



CABINET OF MINISTERS OF THE REPUBLIC OF AZERBAIJAN

On adoption of the Regulation on determination of the list of countries (territories) that are suspected in either legalization of criminally obtained funds or other property, financing of terrorism, support of the dangerous trends of transnational organized crime, armed separatism, extremism and mercenary, participation in illegal drug dealership and other psychotropic substances production or circulation thereof, or the countries (territories) that do not require disclosing identification information when conducting financial transactions

ORDINANCE № 123

Baku, 25 June 2010

In order to provide the implementation of item 1.3 of the Decree # 241, dated March 17, 2010, of the President of the Republic of Azerbaijan «On application of the Law of the Republic of Azerbaijan «On amendments to individual legislative acts of the Republic of Azerbaijan to enhance the prevention of the legalization of criminally obtained funds or other property and the financing of terrorism», **Cabinet of Ministers hereby order the following:**

«Regulation on determination of the list of countries (territories) that are suspected in either legalization of criminally obtained funds or other property, financing of terrorism, support of the dangerous trends of transnational organized crime, armed separatism, extremism and mercenary, participation in illegal drug dealership and other psychotropic substances production or circulation thereof, or the countries (territories) that do not require disclosing identification information when conducting financial transactions» shall be approved (attached).

A. Rasi-zade

Prime-minister of the Republic of Azerbaijan

REGULATION

on determination of the list of countries (territories) that are suspected in either legalization of criminally obtained funds or other property, financing of terrorism, support of the dangerous trends of transnational organized crime, armed separatism, extremism and mercenary, participation in illegal drug dealership and other psychotropic substances production or circulation thereof, or the countries (territories) that do not require disclosing identification information when conducting financial transactions

1. Current Regulations were elaborated in accordance with the Law of the Republic of Azerbaijan «On prevention of the legalization of criminally obtained funds or other property and financing of terrorism» and paragraph 1.3 of the Decree # 241, dated 17 March 2010, of the President of the Republic of Azerbaijan «On application of the Law of the Republic of Azerbaijan «On amendments to individual legislative acts of the Republic of Azerbaijan to enhance the prevention of the legalization of criminally obtained funds or other property and the financing of terrorism»».

2. Current Regulations envisage the rules of determination of the list of countries (territories) that are suspected in either legalization of criminally obtained funds or other property, financing of terrorism, support of the dangerous trends of transnational organized crime, armed separatism, extremism and mercenary, participation in illegal drug dealership and other psychotropic substances production or circulation thereof, or the countries (territories) that do not require disclosing identification information when conducting financial transactions (hereinafter – list of countries).

3. The list of countries shall be determined by the Financial Monitoring Service under the Central Bank of the Republic of Azerbaijan (hereinafter – Financial Monitoring Service) in coordination with the Ministry of Foreign Affairs of the Republic of Azerbaijan (hereinafter – Ministry of Foreign Affairs) on the basis of one or more of following criterions:

3.1. implementation of sanction, embargo or any other relevant measure either by the United Nations or other specialized international or regional organizations in respect of a country (territory);

3.2. declaration by the FATF, MONEYVAL Committee of the Council of Europe, other FSRBs, other specialized international or regional organizations of lack of country's (territory's) AML/CFT legislation, either partly or fully non-correspondence of such legislation to international standards;

3.3. declaration by the OECD and IMF, other specialized international or regional organizations of not requiring to disclose identification information when conducting financial transactions by the country (territory);

3.4. declaration by the UN, or other specialized international or regional organizations of high risk of financing or maintenance of terrorist activity in the country (territory);

3.5. declaration by the UN, Council of Europe, OSCE or other specialized international or regional organizations of maintenance of transnational organized crime, armed separatism, extremism and mercenary by the country (territory);

3.6. declaration by the UNODC or other specialized international or regional organizations of high risk of drug or psychotropic substances trafficking in the country (territory).

4. Within the process of elaboration of the list of countries, criteria not envisaged in the paragraph 3 of current Regulations can be considered in exceptional circumstances, by taking into account state interests of the Republic of Azerbaijan or principle of reciprocity for relations with foreign states.

5. If there is no consent of the Ministry of Foreign Affairs for inclusion of any country into the list, the Ministry shall submit its reasonably founded opinion in writing to the Financial Monitoring Service within one month. If there is no feedback from the Ministry of Foreign Affairs within the above mentioned period, the list shall be considered as agreed.

6. The list of countries shall be published in the official newspaper after being approved, placed at the official websites of the Financial Monitoring Service and Ministry of Foreign Affairs and sent to monitoring entities and other persons involved in monitoring either directly or via relevant supervision authorities.

7. Monitoring entities and other persons involved in monitoring should examine the background and purpose of transactions with the countries envisaged in the list that have no apparent economic or visible lawful purpose and establish their findings in writing. These findings shall be available for the Financial Monitoring Service, supervision authorities and other competent agencies, whenever needed.