

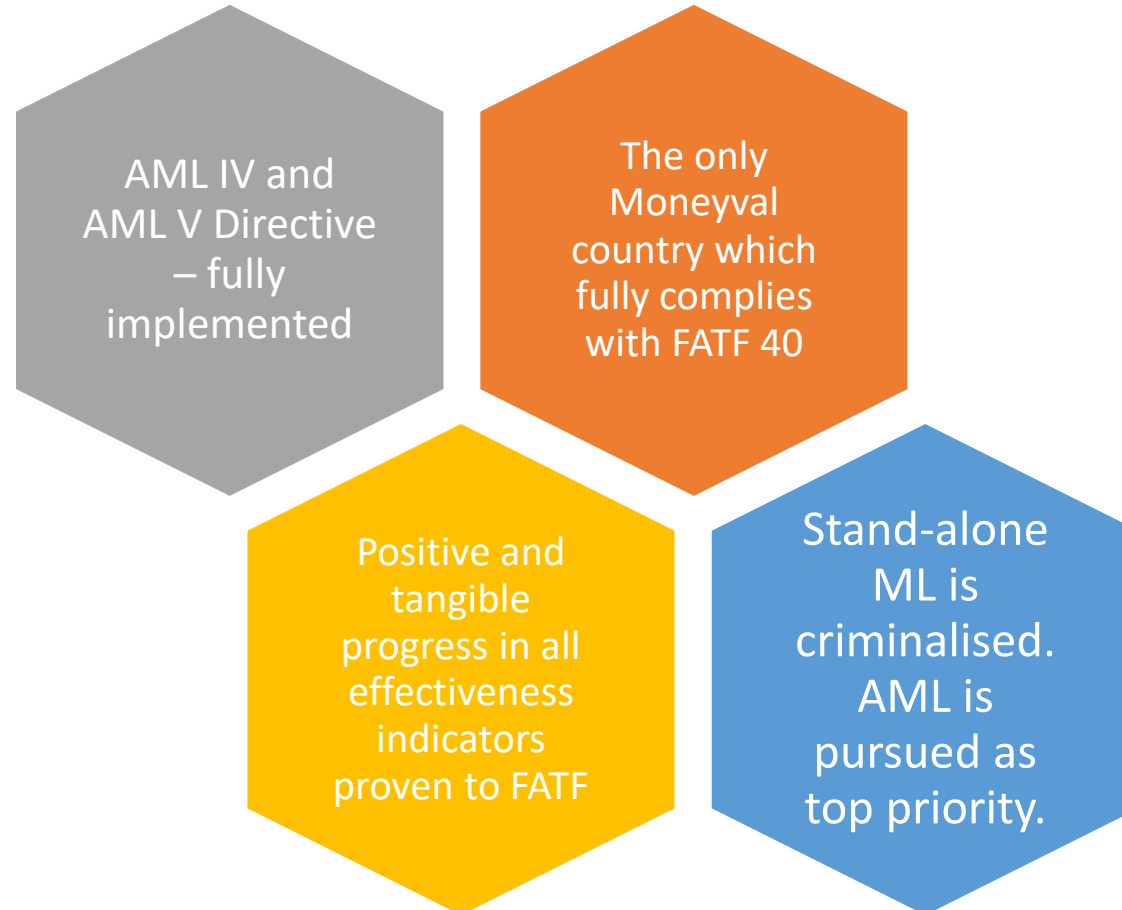
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# Anti-money laundering system in Latvia

What we have in place to deal with the challenges posed by a COVID-19 pandemic?

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# Latvia - Compliance with highest international standards



# Basic principles of operation in Latvia

No tolerance to financial crime identified

Transition to better risk management by ensuring sustainable banking business models

Opting out of unmanageable risks:

- on May 9, 2018 prohibition for the credit institutions and payment institutions to cooperate with shell arrangements came into force;
- outgoing transactions of foreign customers decreased by half and number of foreign deposits dropped from 39.7 % to 6.6. % from 2017. – 2019.

# Latvia - comprehensive cooperation mechanisms

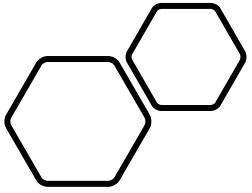
The FIU has and is actively using the Public-Private Partnership (PPP) model according to the JMLIT model for both operational and strategical issues.

Private – private information sharing between the banks is allowed and is actively used.

The UBOs register, compliant with the standards of FATF and EU is available on-line, free of charge to anyone.

# Money laundering and hybrid threats: Has COVID-19 made it all worse?

- When the COVID-19 pandemic will be over, then... When it will be over?
  - Investments more than welcome/needed!
  - Potential impact in Latvia / other countries
  - Is global financial system stability secured, in general?
- Recent phenomenon of Wallstreetbets, BTC price increase, etc.



**In response to the challenges - requirements consistent with the risk-based approach and available tools will make it possible to manage the risks. It's important not to ignore them or fall in *de-risking*.**

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