring the implementation of the revised FATF international standards, (ii) monitoring the progress of virtual asset service providers in the development and implementation of their obligations under the FATF standards (including the development of technological solutions for the global implementation of the "travel rule"), and finally (iii) the monitoring of the virtual assets sector with the aim of detecting any possible changes in the typologies, risks and market structure of the sector.

To close this section, I would like to mention a pleasant surprise at the news provided by the **Basel Institute of Governance** on 13 September 2021 in relation to the 2021 edition of its Money Laundering Prevention Index "Basel AML Index 2021: 10th Public Edition".

This Institute, through its work on the AML field, measures the risk of money laundering and terrorist financing in jurisdictions around the world.

It is based on a methodology composed of seven indicators categorised into five domains in line with the five key factors considered to contribute to the ML/TF risk.

These five domains are:

(i) quality of the internal legislative framework,

(ii) risk of corruption and bribery to which he is exposed,

(iii) transparency and financial standards,

(iv) transparency and credibility of public institutions, and finally

(v) political and legal risk.

As with any composite index, each variable is attributed a percentage (%) which is added to each partial result to arrive at a final result.

In this sense, it uses a weighting system known as the "participatory approach" whereby financial and legal experts assign a weight to each variable based on their knowledge of each subject.

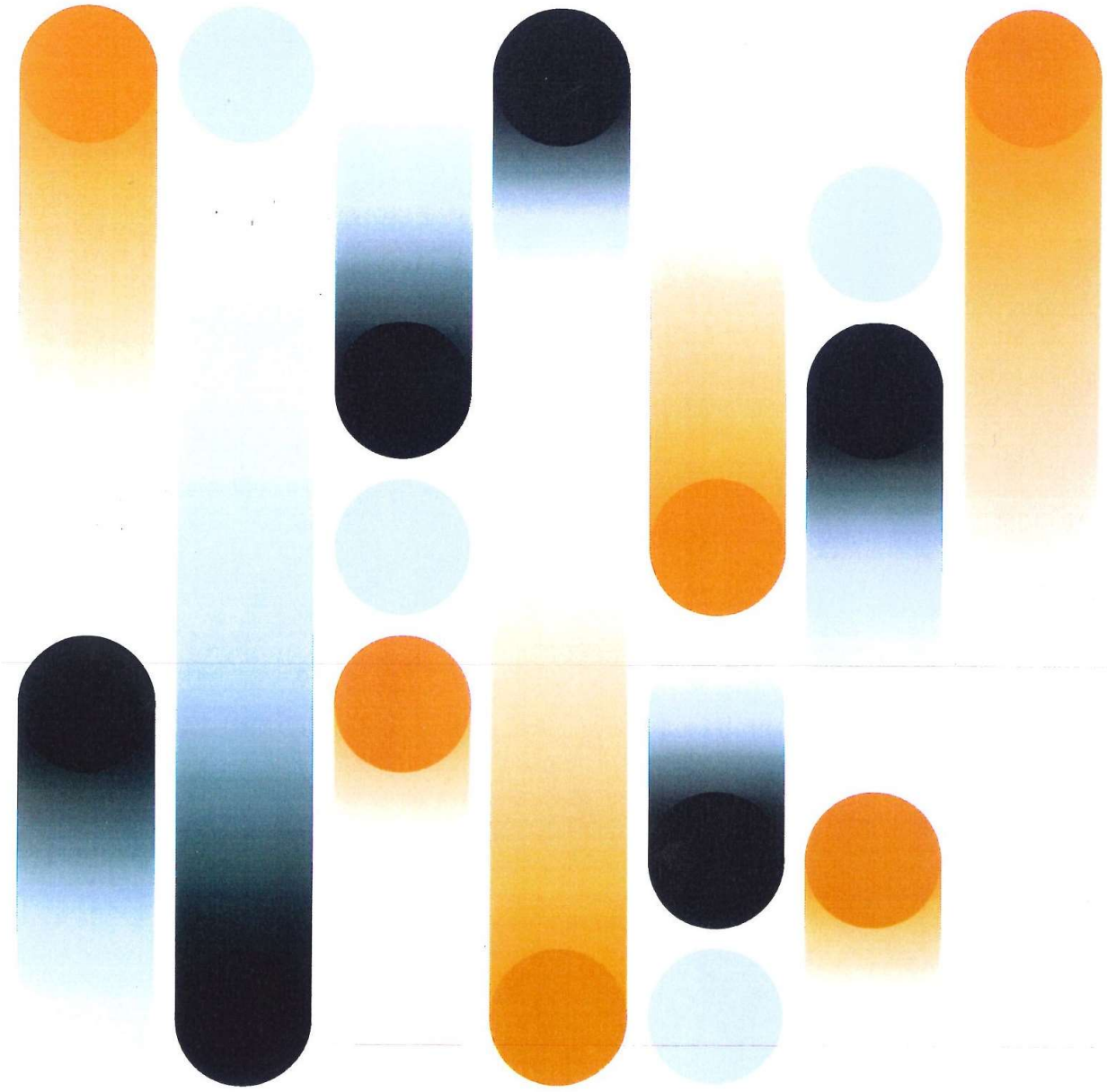
As a result of the analysis carried out in 203 jurisdictions, the Principality of Andorra is the country in the world where it is most difficult to carry out ML in practice.

This report was published on 14 September 2021 on the Uifand website for general consultation.

BASEL INSTITUTE ON
GOVERNANCE

# Basel AML Index 2021: 10th Public Edition

## Ranking money laundering and terrorist financing risks around the world



# 3. PERMANENT COMMITTEE FOR THE PREVENTION AND FIGHT AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

Prior to the preparation of the relevant reports and documentation processed through the corresponding announcements, during 2021, the CPP held three meetings on 22 January, 22 April and 29 September 2021, two of which were held in person and the third by electronic means.

The most important aspects that have been dealt with are as follows:

- Regarding the Monetary Agreement:

(i) the legislative measures taken and with a deadline for implementation, following the work carried out previously and analysed at the last meetings of 10 and 14 December 2020, and specifically with regard to the 5th Directive (EU) 2018/843.

In this sense, the most noteworthy modifications are:

a.- the inclusion of VASPs as reporting entities, in accordance with the FATF criteria, which widens the scope of the reporting entities to include service providers related to all kinds of VA,

b.- the regulation of access to information relating to beneficial owners in the Registers of Companies, Associations and Foundations, eliminating the need for applicants to prove a legitimate interest,

c.- the creation of the Register of Financial and Assimilated Accounts, attached to the Ministry of Finance, and finally,

d.- the access to ownership information on Andorran real estate.

After the foreseeable approval of this legislative proposal, the subsequent drafting and approval of three regulations that develop the previous one, which are:

- the Implementing Regulation of Law 14/2017, of 22 June, on the prevention and the fight against money laundering and against terrorist financing,
- Regulation regulating the register and access to the information related to beneficial ownership on legal entities', and
- Regulation regarding the Register of Trusts and Similar Legal Arrangements Service Providers.

(ii) The exposition and analysis of those other regulatory acts that are expected to be transposed in 2022, already described in point b) of the Balance section.

- With regard to Moneyval, the presentation of the content and conclusions of the 3rd Follow-up report to be presented to the Plenary in December 2021, which includes the following:
  a.- a description of the improvements in the Andorran AML/CFT system, as well as an update on the effectiveness assessment of the 2017 Mutual Evaluation Report (MER),

  b.- information on progress in resolving the technical compliance deficiencies identified in the MER (specifically, the recommendations that remain qualified as PC (partially compliant): Recommendations 8, 31 and 36,

  c.- information to assess compliance with the recommendations that have been reviewed since the adoption of the 2nd Follow-up report, specifically FATF Recommendation 15 on new technologies.
- Finally, with regard to the approval and adoption by the Government of the Andorran 2020 NRA, the analysis and monitoring of the Action plan, also described above.

# 4. STATISTICS OF THE YEAR 2021 AND COMPARISON WITH 2020

In general terms, in this year 2021, there has been a significant decrease both in the reception of suspicious transactions reports (STRs) which stands at -41.96%, and in the files submitted to the General Prosecutor's Office, which stands at -62.16%, while for the rest, the values continue to rise.

| BALANCE OF WORK GENERATED AND PEFORMED AT UIFAND - 2021 - | | |
|---|---|---|
| **1. OPERATIONAL ANALYSIS** | | |
| **Item** | **Number** | **Remarks** |
| STRs received | 65 | 56 Banks<br>1 Notary<br>3 Company service providers<br>1 External accountant<br>1 Real Estate agent<br>2 Life insurance companies<br>1 Post office giro institution |
| Files initiated by UIFAND | 2 | - |
| National cooperation | 21 | 1 Government<br>20 AFA |
| International cooperation (FIUs) | 64 | 53 - Other FIUs to UIFAND<br>11 - UIFAND to other FIUs |
| **Volume of analysis generated:** | **152** | **-** |
| Files forwarded to the Public Prosecutor's Office | 28 | 20 from 2021<br>8 from 2020 |
| Value of files forwarded to the Public Prosecutor's Office with possibility of judicial seizure | 10.485.699,91 € | Equivalent value in Euros |
| Files shelved | 114 | 97 from 2021<br>17 from 2020 |
| **Volume of analysis performed:** | **142** | **-** |
| Files under investigation | 32 | 32 from 2021 |
| Persons investigated (natural persons and legal entities) | 984 | 407 natural persons<br>577 legal entities |
| Freezing operations by UIFAND | - | - |
| **2. FOREIGN INVESTMENT** | | |
| **Item** | **Number** | **Remarks** |
| **Requests received and analysed** | **19** | Direct investment (companies): 19 |
| Unfavourable notification | 1 | - |
| Police inquiry notification | 4 | - |
| Observations report to the Register of Companies | 9 | - |
| Withdrawals | - | - |
| Persons analysed in the framework of foreign investments | 58 | 33 natural persons<br>25 legal entities |
| **3. TOTAL** | | |
| **Item** | **Number** | **Remarks** |
| **Volume of work performed (operational analysis)** | **142** | - |
| **Number of foreign investment requests analysed** | **19** | - |
| **Total volume of work performed** | **161** | **-** |

| | BALANCE OF WORK GENERATED AND PERFORMED AT UIFAND | | | | |
|---|---|---|---|---|---|
| | YEAR 2020 | | YEAR 2021 | | Evolution % (2020-2021) |
| **1. OPERATIONAL ANALYSIS** | | | | | |
| **Item** | **Number** | **Remarks** | **Number** | **Remarks** | |
| STRs received | 112 | 99 Banks<br>1 Investment firm<br>3 Notaries<br>4 Company service providers<br>1 Accountant<br>2 Real Estate agents<br>2 Life insurance companies | 65 | 56 Banks<br>1 Notary<br>3 Company service providers<br>1 External accountant<br>1 Real Estate agent<br>2 Life insurance companies<br>1 Post office giro institution | **-41,96%** |
| Files initiated by Uifand | - | - | 2 | - | **-** |
| National cooperation | 19 | 1 Police<br>18 AFA | 21 | 1 Government<br>20 AFA | **10,53%** |
| International cooperation (FIUs) | 63 | 37 - Other FIUs UIFAND<br>26 - UIFAND to other FIUs | 64 | 53 - Other FIUs UIFAND<br>11 - UIFAND to other FIUs | **1,59%** |
| **Volume of analysis generated:** | **194** | | **152** | | **-21,65%** |
| Files forwarded to the Public Prosecutor's Office | 74 | 63 from 2020<br>8 from 2019<br>1 from 2018<br>2 from 2017 | 28 | 20 from 2021<br>8 from 2020 | **-62,16%** |
| Value of files forwarded to the Public Prosecutor's Office with possibility of judicial seizure | 186.631.720,28 € | Equivalent value in euros | 10.485.699,91 € | Equivalent value in euros | **-** |
| Files shelved | 98 | 80 from 2020<br>17 from 2019<br>1 from 2018 | 114 | 97 from 2021<br>17 from 2020 | **16,33%** |
| **Volume of analysis performed:** | **172** | | **142** | | **-17,44%** |
| Files under investigation | 25 | 25 from 2020 | 32 | 32 from 2021 | **28%** |
| Persons investigated (natural persons and legal entities) | 956 | 470 natural persons<br>486 legal entities | 984 | 407 natural persons<br>577 legal entities | **2,93%** |
| Freezing operations by UIFAND | - | - | - | - | **-** |
| **2. FOREIGN INVESTMENT** | | | | | **-** |
| Requests received and analysed | 14 | Direct investment (companies): 11<br>Real Estate Investment: 3 | 19 | Direct Investment (companies): 11 | **35,71%** |
| Unfavourable notification | - | - | 1 | - | **-** |
| Police inquiry notification | - | - | 4 | - | **-100,00%** |
| Observations report to the Register of Companies | 7 | - | 9 | - | **28,57%** |
| Withdrawals | - | - | - | - | **-** |
| Persons analysed in the framework of foreign investments | 66 | 33 natural persons<br>33 legal entities | 58 | 33 natural persons<br>25 legal entities | **-12,12%** |
| **3. TOTAL** | | | | | **-** |
| **Volume of work performed (operational analysis)** | **172** | **-** | **142** | **-** | **-17,44%** |
| **Number of foreign investment requests analysed** | **14** | **-** | **19** | **-** | **35,71%** |
| **Total volume of work performed** | **186** | **-** | **161** | **-** | **-13,44%** |

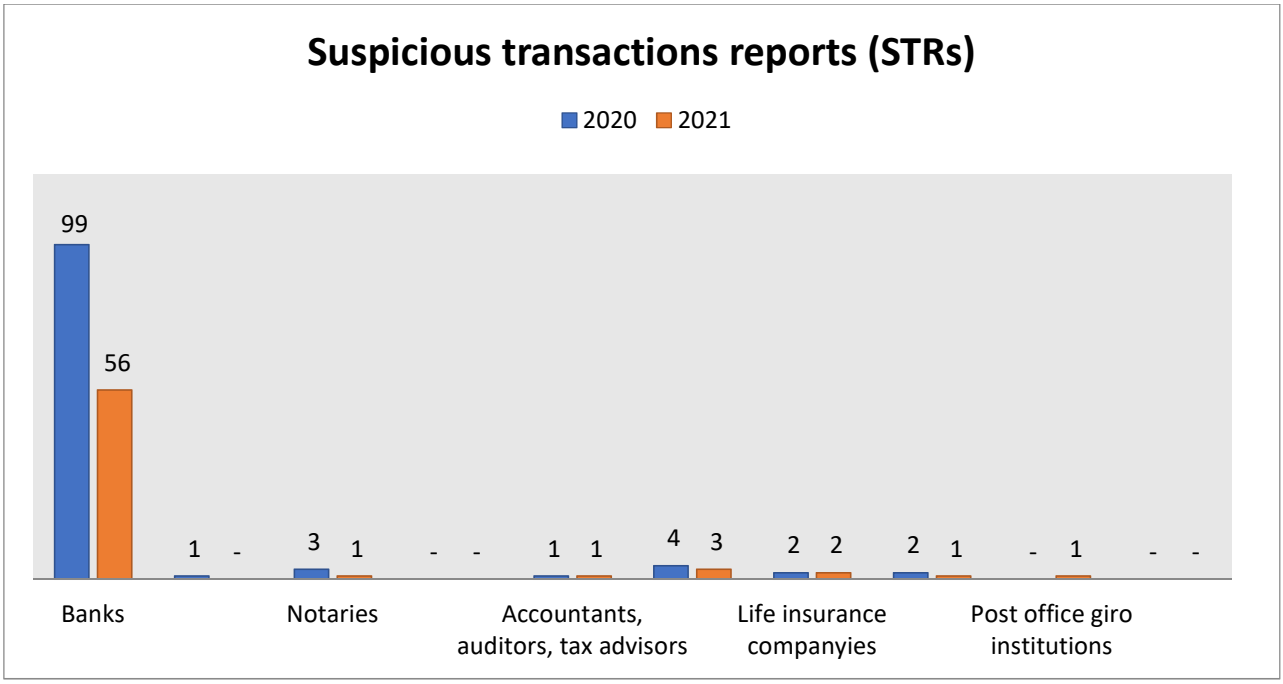
## 4.1. Operational analysis

### 4.1.1. Suspicious transaction reports

The decrease referred to the beginning, is mainly due to the number of declarations presented by the banking financial sector, having gone from 99 STRs presented in the financial year 2020 to the current 56.

This is not the case for the rest of the sectors, both non-banking financial and non-financial, maintaining both the plurality of reporting entities that declare suspicious operations and the number of these.

| | Suspicious transaction reports (STRs) | |
|---|---|---|
| | 2020 | 2021 |
| Banks | 99 | 56 |
| Investment firms | 1 | - |
| Notaries | 3 | 1 |
| Lawyers | - | - |
| Accountants, auditors, tax advisors | 1 | 1 |
| Company service providers (CSPs) | 4 | 3 |
| Life insurance companyies | 2 | 2 |
| Real Estate agents | 2 | 1 |
| Post office giro institutions | - | 1 |
| Traders in high-value goods | - | - |
| | | |
| **TOTAL** | **112** | **65** |



### 4.1.2. National cooperation

There has been a slight increase in the number of requests for collaboration received, specifically 10.53%.

| | National cooperation | |
|---|---|---|
| | 2020 | 2021 |
| AFA | 18 | 20 |
| Government | - | 1 |
| Police | 1 | - |
| | | |
| TOTAL | 19 | 21 |



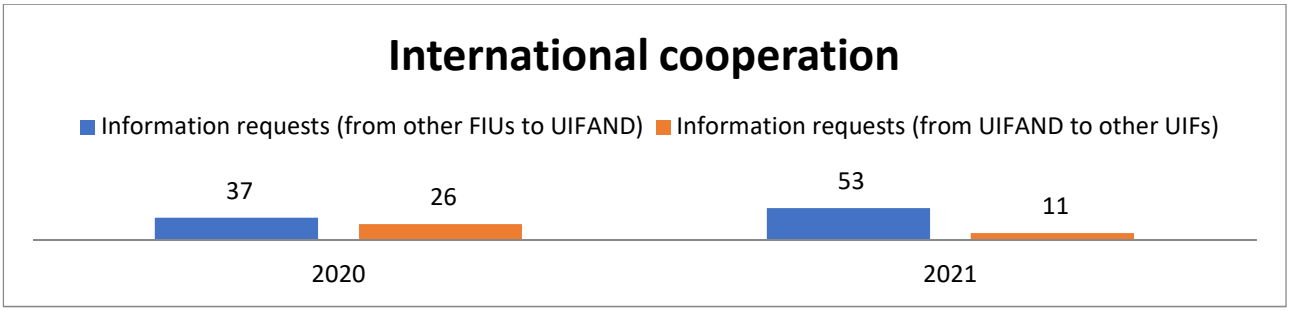

### 4.1.3. International cooperation

The total number of cases has remained stable, although the number of external requests for cooperation has increased considerably, and the number of internal requests for external cooperation has decreased, with both variables finally compensating for each other.

More specifically, we have received requests from a total of 23 jurisdictions - some of them more than once - to which we have responded, with an average response time of 9 days -2 days less than in the previous year- which is an extraordinarily important figure in terms of the effectiveness of our international cooperation system.

Uifand has also sent information requests to 10 different jurisdictions.

| | International cooperation | |
|---|---|---|
| | 2020 | 2021 |
| Information requests (from other FIUs to UIFAND) | 37 | 53 |
| Information requests (from UIFAND to other UIFs) | 26 | 11 |
| | | |
| TOTAL | 63 | 64 |




| INTERNATIONAL COOPERATION BY COUNTRY - Year 2021 - | | | |
|---|---|---|---|
| Requesting countries (Other FIUs to UIFAND) | Number of requests | Number of spontaneous disseminations | Reply time (days) |
| Argentina | 1 | - | 4 |
| Austria | - | 1 | |
| Belgium | 1 | - | 14 |
| Benin | 1 | - | 6 |
| Spain | 4 | - | 6 10 7 5 |
| United States | 2 | - | 5 7 |
| France | 1 | - | 3 |
| Isle of Man | 1 | - | 18 |
| Italy | 2 | - | 1 22 |
| Latvia | 1 | - | 6 |
| Liechtenstein | 1 | - | 4 |
| Lithuania | 2 | - | 23 7 |
| Luxembourg | 2 | 3 | 26 2 |
| Malta | 1 | 5 | 8 |
| Mexico | 3 | 2 | 2 13 2 |
| Peru | 3 | - | 15 17 14 |
| Poland | 2 | - | 10 12 |
| United Kingdom | 1 | - | 6 |
| Dominican Republic | 1 | - | 10 |
| Russia | 1 | - | 18 |
| Syria | 2 | 7 | 8 5 |
| Switzerland | 1 | - | 3 |
| Ukraine | 1 | - | 11 |
| **Total :** | **35** | **18** | **Average 9 days** |
| **Total international cooperation** | **53** | | |

| INTERNATIONAL COOPERATION BY COUNTRY - Year 2021 - | |
|---|---|
| Requested countries (UIFAND to other FIUs) | Number of requests |
| Germany | 2 |
| Belgium | 1 |
| Curaçao | 1 |
| Spain | 1 |
| Estonia | 1 |
| France | 1 |
| Lithuania | 1 |
| Russia | 1 |
| Sweden | 1 |
| Switzerland | 1 |
| **Total international cooperation** | **11** |

### 4.1.4. Files submitted to the Public Prosecutor's Office and amounts with possibility of judicial seizure

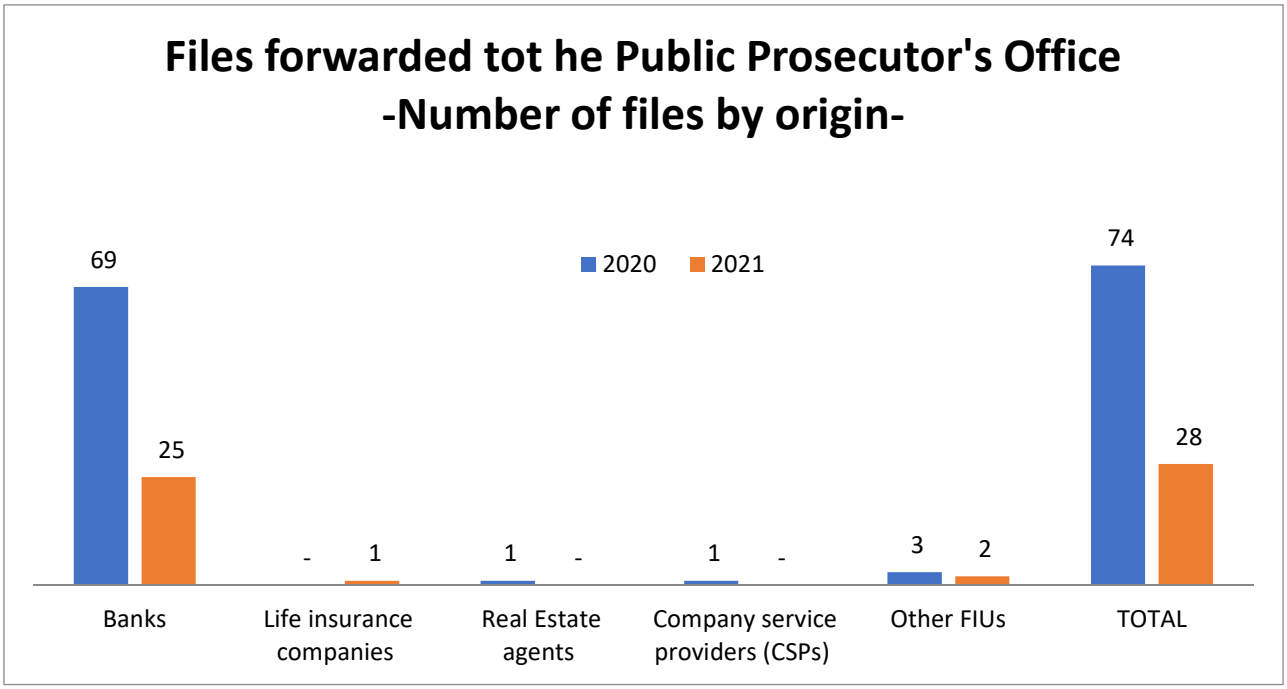
As mentioned previously, this was the second year in a row with a significant decrease, with a total of 28 files having been transferred to the judicial authorities, compared to 74 the previous year.

The main reason for this is that this year, some of the files were more complex, requiring more time to analyse and manage the information.

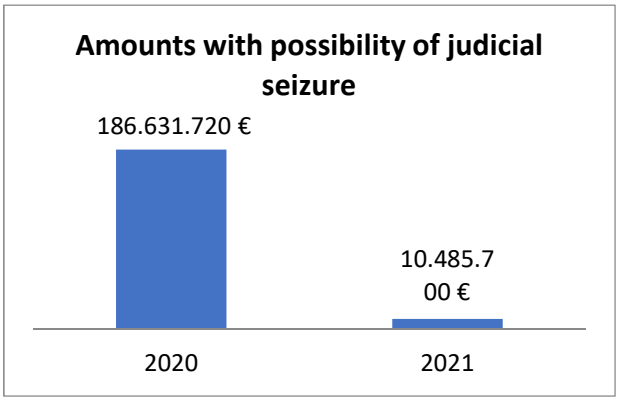
On the other hand, the number of files filed has increased by 16.33%, from 98 in 2020 to the current 114.

Finally, I believe that the most significant increase is the one that refers to the files currently under investigation, which rises to 32, with the particularity that all of them concern files submitted in 2021, without counting those that correspond to those submitted during the current year 2022.

| | **Files forwarded to the Public Prosecutor's Office - Number of files by origin -** | |
|---|---|---|
| | **2020** | **2021** |
| Banks | 69 | 25 |
| Life insurance companies | - | 1 |
| Real Estate agents | 1 | - |
| Company service providers (CSPs) | 1 | - |
| Other FIUs | 3 | 2 |
| **TOTAL** | **74** | **28** |



| | Possibility of seizure | |
|---|---|---|
| | 2020 | 2021 |
| Possibility of judicial seizure | 186.631.720 € | 10.485.700 |

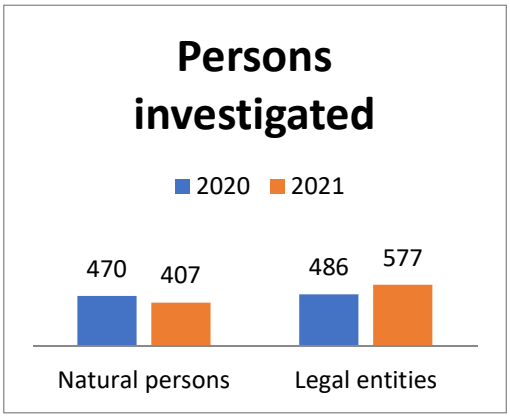



#### 4.1.5. Number of persons investigated

The figure that appears is the result of the number of cases analysed, which is not necessarily proportional to those.

This year is a good example of this statement, because with fewer cases presented and processed, the number of people - natural or legal - investigated has increased.

| | Persons investigated | |
|---|---|---|
| | 2020 | 2021 |
| Natural persons | 470 | 407 |
| Legal entities | 486 | 577 |
| **Total** | **956** | **984** |

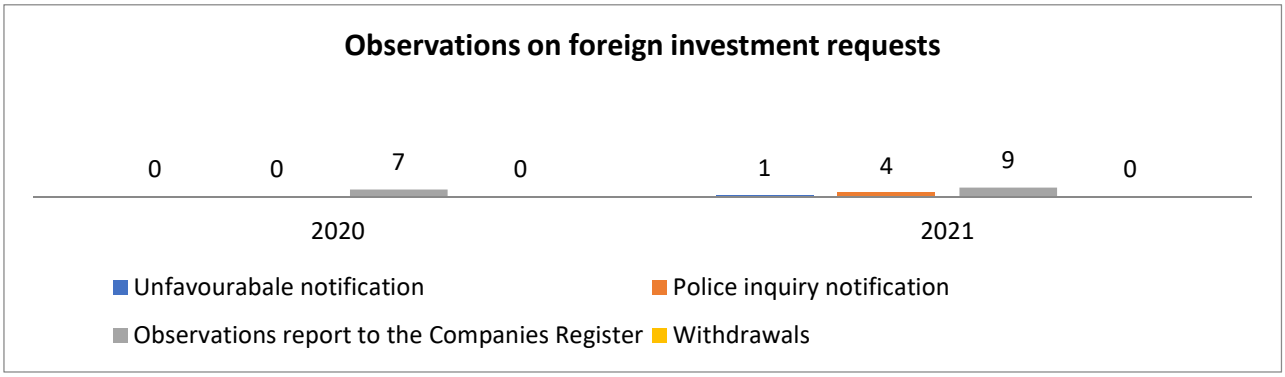



### 4.2. Foreign investment

#### 4.2.1. Requests submitted

In line with the previous year, the number of applications received and analysed has continued to fall, and has now almost stabilised.

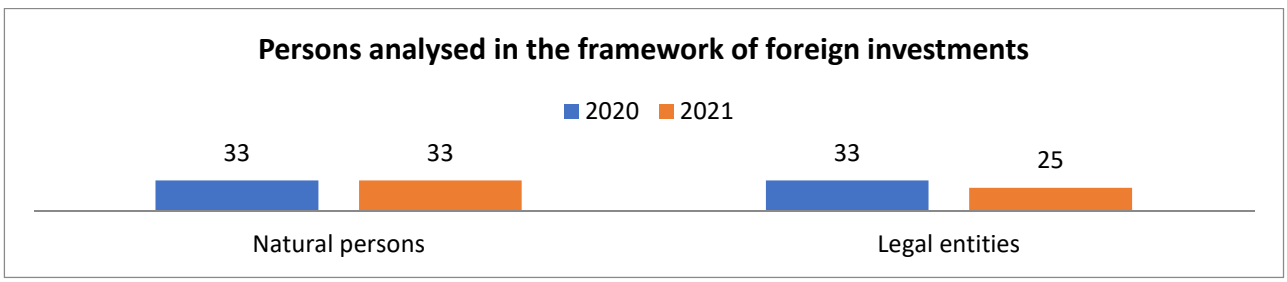
| | Foreign investment | |
|---|---|---|
| | 2020 | 2021 |
| Requests received | 14 | 19 |
| Requests analysed | 14 | 19 |
| Unfavourabale notification | - | 1 |
| Police inquiry notification | - | 4 |
| Observations report to the Companies Register | 7 | 9 |
| Withdrawals | - | - |
| | | |
| **TOTAL** | **14** | **19** |




### 4.2.2. Number of persons analysed

As with the number of people investigated, the resulting number is not proportional to the number of requests.

| | Persons analysed in the framework of foreign investments | |
|---|---|---|
| | 2020 | 2021 |
| Natural persons | 33 | 33 |
| Legal entities | 33 | 25 |
| **Total** | **66** | **58** |



# 5. 20 years of the Financial Intelligence Unit

Among everything that was presented in the 2011 activities report, the celebration of the Unit's 10th anniversary was highlighted.

This time it is appropriate to do it again for the completion of 20 years of functioning, and at least with double congratulations, for which reason, as I said in the presentation, this is the theme that illustrates the cover of this activities report.

Subsequently, I reproduce the letter that was written and published for the occasion, dated 23 July 2021.

*These days, the Andorran Financial Intelligence Unit is celebrating the 20th anniversary of its establishment.*

*Indeed, on 24 July 2001, work began on what was known as the Unit for the Prevention of Money Laundering (UPB), as a result of the approval by the General Council on 29 December 2000 of the Law on International Criminal Cooperation and the fight against the laundering of money or securities proceeding from international crime.*

*Throughout these years, the Financial Intelligence Unit has become an indispensable tool in the fight against money laundering and terrorist financing.*

*In this sense, it has promoted the necessary review of domestic law with the ongoing implementation of international regulations, which has led us to achieve levels of standardisation that have been highly appreciated by international organisations, and conveniently valued.*

*Similarly, over the years, we have been able to progress in terms of its composition and functioning, always under the prism of a respected level of independence and functional autonomy, the objectives of permanent improvement and service to the country as a whole.*

*This milestone must undoubtedly be shared not only with the authorities and the heads of the departments and public bodies of the general administration directly linked to our subject matter, but also with the wide range of financial and nonfinancial reporting entities, who have contributed to a large extent with a remarkable degree of collaboration and cooperation.*

*Finally, I would like to acknowledge the work carried out by my predecessors, as well as the enormous commitment contributed by those who have taken part in our structure and those who continue, always striving to improve and better themselves.*

*Thank you very much to all,*

*Andorra la Vella, 23 July 2021.*

*Carles FIÑANA PIFARRÉ,*
*Head of the UIFAND.*

# 6. HISTORICAL STATISTICS FOR THE YEARS 2001-2021

These statistics provide a detailed account of the work undertaken by the Uifand from its inception in July 2001 to December 2021.

Certainly, the initial data for the first years that are collected were not so complete, for two fundamental reasons: (i) the Unit's own evolution, which over time has become more structured by areas and at the same time has acquired and expanded its tasks, and (ii) this fact is linked to the constant legislative improvement that affects both the Unit itself and the scope of the reporting entities affected.

For this reason, the compilation of this data has been assimilated and adapted to the scheme that has been established in recent years.

In this sense, they are presented globally with the totals for the twenty years, and also on a partial and annual basis for each of the various concepts tackled.

| BALANCE OF WORK GENERATED AND PERFORMED AT UIFAND<br>- 2001 to 2021 - | | |
|---|---|---|
| **1. OPERATIONAL ANALYSIS** | | |
| **Item** | **Number** | **Remarks** |
| STRs received | 966 | 829 Banks<br>12 Investment firms<br>30 Notaries<br>18 Lawyers<br>4 Economists<br>6 Accountants<br>24 Company service providers<br>2 Jewellers<br>1 Trader in high-value goods<br>15 Real estate agents<br>9 Life insurance companies<br>16 Post office giro institutions |
| Files initiated by UIFAND | 99 | - |
| National cooperation | 204 | 167 INAF/AFA<br>20 Police<br>4 Judicial authorities<br>3 Customs<br>10 Government |
| International cooperation (FIUs) | 879 | 627 - Incoming (Other FIUs to UIFAND)<br>252 - Outgoing (UIFAND to other FIUs) |
| **Volume of analysis generated:** | **2.148** | **-** |
| Files forwarded to the Public Prosecutor's Office | 541 | - |
| Value of files forwarded to the Public Prosecutor's Office with possibility of judicial seizure | 812.350.417 € | Equivalent value in euros |
| Blocking operations from UIFAND | 9.863.694,00 € | Equivalent value in Euros |
| **2. FOREIGN INVESTMENT** | | |
| **Item** | **Number** | **Remarks** |
| **Requests received and analysed** | **7.381** | - |
| **3. TOTAL** | | |
| **Item** | **Number** | **Remarks** |
| Persons investigated (natural persons and legal entities) and persons analysed in the framwork of foreign investments (natural persons and legal entities) | 38.472 | 25.919 natural persons<br>12.553 legal entities |
| **Volume of work performed (operational analysis)** | **2.148** | - |
| **Number of foreign investment requests analysed** | **7.381** | - |
| **Total volume of work performed** | **9.529** | **-** |

## 6.1. Operational analysis

### 6.1.1. Suspicious Transaction Reports

Out of the total number of STRs submitted, 966, a percentage of 85.82%, representing 829, correspond to the banking sector, a fact that demonstrates not only the importance of this

sector in our area, but also the degree of involvement and surveillance that contributes to its work.

Likewise, and for the rest of the reporting entities, non-banking financial institutions and non-financial institutions, in the last quarter, it is worth noting that: (i) in general, there has been a considerable increase in the number of STRs filed, and (ii) in particular, the range of reporting entities, especially non-financial, that have filed as well as the number of declarations, is much wider; when comparing both data to the previous fifteen years.

| | HISTORY OF SUSPICIOUS TRANSACTION REPORTS FROM REPORTING ENTITIES AND FILES FORWARDED TO THE PUBLIC PROSECUTOR'S OFFICE - 2001 to 2021 - | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total | Volume generated at the FIU |
| **Banks** | 6 | 9 | 13 | 15 | 10 | 28 | 17 | 21 | 14 | 13 | 13 | 20 | 28 | 32 | 52 | 48 | 107 | 112 | 116 | 99 | 56 | **829** | **85,82%** |
| **Investment firms** | 1 | - | 1 | 2 | - | 1 | - | 1 | 1 | - | - | - | - | - | - | 1 | - | 1 | 2 | 1 | | **12** | **0,01%** |
| **Notaries** | - | 1 | 1 | - | 2 | - | 1 | - | 1 | 2 | 1 | 1 | - | 1 | 1 | - | 2 | 5 | 7 | 3 | 1 | **30** | **3,10%** |
| **Lawyers** | - | 1 | 2 | 1 | - | 1 | - | 1 | - | 2 | 2 | 3 | 2 | 1 | 1 | - | 1 | - | - | - | - | **18** | **1,86%** |
| **Accountants, tax advisors and auditors** | - | - | - | - | - | - | - | - | - | - | 1 | - | - | - | 1 | - | - | 1 | 1 | 1 | 1 | **6** | **0,62%** |
| **Economists** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | 2 | 1 | - | - | - | - | **4** | **0,41%** |
| **Company service providers** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4 | 2 | 11 | 4 | 3 | **24** | **2,48%** |
| **Jewellers** | - | - | - | - | - | 1 | - | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | **2** | **0,21%** |
| **Traders in high value goods** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1 | - | - | **1** | **0,20%** |
| **Real estate agents** | - | - | - | 2 | 2 | - | 1 | - | 1 | - | 1 | - | - | 2 | 1 | 1 | 1 | - | - | 2 | 1 | **15** | **1,55%** |
| **Life insurance companies** | - | - | - | - | - | 1 | - | - | - | - | - | - | - | - | 1 | - | - | 3 | - | 2 | 2 | **9** | **0,93%** |
| **Post office giro institutions** | - | - | - | - | - | - | - | 1 | 1 | 5 | 3 | 1 | 1 | - | 2 | 1 | - | - | - | - | 1 | **16** | **1,66%** |
| **Total STRs** | **7** | **11** | **17** | **20** | **14** | **32** | **19** | **25** | **18** | **22** | **21** | **25** | **31** | **36** | **60** | **53** | **116** | **124** | **138** | **112** | **65** | **966** | |

### 6.1.2. FIU initiative files

From the final number of cases that have been opened directly by the Unit, of which there are 99, there has been a constant growth from the beginning until 2016, and from here onwards an equally significant decrease.

| | HISTORY OF FILES ON UIFAND's INITIATIVE - 2001 to 2021 - | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
| UIFAND initiative | - | 5 | 3 | - | 3 | 2 | 2 | 2 | 1 | 4 | 16 | 24 | 8 | 14 | 9 | 3 | - | 1 | - | - | 2 | 99 |

### 6.1.3. National cooperation

In this section, the data is highly variable, both in terms of the cooperating organisations and the number of cases. However, the cooperation with the current Andorran Financial Authority (AFA, former INAF) from 2013 is particularly significant.

This is no coincidence, bearing in mind the collaboration agreement signed by both organisations (INAF-UIFAND) on 30 November 2012, which was renewed and updated on 12 March 2019.

| | HISTORY OF NATIONAL COOPERATION FILES - 2001 to 2021 - | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
| Police | - | 3 | 7 | 4 | 1 | - | 1 | - | - | - | - | 1 | 1 | - | - | - | - | 1 | - | 1 | - | 20 |
| Judicial authorities | - | - | - | 1 | 1 | - | - | - | - | - | 1 | - | 1 | - | - | - | - | - | - | - | - | 4 |
| Customs | - | - | - | 1 | - | 1 | - | - | 1 | - | - | - | - | - | - | - | - | - | - | - | - | 3 |
| Government | - | - | - | - | - | - | - | - | - | - | 1 | 1 | 4 | 1 | - | 2 | - | - | - | - | 1 | 10 |
| INAF/AFA | - | - | - | - | - | - | - | - | - | - | - | - | 3 | 6 | 30 | 26 | 17 | 24 | 23 | 18 | 20 | 167 |
| Total files | - | 3 | 7 | 6 | 2 | 1 | 1 | - | 1 | - | 2 | 2 | 9 | 7 | 30 | 28 | 17 | 25 | 23 | 19 | 21 | 204 |

### 6.1.4. International cooperation

Together with the STRs, the data on international cooperation is the most important in terms of numbers, with a total of 879 requests for cooperation, of which 627 correspond to requests for collaboration received from other Intelligence Units and the rest, 252 represent requests from the Uifand.

The figures are very linear over the years, although both active and passive requests increase from 2010 onwards.

Additionally, it is worth highlighting the response time in relation to external requests received, which has gone from a time of between almost 24 and 48 days until 2011, to a progressive reduction of between 13 and 9 days at present, thus showing a much higher level of effectiveness in recent years.

**HISTORY OF INTERNATIONAL COOPERATION WITH OTHER FINANCIAL INTELLIGENCE UNITS (FIUs)**
**- 2001 to 2021 -**

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Incoming (Other FIUs to UIFAND) | 0 | 10 | 33 | 42 | 29 | 21 | 18 | 34 | 26 | 31 | 43 | 20 | 26 | 22 | 41 | 20 | 41 | 47 | 33 | 37 | 53 | **627** |
| Average response time (days) | | | | | | 23,57 | 19,27 | 26,26 | 26,92 | 38,96 | 47,51 | 42,4 | 33,75 | 25,23 | 18,5 | 12,95 | 10 | 12 | 14 | 11 | 10 | **30,42** |
| Outgoing (UIFAND to other FIUs) | 2 | 4 | 12 | 22 | 11 | 4 | 9 | 6 | 6 | 10 | 9 | 0 | 12 | 11 | 7 | 11 | 47 | 22 | 11 | 25 | 11 | **252** |
| Total | **2** | **14** | **45** | **64** | **40** | **25** | **27** | **40** | **32** | **41** | **52** | **20** | **38** | **33** | **48** | **31** | **88** | **69** | **44** | **62** | **64** | **879** |

### 6.1.5. Files submitted to the Public Prosecutor's Office and amounts with possibility of judicial seizure

The number of cases brought to the judicial authorities at first, and later on to the Public Prosecutor's Office due to a legislative change, has been 541 files, most of them from 2010 onwards, except for some occasional cases. There has also been a considerable and gradual increase since 2016.

With regard to the amounts, in euro equivalent value, with the possibility of seizure, the overall figure, which is certainly very important, fluctuates greatly from year to year.

It also includes the figure of the amounts blocked by the UIFAND with respect to bank operations in relation to files under investigation. It is worth specifying that this is a blocking of banking operations and for a specific period of five days, not bank accounts, and for very specific cases.

| FILES FORWARDED TO THE PUBLIC PROSECUTOR'S OFFICE - 2001 to 2021 - | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** |
| 1 | 8 | 4 | 10 | 3 | 20 | 7 | 12 | 11 | 18 | 15 |
| **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **Total** |
| 14 | 16 | 25 | 21 | 29 | 56 | 82 | 87 | 74 | 28 | **541** |

## 6.2. Foreign investment

### 6.2.1. Requests submitted

The data presented for foreign investment has its own idiosyncrasy, due to legislative changes in this area.

In this sense, with the approval of Law 10/2012, of 27 June, on foreign investment in the Principality of Andorra, our participation in the analysis of foreign investment applications received from the Ministry has increased spectacularly year after year, from 181 applications in 2011 to 1,464 in 2017.

Subsequently, the opposite effect occurred, with a progressive but constant decrease, until reaching 19 petitions in 2021, and as a result of another legislative change, with the modification introduced by Decree of 5 September 2018, which approves the amendment of Article 3 of the Regulation of 1 August 2012, implementing Law 10/2012.

| | HISTORY OF FILES FROM THE COMPANIES REGISTER (FOREIGN INVESTMENT) | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **Total** |
| **Companies Register** | 27 | 35 | 1 | 79 | 128 | 181 | 305 | 802 | 1.022 | 1.140 | 1.143 | 1.464 | 995 | 26 | 14 | 19 | **7.381** |

### 6.2.2. Number of persons analysed (natural and legal)

The first point to be made is that this section includes the number of natural and legal persons investigated by declarations received or by request for international cooperation, as well as those analysed by foreign investment requests.

The second remark refers, as has been indicated on previous occasions, to the fact that this figure is not proportional to the number of cases.

| HISTORY OF THE NUMBER OF PEOPLE LINKED TO UIFAND FILES - 2001 to 2021 - | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2001** | **2002** | **2003** | **2004** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **Total** |
| **Natural persons** | 328 | 233 | 348 | 651 | 330 | 321 | 200 | 391 | 400 | 737 | 1.435 | 1.438 | 2.414 | 3.205 | 2.646 | 2.873 | 3.748 | 2.535 | 743 | 503 | 440 | **25.919** |
| **Legal entities** | 102 | 137 | 63 | 88 | 142 | 233 | 73 | 261 | 313 | 417 | 686 | 904 | 1.094 | 1.167 | 1.315 | 1.301 | 1.541 | 1.124 | 471 | 519 | 602 | **12.553** |
| **Total** | **430** | **370** | **411** | **739** | **472** | **554** | **273** | **652** | **713** | **1.154** | **2.121** | **2.342** | **3.508** | **4.372** | **3.961** | **4.174** | **5.289** | **3.659** | **1.214** | **1.022** | **1.042** | **38.472** |




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