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The management of Finantsinspeksioon passed a resolution on 26 November 2018 introducing an advisory manual for organisational approaches and preventive measures for credit and financial institutions to take against money laundering and terrorist financing. The manual applies for all credit and financial institutions operating in Estonia under the supervision of Finantsinspeksioon. Finantsinspeksioon also explains in it its supervision policy for countering money laundering and terrorist financing.

By introducing the manual and the supervision policy, Finantsinspeksioon is working towards one of the supervisory goals in its current strategy of countering the use of the Estonian financial sector for money laundering and terrorist financing.

The manual sets out a new and clearer framework for financial intermediaries and helps explain how to recognise risks, how to analyse the dangers they bring, and how to minimise them, so that the Estonian financial sector would not be used for money laundering and terrorist financing. It explains the content of the anti-money laundering and terrorist financing law that came in during 2017 and how to comply with it, and directs market participants in the construction and operation of organisational approaches that can achieve this.

“The open nature of the Estonian economy and business environment, the general globalisation of the financial sector, and the technical development of financial services also bring risks where criminally acquired money may search for ways to penetrate the Estonian financial system or to use it for covert or transformational transactions. These conditions require financial intermediaries to exercise due diligence and to have the skills needed to erect barriers to such risks,” said **Andre Nõmm** of the Finantsinspeksioon management board.

Finantsinspeksioon is asking all market participants to pay increased attention to serving high-risk and non-resident clients. “Providing remote services means carrying out detailed controls to get a full and complete understanding of the business of the client and its beneficiaries. A financial institution that does not have these controls and systems in place should not handle that business segment,” added Mr Nõmm.

Finantsinspeksioon considers that services based around crypto assets are a source of risk, as are companies providing the related trading platforms. Financial intermediaries providing these services need to have the appropriate skills to understand the technical features of these services when applying standard anti-money laundering and terrorist financing measures, and the increased risks that come from this.

The manual comes into force from 1 March 2019. There is a three-month transition period until then during which subjects of supervision can adapt to the new manual and change their internal procedures. The manual and the Finantsinspektsioon supervision policy can be found on the Finantsinspektsioon website.

The manual of anti-money laundering and terrorist financing measures issued by decision of the management of Finantsinspektsioon on 3 July 2013 will cease to apply from 1 March 2019.

Finantsinspektsioon has the legal right to issue advisory manuals to clarify the legal acts regulating.