



# Activities Report

Financial Intelligence  
Unit of Andorra

2018



UIFAND

FINANCIAL INTELLIGENCE UNIT  
OF ANDORRA

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# 1. INTRODUCTION

Once again it is time to highlight the work carried out in our organization by means of this public document, now for the year 2018, and we do this not only to comply with the law but also in the interest of providing useful information.

Although it may be recalled that the past Activities Report included, on an exceptional basis, two years of work, we mentioned the fact that we possess a notable and extensive internal legislation on matters of prevention, follow-up and control of money laundering and terrorist financing in our jurisdiction, which is recognized and supported by international bodies, and we also pointed out the qualitative importance of deploying, as a result of this legislation, the action plans necessary to effectively develop and to put into practice this body of laws, while maintaining and continuing to incorporate innovative measures that need to be implemented.

In this way, a work plan called the *National Strategy 2018-2020* has been established. Presented and adopted by the Government on 24 January 2018, it contains the mediate and forthcoming actions which are to be implemented. I will be referring to this plan later on in greater detail.

It should also be mentioned that, with respect to Moneyval, our country is in the midst of the fifth round of evaluations, after presenting the Evaluation Report to the Plenary Meeting of September of 2017, which adopted it. Subsequently, the first Follow-up Report, which was presented in the recent Plenary Meeting of December of 2018, was also adopted, with an outstanding result as concerns the annotations of the Recommendations, which now situates us on a very high level of full compliance.

At present, this continuous process of commitment and improvement is endorsed and included in the comments, in the form of conclusions, issued by our international tutor, which not only represent an unquestionable endorsement that is highly respected abroad, but also an important margin of trust in our financial system and in our socioeconomic fabric in general.

Likewise, in compliance with the rules of procedure in force, we have been urged to present a second Follow-up Report at the Plenary Meeting of December of 2019. Through a partial modification of Law 14/2017, of 22 June, on prevention and the fight against the laundering of money or assets and terrorist financing, which will basically contain aspects regarding the improvement of legislative technique in some of the articles relating to the implementation of the Fourth Directive of the EU and the inclusion of specific aspects derived from the approval of other legislative texts linked to the matters with which we deal, and the derived aspects suggested by our evaluators.

Along a different line, however, also by way of the Monetary Agreement, new international demands and challenges are approaching in relation to directives and resulting texts recently approved by the EU, such as the Directive (EU) 2018/843 of the European Parliament and of the Council, of 30 May 2018, on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, with an implementation deadline of 31 December 2020.

Moreover, at a later date, we envisage the inclusion of other texts, including: (i) the Directive (EU) 2018/1673 of the European Parliament and of the Council, of 23 October 2018, on combatting money laundering by criminal law, and (ii) the Regulation (EU) of the

European Parliament and of the Council, of 23 October 2018, on controls of cash entering or leaving the Union.

To conclude these words, I wish to express thanks for the work carried out in this past year by the workers and companions of our office, and especially that of the people who have most recently joined us. Everyone has shown an outstanding level of commitment and professionalism.

Carles Fiñana Pifarré  
Head of the Financial Intelligence Unit of Andorra

## **2. BALANCE**

Those who regularly read our Activities Reports will observe some substantial changes under this heading of “Balance”, since the topics it deals with are subdivided into more sections. This facilitates the understanding of the text and more closely fits the specific content.

In this way, aside from including, in this format, the topics of current interest of the period under study, the work that is performed is also specified individually and by areas or departments, followed by a final point that includes various aspects which also deserve to be noted.

### **a. National strategy 2018-2020**

The drafting of this working document, which actually forms an action plan, stems from the need, from the standpoint of the progression in time, to define and to adopt a guide that incorporates and coordinates all the measures derived from the work that has been completed. In this respect, this work includes the National Risk Assessment, which was completed in December of 2016 and published in July of 2017; and the start of the Moneyval Fifth Round Evaluations, with the submission of the respective report to the Plenary Meeting in September of 2017, as previously mentioned.

The approval and adoption of the document are a national priority and they are a commitment of the institutions of the State, which form at the same time the Standing Commission for prevention of money laundering and terrorist financing. They participate in the sessions to define a clear policy and strategy for combating money laundering and terrorist financing, and to coordinate the implementation of measures between the various bodies.

This action plan, which is led and coordinated by UIFAND, also applies to the participating departments of the Public Administration: the Ministry of Social Affairs, Justice and Interior; the Ministry of Finance; the Ministry of Economy and Competitiveness; the Ministry of Foreign Affairs; the Andorran Financial Authority; the Police; the judicial bodies; and the representative aggregate of the private sector, that is to say, the financial and non-financial reporting entities.

The general goal is based on three strategic points, namely:

- The mitigation of the risk of money laundering and terrorist financing, by means of the application of specific policies and the coordination and cooperation in this field, at both national and international level.

- The prevention of the access of proceeds of crime or of resources intended for terrorist financing to any sector of the Andorran economy.
- The detection and disruption of threats of money laundering and terrorist financing, through the application of dissuasive sanctions and through the confiscation of proceeds from crime or resources intended for terrorist financing.

## **b. Moneyval Fifth Round Evaluations**

The success in achieving this high level of analysis and control of the internal regulations, and the effectiveness of their application, on the part of the scientific experts and the Moneyval evaluators, clearly endorses our high level of compliance with the recommendations.

This work does not end here, however. On the contrary, it opens the path to new perspectives and continuous regulatory demands of the international bodies in charge of the action that is taken in this field.

After having met the first challenge in September of 2017, the new commitment was focused on December of 2018, involving the obligation to submit an initial progress report. This goal was accomplished with the approval and adoption of the text, and with the unanimous consideration that a very substantial improvement had been achieved with respect to the FATF recommendations, which all goes to situate us in the best of scenarios.

The regulatory texts which appeared during the period under analysis, which were precisely the result of the approval of Law 14/2017, of 22 June, on prevention and the fight against the laundering of money or assets and terrorist financing, and which were addressed to making compliance with the additional and transitory provisions contained in that Law, were the following:

- The Decree approving the Regulation on application of Law 14/2017, approved on 23 May 2018 and published in the Official Gazette of the Principality of Andorra (BOPA) no. 35, of 6 June 2018.
- The Decree approving the Regulation regulating the registration of, and access to, information relating to beneficial owners in the Official Gazette of the Principality of Andorra (BOPA) no. 52, of 7 September 2018.

Specifically, at the present time in the Principality of Andorra, with respect to the result of the annotations of the 40 Recommendations, it is established that 10 are compliant, 24 are largely compliant and 6 are partially compliant, with a margin for improvement. The latter are precisely those on which we will focus our efforts with a view to December of 2019.

### **c. Operational Area**

The Operational Area carries out an essential task within the overall scope of the Unit's work, attending to the study and the investigation of the cases with which it deals, in terms of the intelligence analysis of the data that the Unit recovers and requests. At the same time, this Area prioritizes strategy policies with a view to their application.

It also seeks to develop and to achieve a greater coordination between the competent authorities, on both the national and international levels, systematizing the use of parallel investigations in the fight against money laundering and terrorist financing, while creating and formalizing channels of cooperation with these authorities.

Likewise, the Operational Area works to improve the exchange of information between authorities, with the aim of achieving a more effective identification of cases, and of increasing the quality of the information exchanged.

This area clearly forms the essence of an intelligence unit. The work that it carries out, which basically involves the compilation, processing and analysis of data to discover any possible link of each case to money laundering or terrorist financing, requires not only the solid training of its members but also an indispensable capacity to understand cases.

As will be shown in Section 3 on statistics, the Operational Area has a tremendous volume of work, in terms of both the volume of suspicious transaction reports which it receives internally, and the number of requests for information that it receives or issues within the scope of international cooperation.

Aside from all this, in this year work is being performed on two important matters which are soon to be put in place, namely: (i) the IT improvement of the present systems through the implementation of a new secure internal network linked to the banking financial reporting entities, with the aim to channel more easily suspicious transaction reports and all that they entail a posteriori, and (ii) the drafting of an internal procedures manual by way of a work guide for the Area's members.

#### d. Supervision Area

This area, which is the most numerous in terms of its members, forms the second important line of our Unit.

The many different tasks which are entrusted to it revolve around the knowledge of the country's internal system, with respect to the reporting entities and their obligations in matters of money laundering and terrorist financing.

This knowledge is gradually acquired through its work involving on-site inspections, analysis of annual external audits of financial reporting entities, and compilation of data requested through questionnaires or requests for information addressed to the sectors formed by the rest of the reporting entities.

This knowledge necessarily involves supervising, for preventive purposes, the good functioning of the internal system and the strict application of the rules in force.

All this work is accompanied by a continuous systematic dissemination of communications, informative notes, guides and technical communiqués, the purpose of which is none other than to help all the reporting entities to improve their internal systems for control of the business relations which they maintain, and to facilitate this task for them, likewise complying in this way with the preventive aspect of this field of endeavour.

The following table presents the highlights of this task of dissemination:

Designation	Targeted reporting entities	Date	Remarks
<b>Technical communiqués (12)</b>			
CT-01/2018 – Repeal of CT-01/2014	All	24/01/18	Repeal of the list of equivalent third countries.
CT-02/2018 – Risk countries as per UE	All	23/02/18	Update of the list of countries with strategic deficiencies as per the EU, due to modification of the Delegated Regulation (EU) 2016/1675 by means of the Delegated Regulations (EU) 2018/105 and 2018/212.
CT-03/2018 – Risk countries as per FATF	All	20/03/18	Updated list of the countries classified as high risk by FATF, published on 23/02/18.
CT-04/2018 – Form for notification of ICCB and of representative to UIFAND	All	21/06/18	Presentation of the form for notification of ICCB and of the representative to UIFAND, as per the requirements of Articles 40.2 and 40.3 of Law 14/2017.
CT-04/2018 bis – Extension of deadline for notification of ICCB and of representative to UIFAND	All	03/10/18	Extension of the deadline for submission of the form, until 3 December 2018.
CT-05/2018 – Periodic reporting of managed resources, transfers of funds, and issued cards	Bank entities	25/06/18	Establishment of a periodic request for information to bank entities.
CT-06/2018 – Risk countries as per FATF	All	05/07/18	Updated list of the countries classified as high risk by FATF, published on 29/06/18.
CT-07/2018 – Risk countries as per FATF	All	23/10/18	Updated list of the countries classified as high risk by FATF, published on 19/10/18.
CT-08/2018 – Risk countries as per EU	All	24/10/18	Update of the list of countries with strategic deficiencies as per the EU, due to modification of the Delegated Regulation (EU) 2016/1675 by means of the Delegated

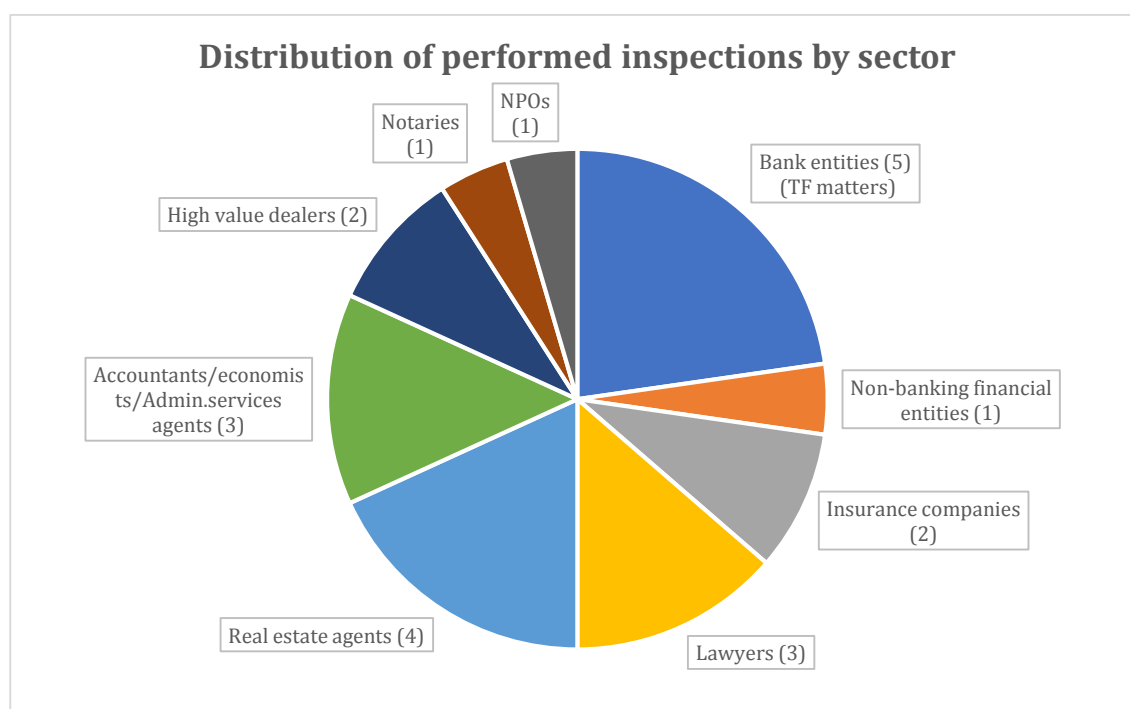


			Regulation (EU) 2018/1467.
CT-09/2018 – Instructions for audits in matters of prevention of, and fight against, laundering of money or assets and terrorist financing	Insurance companies operating in life insurance	13/12/18	-
CT-10/2018 - Instructions for audits in matters of prevention of, and fight against, laundering of money or assets and terrorist financing	Non-banking financial entities	13/12/18	-
CT-11/2018 – Instructions for audits in matters of prevention of, and fight against, laundering of money or assets and terrorist financing	Bank entities	13/12/18	-
CT-12/2018 – Instructions for audits in matters of prevention of, and fight against, laundering of money or assets and terrorist financing	Postal order entities	13/12/18	-
Informative notes (4)			
Informative note – ABLV Bank	Financial reporting entities	15/02/18	Informative note to request the tightening of control and surveillance measures by entities which show signs of being permeable to illegal activities.
Informative note – Feedback on aggregate inspections	Lawyers and other legal professions	11/06/18	Informative notes addressed to spreading the knowledge of the main areas of deficiencies/risks detected in the course of UIFAND inspections, and of recommended improvement actions for the various sectors.
Informative note – Feedback on aggregate inspections	Economists, auditors, tax consultants, accountants, administrative services agencies and other providers of services to companies	04/07/18	
Informative note – Feedback on aggregate inspections	Real estate sector	01/08/18	
Guides (1)			
Guide to the Individual Risk Assessment (IRA)	All	18/07/18	Guide to facilitate the preparation of the internal assessment of ML/TF risks (IRA) for all reporting entities.
Others (1)			
Terrorist Financing Indicators	All	14/12/18	Update of the typologies of terrorist financing based on the latest international trends and standards.

In the case of the on-site inspections carried out in 2018, in accordance with the work plan established at the beginning of each year, the plan has been fully completed, just as is shown in the following tables:

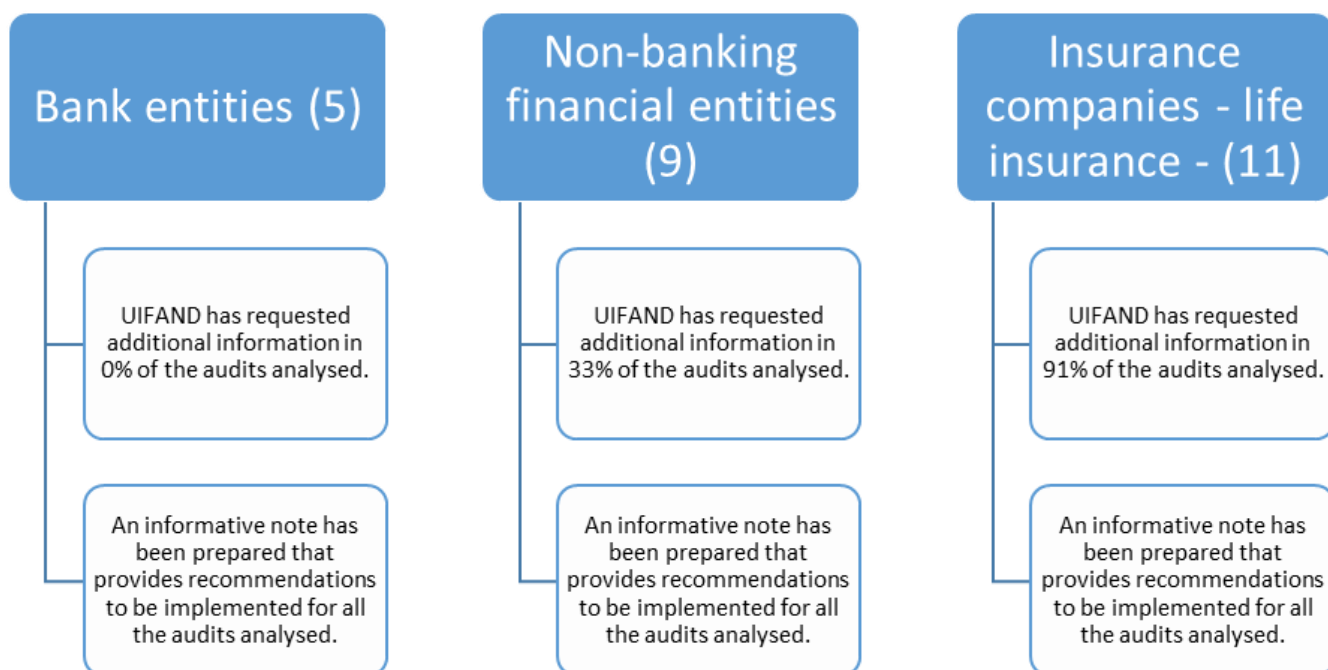
1st Quarter (January-March)		2nd Quarter (April-June)	
Financial Reporting Entities	Non-Financial Reporting Entities (7)	Financial Reporting Entities (1)	Non-Financial Reporting Entities (4)
Bank entities Financial entities Postal order entities Insurance companies	Lawyers (3) Real estate agents (3) Accountants/Economists/Auditors (1) High value dealers Notaries NPOs	Bank entities Financial entities (1) Postal order entities Insurance companies	Lawyers Real estate agents (1) Accountants/Economists/Auditors (2) High value dealers Notaries (1) NPOs

3rd Quarter (July-September)		4th Quarter (October-December)	
Financial Reporting Entities (2)	Non-Financial Reporting Entities (1)	Financial Reporting Entities (5)	Non-Financial Reporting Entities (2)
Bank entities Financial entities Postal order entities Insurance companies (2)	Lawyers Real estate agents Accountants/Economists/ Auditors High value dealers Notaries NPOs (1)	Bank entities (5) (TF matters) Financial entities Postal order entities Insurance companies	Lawyers Real estate agents Accountants/Economists/A uditors High value dealers (2) Notaries NPOs
TOTAL YEAR 2018			
Financial Reporting Entities (8)		Non-Financial Reporting Entities (14)	
Bank entities (5) (TF matters) Financial entities (1) Postal order entities Insurance companies (2)		Lawyers (3) Real estate agents (4) Accountants/Economists/Auditors (3) High value dealers (2) Notaries (1) NPOs (1)	



Moreover, with respect to the external audits received by the banking and non-banking financial reporting entities, the work that has been performed is shown in the two following tables:

## Audits in 2018 (regarding 2017):



	Bank entities	Non-banking financial entities	Insurance companies- life insurance-
Number of audits submitted and reviewed	5	9	11
Number of audits for which additional information was requested	0	3	10
Audit supplements	0	1	10
Requests for information	0	2	7
Informative notes	5	9	11

Lastly, with respect to the opening of sanctioning administrative files, four proceedings were started in 2018, according to the following detail, upon detecting the possible commission of breaches established in Law 14/2017:

- On 10 January, against an administrative services agency for a serious infringement, which came to be penalized with a sanction for the amount of 15,001 euros.
- On 14 September, against a notary's office for a serious infringement, which was penalized with a sanction for the amount of 9,003 euros.
- On 17 September, against a financial entity in the insurance field, for a serious infringement, which is currently under proceedings.
- On 4 October, against a banking financial entity, for a serious infringement, which came to be shelved.

### **e. International events and participations**

As usual, we have attended the two planned Egmont congresses: the first, a intersessional meeting, was held in Buenos Aires (Argentina) from 12 to 15 March, and the second, a plenary meeting, was held in Sydney (Australia) from 23 to 28 September.

#### *Egmont Group Meeting (Argentina)*







*25th Egmont plenary meeting (Sydney) – Meeting of FIU heads*







A memorandum of understanding (MOU) was signed in Sydney on 26 September with the director of the Financial Intelligence Unit of Taiwan, attached to the anti-money laundering division of the research department of the Ministry of Justice of the Republic of China.

*Signing of the memorandum of understanding*





With respect to Moneyval, our delegation participated in the two sessions held in Strasbourg: the first was the 56th Plenary Meeting, held in July, and the second was the 57th Plenary Meeting, in December, which was especially important because at this event we presented the second Progress Report of the Fifth Evaluation Round, as was mentioned in Point b.

*57th Moneyval Plenary Meeting – December 2018*





Just as has been pointed out on other occasions, training activities are essential for professional development and they moreover allow the translation of the knowledge acquired in the internal work that is carried out.

At the present time, the Intelligence Unit has three members who hold the title of International Experts, and one of them has been chosen to form part of the Moneyval group of experts who are evaluating Moldavia.

The following table summarizes the training received and provided during the period under study:

Name/Subject	Organizing entity	Venue	Date	No. of UIFAN D participants/speakers	Hours	Remarks
<b>Received</b>						
Cybersecurity Congress	Conand	Congress Centre, Andorra	08/02/2018	2	4	
Technical Assistance and Training Working Group (TATWG)	Egmont Group	Buenos Aires, Argentina	12-13/03/2018	1	18	
Information Exchange on ML/TF Working Group (IEWG)	Egmont Group	Buenos Aires, Argentina	12-13/03/2018	1	18	
BoNY Mellon Seminar Andorra	BoNY Mellon	Hotel Plaza, Andorra	12/04/2018	1	16	
Training seminar for evaluators of the 5th Mutual Evaluation Round	- FATF/GAFI - Moneyval	Larnaca, Cyprus	23-27/04/18	1	40	Training programme on FATF Methodology and international standards addressed to allowing participants to become evaluators of PML/AFT systems of other countries.
Course on the prevention of, and fight against, organized crime and laundering of money or assets. Recovery of assets.	- Criminal Law Court of Andorra - Oficina de Recuperación y Gestión de Activos (Office for the Recovery and Management of Assets) (ORGA – Spain) - Agence de gestion et de recouvrement des avoirs saisis et confisqués (AGRASC – France)	Prada Casadet Auditorium, Andorra	17/05/2018	2	4	
Seminar on the fight against terrorism	- International Institute for Strategic Studies (IISS) - Andorran Police	Arthotel, Andorra	18/06/2018	2	4	
Technical Assistance and Training Working Group (TATWG)	Egmont Group	Sydney, Australia	24-25/09/2018	1	18	
Training seminar for evaluators of the 5th Mutual Evaluation Round	- FATF/GAFI - Moneyval - EAG (Euro-Asian Group)	Moscow, Russia	24-28/09/18	1	40	Training programme on FATF Methodology and international standards addressed

						to allowing participants to become evaluators of PML/AFT systems of other countries.
Terrorism in the social networks	- Unidad Central de Inteligencia (Central Intelligence Unit) (UCI) - Spain - Andorran Police	ArtHotel, Andorra	17/10/2018	5	4	
Terrorist financing. Regulation, evidence and investigation	Audiencia Nacional (National High Court) (Spain)	Prada Casadet Auditorium, Andorra	18/10/2018	1	3	
Presentation of the "Molecule" computer software	Guardia di Finanza (Italy)	Andorran Police	08-10/05/2018	2	9	
Cryptocurrencies	Gendarmerie Nationale de Toulouse (France)	Andorran Police	26/11/2018	4	2	
<b>Provided</b>						
2nd course on prevention of money laundering and terrorist financing	- University of Andorra (UdA) - Bank Association of Andorra (ABA)	UdA	16/11/18 and 23/11/18	5	8	Subjects covered by UIFAND speakers: - Supervisory role of UIFAND. - Individual Risk Assessment (IRA). - Suspicious Transaction Reports. - Sanctioning procedure.

## f. Other aspects

This section deals with all the rest of the information, projects in progress, and studies or work that have been started, the completion of which will not necessarily take place in the year under consideration but in any case, in the near future.

In this respect, we have posed ourselves several challenges, outside the scope specific to the usual internal legislative modifications and the day-to-day activities of the Unit's various areas, which has been previously described.

More specifically, we are referring here to the following aspects:

- The new IT system for the Operational Area, as previously mentioned.
- The drafting, for each of the Areas, of an internal procedures manual.
- The preparation of the Unit's new updated and more dynamic website, with which it will be easy to interact and which will include the English translation of all published documents of interest.
- The drafting of a new cooperation agreement between UIFAND and the Andorran Financial Authority (AFA), ensuring smoother cooperation while

comprising new tasks that the legislative evolution has entailed for both bodies.

Additionally, members of the Unit have formed part of the delegation of the Principality of Andorra in other international events, including:

- The Mixed Committee Andorra-EU on the Monetary Agreement, for the preparation, drafting and presentation of the work carried out on the transposition of the international standards, and the 7th meeting held in Brussels, on 12 October. 2018.
- The answering of questionnaires submitted by the Global Forum on matters involving the association agreement.
- The answering of questionnaires of other bodies, such as the OECD and GRECO.

### **3. THE STANDING COMMISSION FOR PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING**

The Standing Commission for Prevention of Money Laundering and Terrorist Financing, whose nature, composition, functions and operation are established in Section Two of Chapter Ten, "Institutional organization", of Law 14/207, of 22 June, on prevention and the fight against the laundering of money or assets and terrorist financing, is the fundamental body for legislative development and regulatory proposal, as well as for the coordination and the follow-up necessary to gradually implement the respective anti-money laundering measures between the various bodies concerned.

In this respect, it has a huge continuous job to carry out, and it is currently performing the follow-up and evaluation of the effectiveness of the action plan that has been launched, namely, the National Strategy 2018-2020.

More specifically, in a summarized way, it may be stated that, in the year under study, 2018, the Commission:

1. As a whole has held three meetings on 21 March, 25 June and 24 October.
2. Sectorally, with the aim to prepare the aforementioned meetings, providing the work carried out for decision-making effects, 21 meetings were held between 29 January and 17 April 2018, according to the following breakdown:
  - With respect to financial reporting entities, with representatives of the Association of Andorran Banks (ABA) and the Association of Financial Entities (ADEFI).
  - With respect to non-financial reporting entities, with representatives of the groups or associations of (i) lawyers, (ii) notaries, (iii) economists, public prosecutors, and accountants, (iv) high value dealers, and (v) real estate agents (AGIA).
  - With respect to other bodies, with representatives of (i) the Andorran Financial Authority (AFA), (ii) the Chamber of Commerce, (iii) the Legislative Commission of the Interior, of the Parliament, (iv) the High Council of Justice, and (v) the Interministerial Commission.
  - Lastly, with the persons in charge of various ministries and bodies of the Public Administration, including (i) the Ministry of Economy and Competitiveness, (ii) the Ministry of Foreign Affairs, (iii) the Ministry of Social Affairs, Justice and the Interior, (iv) the Ministry of Finance, (v) the field of Justice, (vi) the Police, and (vii) Customs and Taxes.

#### 4. STATISTICS of the year 2018 and comparison with 2017

The data which are set out below in the graphs for each of the headings give a synthetic but complete picture of the volume of work carried out by the Operational Area, which moreover processes them.

With respect to the overall set of these data, and in comparison, to the previous year, it should be pointed out in general that the figures of files received and analysed have remained stable. In any case, one observes a slight per cent increase and, in particular, a decline in the processing figures for foreign investment as a result of the regulatory changes, as will be explained in detail further on.

BALANCE OF WORK GENERATED AND PERFORMED AT UIFAND - 2018 –		
1. OPERATIONAL ANALYSIS		
Item	Number	Remarks
STRs received	124	112 Banks 1 Financial entity 5 Notaries 1 Accountant 2 Company services providers 3 Insurance companies
Files on FIU initiative	1	-
National cooperation	25	24 Andorran Financial Authority (AFA) 1 Police
International cooperation (FIU's)	69	47 – Other FIUs to UIFAND 22 - UIFAND to other FIUs
<b>Volume of analysis generated:</b>	<b>219</b>	-
Files forwarded to the Public Prosecutor's Office	82	17 from 2017 65 from 2018
Value of files forwarded to the Public Prosecutor's Office with possibility of judicial seizure	124.374.390 €	Equivalent value in Euros
Files shelved	118	-
<b>Volume of analysis performed:</b>	<b>200</b>	

Files under investigation	33	5 from 2017 28 from 2018
Persons investigated (natural persons & legal entities)	1728	779 natural persons 949 legal entities
Freeze of operations by FIU	-	-
<b>2. FOREIGN INVESTMENT</b>		
<b>Item</b>	<b>Number</b>	<b>Remarks</b>
<b>Requests received</b>	<b>995</b>	Direct investment (companies): 676 Real estate investment: 319
Unfavourable notification	-	-
Police inquiry notification	82	-
Observations report to the Register of Companies	2	-
Withdrawal	-	-
<b>Requests analysed</b>	<b>995</b>	Direct investment (companies): 676 Real estate investment: 319
Persons analysed in the framework of foreign investments	2117	1756 natural persons 361 legal entities
<b>3. TOTAL</b>		
<b>Item</b>	<b>Number</b>	<b>Remarks</b>
<b>Volume of work performed (operational analysis)</b>	200	-
<b>Number of Direct foreign investment requests analysed</b>	<b>995</b>	-
<b>Total volume of work performed</b>	<b>1195</b>	-

## Comparative graph 2017-2018

		BALANCE OF WORK GENERATED AND PERFORMED AT UIFAND				
YEAR 2017			YEAR 2018		Evolution % (2017-2018)	
1. OPERATIONAL ANALYSIS						
Item	Number	Remarks	Number	Remarks		
STRs received	116	-	124	-		
Files on FIU initiative	0	-	1	-		
National cooperation	17	17 Andorran Financial Authority (AFA)	25	24 Andorran Financial Authority (AFA) 1 Police		
International cooperation (FIU's)	88	41 -Other FIUs to UIFAND 47 - UIFAND to other FIUs	69	47 -Other FIUs to UIFAND 22 - UIFAND to other FIUs		
Volume of analysis generated	221	-	219	-		
Files forwarded to the Public Prosecutor's Office	56	7 from 2016 49 from 2017	82	17 from 2017 65 from 2018		
Value of files forwarded to the Public Prosecutor's Office with possibility of judicial seizure	254.272.517 €	Equivalent value in Euros	124.374.390 €	Equivalent value in Euros		
Files shelved	99	-	118	-		
Volume of analysis generated	155	-	200	-		
Files under investigation	36	36 from 2017	33	5 from 2017 28 from 2018		
Total persons investigated (natural persons & legal entities)	1729	966 natural persons 763 legal entities	1728	779 natural persons 949 legal entities		
Freeze of operations by FIU	-	-	-	-		

2. FOREIGN INVESTMENT					
Requests received	1464	Direct investment (companies): 940 Real estate investment: 524	995	Direct investment (companies): 676 Real estate investment: 319	-32,04%
Unfavourable notification	2	-	-	-	-100,00%
Police inquiry notification	46	-	82	-	78,26%
Observations report to the Register of Companies	243	-	2	-	-99,18%
Withdrawal	1	-	-	-	-100,00%
Requests analysed	1464	Direct investment (companies): 940 Real estate investment: 524	995	Direct investment (companies): 676 Real estate investment: 319	-32,04%
Persons analysed in the framework of foreign investments	3560	2782 natural persons 778 legal entities	2117	1756 natural persons 361 legal entities	-40,53%
3. TOTAL					
Volume of work performed (operational analysis)	155	-	200	-	29,03%
Number of Direct foreign investment requests analysed	1464	-	995	-	-32,04%
Total volume of work performed	1619	-	1195	-	-26,19%



## a. Operational analysis

### 1. Suspicious transaction reports

In the past year there has been a small increase in the number of suspicious transaction reports (STRs) submitted by the reporting entities, and the banking financial sector continues to lead the rest of sectors in absolute figures.

Aside from this, in the case of the rest of the reporting entities, that is to say, the non-banking financial reporting entities and non-designated financial businesses and professions, the number of STRs also increased.

With respect to the latter, that is, the DNFBPs, however, just as in the previous report, we consider that the number of reports of some of the sectors continues to be moderate.

	Suspicious transaction reports (STRs)	
	2017	2018
Banks	107	112
Financial entities	-	1
Notaries	2	5
Lawyers	1	-
Accountants	-	1
Economists	1	-
Company services providers	4	2
Insurance companies	-	3
Real estate agents	1	-
Postal order institutions	-	-
<b>TOTAL</b>	<b>116</b>	<b>124</b>

Suspicious transaction reports

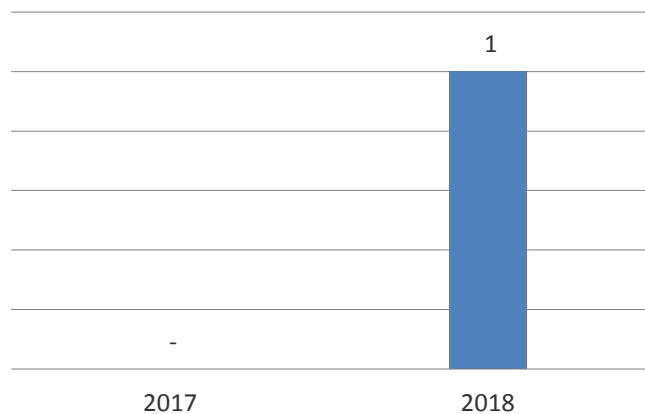


## 2. UIFAND initiative

The possibility of initiating *ex officio* the opening of a file by UIFAND involves a single case on this occasion.

### UIFAND initiative

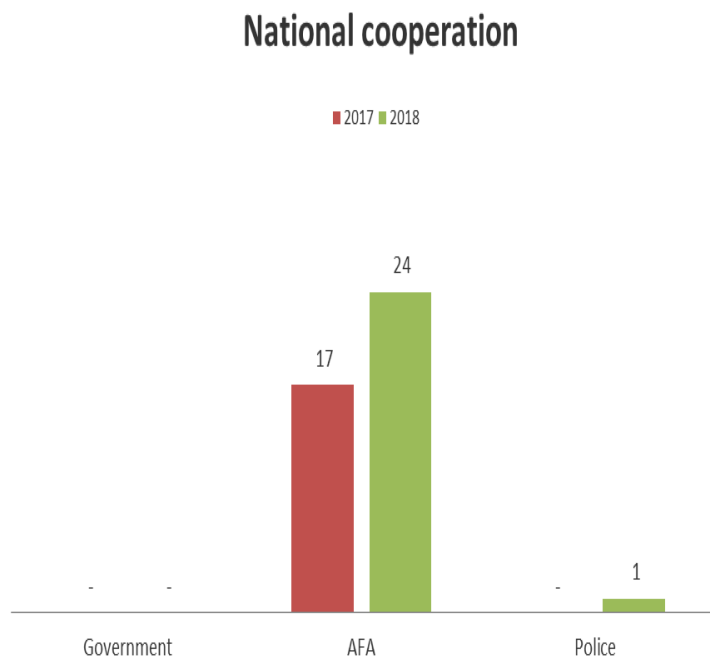
	UIFAND initiative	
	2017	2018
	-	1
<b>TOTAL</b>	<b>-</b>	<b>1</b>



## 3. National cooperation

In this section we insist, as we mentioned last year, that the data on external requests received which are expressed in statistical terms, only include those which have involved the opening of a file for analysis, and we are consequently not referring to just any type of request for information.

	National cooperation	
	2017	2018
Government	-	-
AFA	17	24
Police	-	1
<b>TOTAL</b>	<b>17</b>	<b>25</b>

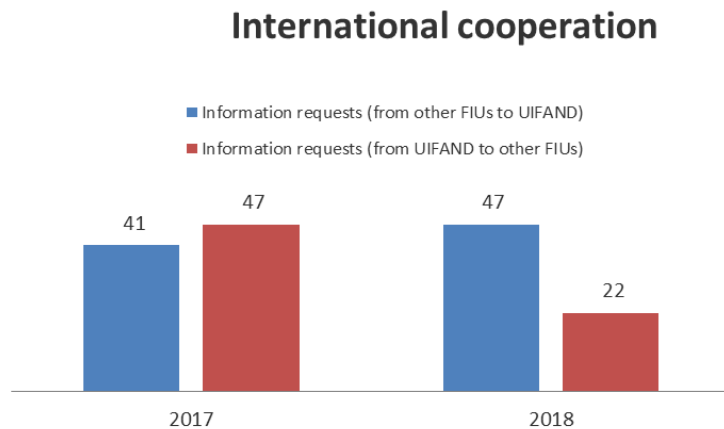


#### 4. International cooperation

This year has been marked by an ambivalent situation because there has been an increase in the requests for information received, while there has been a drop in the requests for information sent out.

It is also significant to note, from the standpoint of the effectiveness of the system, the data on the average reply time for the requests received; this time, as usual, does not exceed fifteen days and this year it is specifically twelve days.

	International cooperation	
	2017	2018
Information requests (from other FIUs to UIFAND)	41	47
Information requests (from UIFAND to other FIUs)	47	22
<b>TOTAL</b>	<b>88</b>	<b>69</b>



INTERNATIONAL COOPERATION BY COUNTRIES - Year 2018 -							
Requesting countries (Other FIUs to UIFAND)	Number of requests	Number of spontaneous disseminations	Reply time (days)				
Albania	1	-	1				
Germany	1	1	23	-			
Argentina	3	1	30	10	8	1	
Bolivia	1	-	16				
Brazil	2	1	14	4	-		
Croatia	1	-	1				
Denmark	1	-	19				
Ecuador	1	-	4				
Spain	4	1	17	20	10	16	-
United States	2	-	7	7			
France	5	-	30	12	17	7	3
Guernsey	1	-	20				
Hungary	1	-	1				
Cayman Islands	1	-	14				
Latvia	-	1	-				
Liechtenstein	1	-	1				
Luxembourg	2	-	18	5			
Malta	1	-	20				
Mauritania	1	-	9				
Panama	2	-	2	4			
Paraguay	1	-	21				
Peru	1	-	7				
Portugal	1	-	11				
United Kingdom	-	1	-				
Czech Republic	-	1	-				
Russia	1	-	31				
San Marino	1	-	15				
Ukraine	1	-	25				
Uruguay	1	-	13				
Venezuela	1	-	2				
Total :	40	7	Average 12 days				
Total international cooperation	47						

INTERNATIONAL COOPERATION BY COUNTRIES - Year 2018 -	
Requested countries (UIFAND to other FIUs)	Number of requests
Barbados	2
Bulgaria	1
Curaçao	1
United States	5
Spain	2
India	1
Indonesia	1
Latvia	1
Monaco	1
Panama	1
Peru	1
Saint Vincent and the Grenadines	1
Switzerland	2
Uruguay	1
Cyprus	1
<b>Total</b>	<b>22</b>

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

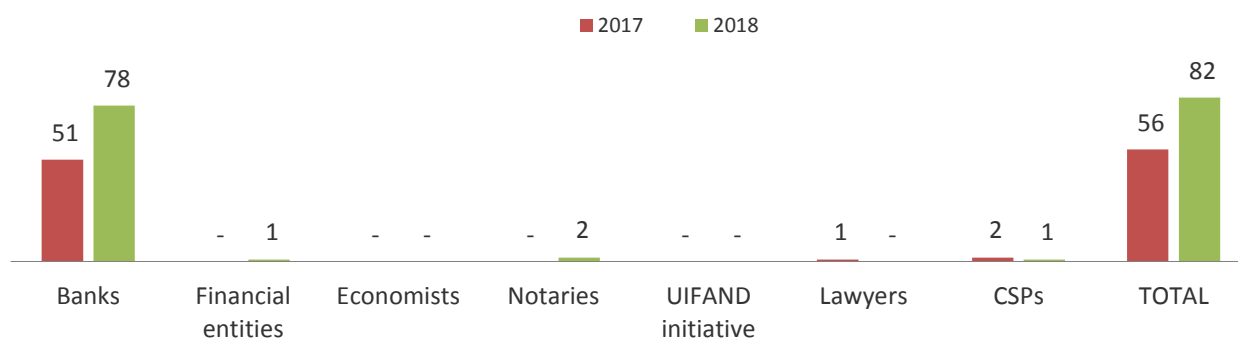
Two essential data items are presented in these graphs:

The first item refers to the files which have been judicialized, the number of which has undergone a large increase. Specifically, there have been 46.43% more cases.

The second item, which is subsequent to the first one, with respect to the equivalent value in euros, refers to the amounts with possibility of judicial seizure. This figure should be understood to be completely random and not directly related to the number of cases.

	Files forwarded to the Public Prosecutor's Office - Number of files by origin -	
	2017	2018
Banks	51	78
Financial entities	-	1
Economists	-	-
Notaries	-	2
UIFAND initiative	-	-
Lawyers	1	-
Company services providers (CSPs)	2	1
Other FIUs	2	-
<b>TOTAL</b>	<b>56</b>	<b>82</b>

### Files forwarded to the Public Prosecutor's Office -number of files by origin-



	Possibility of seizure	
	2017	2018
Possibility of judicial seizure	254.272.517 €	124.374.390,26

## Imports with possibility of judicial seizure

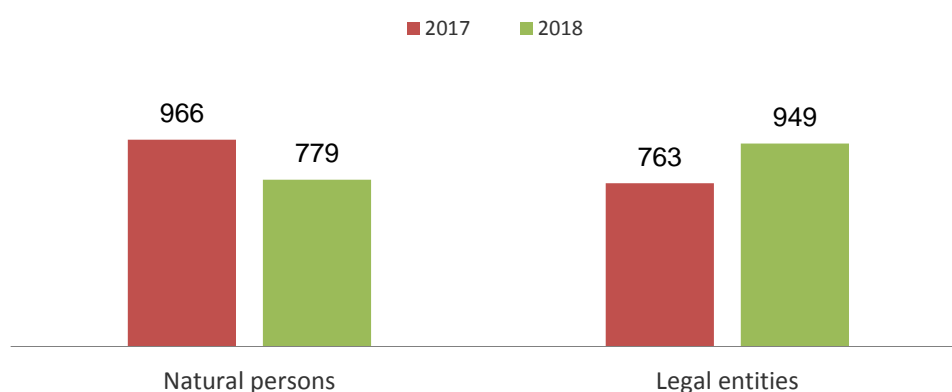


## 6. Number of persons investigated

The figure that appears here is derived from the number of files analysed and it is not necessarily proportional, even though it usually happens that the larger the number of files coming in, the larger the number of persons investigated.

	Persons investigated	
	2017	2018
Natural persons	966	779
Legal entities	763	949
<b>TOTAL</b>	<b>1729</b>	<b>1728</b>

## Persons investigated



## b. Foreign investment

Resuming our initial reasoning, with respect to foreign investment we should first make mention of the approval, by the Decree of 5 November 2018, of the modification of Paragraph 3 of Article 3 of the Regulation on application of Law 10/2012, of 21 June, on foreign investment in the Principality of Andorra, published in the Official Gazette of the Principality of Andorra (BOPA) no. 52, of 7 September 2018.

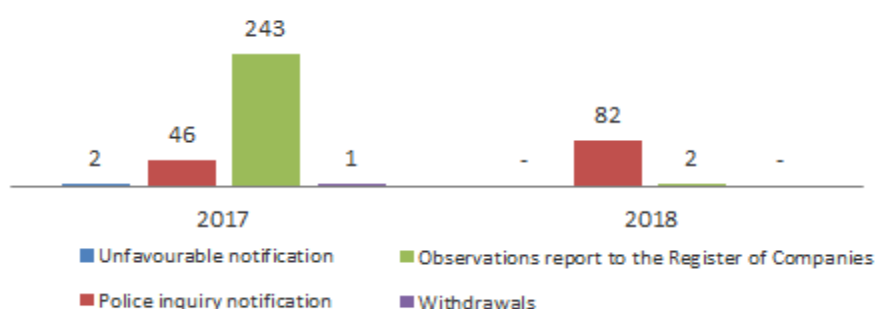
In synthesis, this modification reflects the will that UIFAND should not need to issue a prior statement with respect to each and every one of the planned investments in the Principality of Andorra, without prejudice to the appropriate actions in the event in which the competent service in matters of foreign investment requests UIFAND's intervention in view of the particular circumstances of the respective project.

### 1. Requests submitted

The aforementioned modification has entailed a notable drop in the figures for requests entered and analysed, specifically a decrease of 32.04%, and this figure will surely continue to decrease next year.

	Foreign investment	
	2017	2018
Requests received	1.464	995
Requests analysed	1.464	995
Unfavourable notification	2	-
Police inquiry notification	46	82
Observations report to the Register of Companies	243	2
Withdrawals	1	-
<b>TOTAL</b>	<b>1464</b>	<b>995</b>

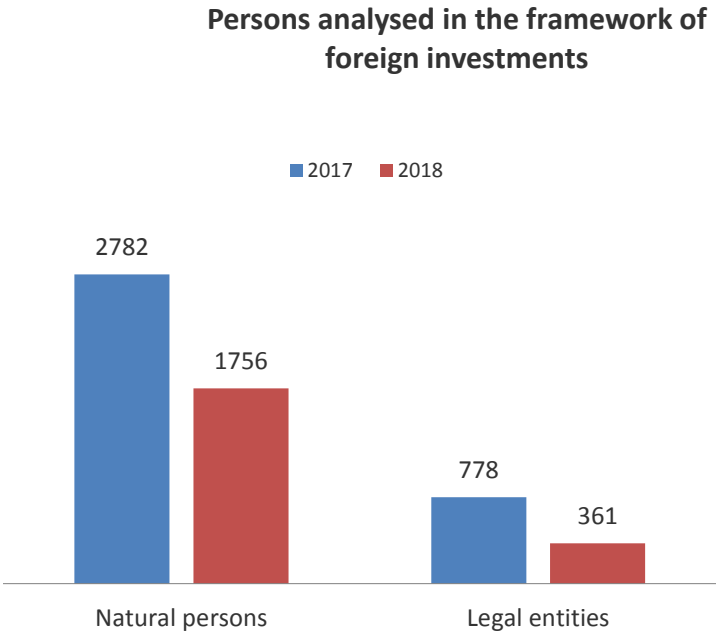
Observations on foreign investment requests



2. Number of persons analysed

This number is similar to that of the previous year.

	Persons analysed in the framework of foreign investments	
	2017	2018
Natural persons	2782	1756
Legal entities	778	361
TOTAL	3560	2117







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