



2024
**ACTIVITIES
REPORT**

Financial Intelligence Unit of Andorra

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1. PRESENTATION

It is appropriate, not only for legal prescription but also to fulfil the purpose that every activities report aims to achieve, which is to present to the public the work carried out by our Organization during the course of the year, to provide and explain, one more year, an overview of all our actions.

The first point to highlight is that our Unit is already preparing for the upcoming round of mutual evaluations by Moneyval, the sixth, which will require us, by mid-2026, to start the process as the ninth evaluated country. The first phase of this evaluation will conclude at the end of 2027 with the presentation of the Mutual Evaluation Report (MER).

In this regard: (i) analytical work has begun on the compliance with some of the Recommendations that will be reassessed, such as FATF Recommendation 15 concerning “*new technologies*”, and Recommendations 24 and 25, which jointly refer to the “*transparency and beneficial ownership of legal persons, and other similar legal arrangements*”; (ii) we are urging our Authorities, by providing relevant technical reports, to address historical shortcomings in our preventive system, especially regarding the need for amendments to criminal legislation to comply with Recommendation 31 on “*powers of law enforcement and investigative authorities*”, and, additionally, we are highlighting the importance of signing/ratifying certain international conventions to meet the requirements of Recommendation 36 on “*international instruments*”, and, finally, (iii) we are concerned, regarding the effectiveness that our preventive system has to demonstrate, about the lack and/or limited availability/reliability of statistics from certain bodies.

Thus, echoing what I mentioned in last year's activities report, I quote: “*...this work, which is led and coordinated by the Financial Intelligence Unit, must necessarily be accompanied by the will and the unidirectional commitment... of the public administration bodies... that play an essential role in our field*”.

The second point worth mentioning is that this 2024 activity report includes a historical set of statistics covering the last fifteen (15) years, that is, the period from 2010 to 2024.

From this, it is clearly evident, on the one hand, the evolution of our anti-money laundering and counter-terrorist financing system, not only of the legal framework but also in the accurate and systematic implementation over time of the continuously appearing and evolving regulations. On the other hand, it clearly and graphically reflects the work generated in each of the areas of the Financial Intelligence Unit of Andorra.

Furthermore, we are pleased that, in the 2024 edition of the Basel Institute of Governance Annual Report, the Principality of Andorra maintains its leading global position in the fight against money laundering and the terrorist financing.

Finally, I would like to express my gratitude to those who have left us to take on new professional challenges in other sectors, and, of course, I place my full trust in those who remain at the Financial Intelligence Unit, to continue developing, with commitment, rigor, and professionalism, their work.

Carles Fiñana Pifarré

Head of the Financial Intelligence Unit of Andorra

2. BALANCE

The activity during the analysed period of the year 2024 presents two clearly defined trends, those are: (i) the continuation in the application of well-established and standardized working methods and, as is required, (ii) the analysis, research, and development of tasks regarding new international commitments, some of which were already known and widely explained in the previous report - such as the preparation for the 6th round of mutual evaluations by Moneyval - and others that have emerged more recently in the form of new legislation within the European environment, which has, or will have in the future, a key impact on our field.

Both aspects are developed below.

a. Work Areas: Operational and Supervision

▪ **Operational Area**

The members forming this area, and considering the different tasks they carry out, have maintained, for another year, a high level of efficiency based on the data provided. This is especially evident in the number of STRs and requests for cooperation received, analysed and processed, showing that there is no backlog in this area.

In any case, these data and statistics are presented in subsequent section 3 of this report, where appropriate explanations and comments are also contained.

▪ **Supervision Area**

The forecasts regarding one of the main tasks that this area undertakes -inspections of obliged entities - have been fully met.

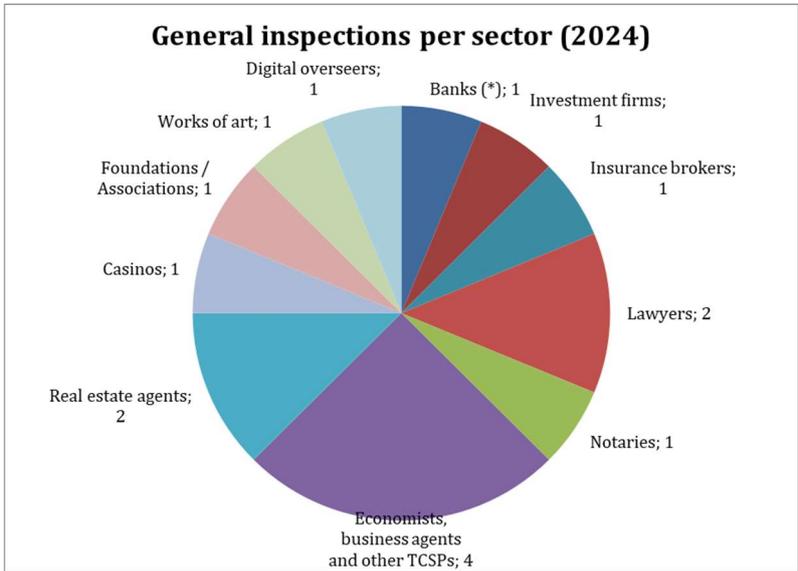
In this regard, it is noteworthy that not only have general inspections across various sectors increased to a total of 16, but also thematic inspections have been conducted on the wide range of obliged entities that economists, business managers and other types of trust and company service providers (TCSPs) represent, with 21 inspections of such kind.

More specifically, concerning the first group of general inspections, it is worth highlighting that a joint inspection was carried out with the Andorran Financial Authority (AFA) on a banking financial institution, in line with the work plan of the last two years. This means that, since 2022, 100% of the current sector has been inspected.

As for other sectors and obliged entities - non-banking financial institutions and non-financial businesses and professions - more and more diverse inspections have been included, such as those conducted on newly/emergent obliged entities in the last two-three years, such as the gambling sector and the figure of the “digital overseer” (“veedor digital” in Catalan).

The following two charts present the data related to the number of inspections carried out and the sectors affected:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Financial obliged entities					
Banks (*)			1		1
Investment firms	1				1
Postal offices					
Insurance companies					
Insurance brokers		1			1
VASPs					
<i>(*) Joint inspection with the AFA</i>					
Non-financial obliged entities					
Accountants / Auditors / Tax advisors					
Lawyers	1		1		2
Notaries		1			1
Economists, business agents and other TCSPs		1	1	2	4
Economists, business agents and other TCSPs (**)	6	5	5	5	21
Real estate agents	1	1			2
Traders in high value goods					
Casinos				1	1
Foundations / Associations				1	1
Works of art			1		1
Free trade zones					
Digital overseers			1		1
<i>(**) Thematic inspections</i>					
Total	9	9	10	9	37



Regarding the external audit reports requested to financial obliged entities (both banking and non-banking), the following chart provides all the necessary information concerning the internal analytical work they have generated:

Obligated entity	Audit reports submitted and reviewed	Audit complement	Information requests	Informative notes	Informative notes with recommendations
Banks	3	3	2	3	2
Investment firms	15	8	10	15	12
Insurance companies	10	7	8	10	9
Postal offices	2	0	0	2	0

Regarding new publications – such as technical communiqués, informative notes, guides and their updated versions – all made available on our website (www.uifand.ad/en), the following table informs about this outreach work:

TC	OEs addressed	Date	Observations
CT-01/2024	Digital overseers	25/01/2024	Minimum AML/CFT obligations to which digital overseers are subject to.
CT-02/2024	All	05/02/2024	Update of the list of EU high-risk countries.
CT-03/2024	All	26/02/2024	Updated list of high-risk countries by FATF-GAFI, as published on their website.
CT-04/2024	All	01/07/2024	Updated list of high-risk countries by FATF-GAFI, as published on their website.
CT-05/2024	All	28/10/2024	Updated list of high-risk countries by FATF-GAFI, as published on their website.
CT-06/2023	Life Insurance companies	30/10/2024	Instructions related to audits in the field of prevention and combating money laundering and the financing of terrorism.
CT-07/2023	Non-banking FIs	30/10/2024	Instructions related to audits in the field of prevention and combating money laundering and the financing of terrorism.
CT-08/2023	Banks	30/10/2024	Instructions related to audits in the field of prevention and combating money laundering and the financing of terrorism.
CT-09/2023	Postal offices	30/10/2024	Instructions related to audits in the field of prevention and combating money laundering and the financing of terrorism.

b. International participation

As is the case every year, UIFAND members have participated in various external events. The following table summarizes this participation, particularly in relation to the 2 main reference organisations: Moneyval and the Egmont Group.

Regarding the first, we were present at Plenaries 67 and 68, held in Strasbourg, from May 20-24, and December 2-6, respectively.

Concerning the second, the 30th Egmont Plenary was held in Paris, from June 3-7, during which we participated in the different Working Groups, internal sessions of Heads of FIUs, and the Plenary itself.



Also noteworthy this year is our participation as part of the Moneyval Delegation in the FATF Plenary held in Singapore from June 24-28, 2024.



Date	Name	Organising entity	Location
21/5/24-24/5/24	67th Plenary	Moneyval	Strasbourg
22/6/24-28/6/24	FATF Working Groups and Plenary Meeting	FATF	Singapore
2/6/24-7/6/24	30th Plenary	Egmont Group. Tracfin (France FIU)	Paris
17/10/24-18/10/24	Small States and Territories Working Group Meeting – TF and PF risk assessment	AMSF (Autorité Monegasque de Sécurité Financière)	Monaco
2/12/24-6/12/24	68th Plenary	Moneyval	Strasbourg

c. Other aspects

This section provides information on all significant matters related to our work.

To begin with, regarding the **Permanent Committee for the Prevention of Money Laundering and Terrorist Financing**, two sessions were held – on April 23 and December 10 – where, essentially, the following topics were addressed:

- the analysis and conclusions of the NRA 2020 Action Plan, regarding the implementation of improvements and progress made on various identified measures and deficiencies.
- the development and follow-up of conclusions arising from the working groups on FATF Recommendations 15, 24, and 25, which will significantly impact the upcoming sixth round of mutual evaluations by Moneyval.
- the legislative amendments to internal legal texts, specifically regarding the criminalization of private sector corruption and corporate criminal liability.
- a proposal to amend the regulation implementing Law 14/2017, of June 22, to include an exemption to the legal obligation of submitting the annual external audit report.

Furthermore, following the approval of **Law 24/2022, of June 30, on the digital representation of assets through cryptography and distributed ledger and blockchain technology**, which states in its first additional provision that: (i) “*legal entities engaging in financial activities involving digital assets, whether in primary or secondary markets, as defined in this Law, are considered obliged entities under the terms of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing*”, and (ii) “*individuals or legal entities acting as registered digital overseers of digital assets are also considered obliged entities under the terms of Law 14/2017, of June 22, on the prevention and fight against money laundering and terrorist financing*” - it has become necessary to regulate this new market and the actors involved.

In this regard, the following actions have been carried out:

- the UIFAND has issued and published on its website, on January 25, 2024, Technical Communiqué 1/2024 regarding the figure of the “digital overseer,” which outlines, due to their status as obliged entities, the minimum obligations they must meet under Law 14/2017, of June 22. These include: (i) designation of the Internal Control and Communication Body and representatives before UIFAND; (ii) elaboration of a business risk assessment (BRA); (iii) implementation of customer due diligence measures; (iv) reporting of suspicious transactions; (v) internal control measures, internal regulations, and training; (vi) reporting of violations and whistleblower procedures; (vii) record keeping; and (viii) ensuring that no individuals with whom they have business relationships appear on the United Nations consolidated list or are affected by legislation related to the Ukraine–Russian Federation conflict.

It is also worth noting that, in July 2024, an on-site inspection was conducted on one such designated obliged entity.

- Together with the Andorran Financial Authority (AFA), we have reviewed various license applications to operate in the Andorran financial market. Within this process, two applications were positively resolved—in February 2024 for a banking financial institution, and in September 2024 for an investment financial company.

Finally, we also participated, as we do every year, in the Joint Committee meeting held on November 5, 2024, where a legislative review was conducted regarding the recent regulatory texts listed in the Annex, and in anticipation of future commitments for the 2026–2028 period.

We were also present, within the Association Agreement framework, at meetings held on September 17 and October 15, 2024, regarding the financial services package, particularly in relation to the supervision and control of the system.

On a different note, regarding the **training activities** attended or delivered by our members during the year, these are summarized in the following table:

Date	Name/topic	Trainer/ Organizing entity	Location	Attendants/ persons providing training	Hou
Attended					
5/4/24	FATF 2024 Curriculum Module: Introduction to the FATF Global Standards, Methodology and Procedures	FATF	Remote	1	5h
8/4/24 - 12/4/24	Moneyval Assessor's Training	Moneyval/FATF	Riga (Latvia)	1	5 day
24/4/24	Technology and innovation in digital asset management seminar	Morabanc	Unsquare (Andorra la Vella)	1	8h
25/4/24	XIII Financial Seminar of BNY Mellon	Bank of New York Mellon	Andorra (Plaza Hotel)	1	8h
23/5/24	Mechanism to assess the application of the UN Convention against transnational organised crime (UNTOC)	UNTOC	Remote	1	2h30
17/6/24	World-Check One: how to conduct an initial analysis	World-Check - London Stock Exchange Group	Remote	3	1h
4/7/24 - 25/7/24	Judicial proceeding stemming from an STR.	Andorran Prosecutor's Office	Seu de la Justícia	12h	2
21/11/24	AML/CFT training	Association of Andorran Tax advisors (AATF)	Morabanc premises	2h	1
Provided					
26/2/24 - 12/3/24	Course in real estate management - Module 10: ML prevention	Andorran University (UdA)/AGIA	UdA	5	30h
19/6/24	Training on AML/CFT matters aimed at casinos	UIFAND	Casino premises	3	4h

Also worth mentioning, with regard to the opening of **administrative sanction proceedings**: due to the detection of potential violations under Law 14/2017, a total of 6 procedures were initiated in 2024 against obliged entities. Of these, 1 remains under investigation, while the other 5 have concluded with sanctions, as detailed below:

Obligated entity	Type of person	Severity of the breach	Type of breach (and article of Law 14/2017)	Type of sanction	Amount of the sanction
Lawyer	Legal entity	1 minor breach	Any violation of the norms of the Law 14/2017 that is not specifically classified as a serious or very serious offense in the preceding articles (art. 73)	Fine and written warning	6.000€
Accountant /tax advisor	Legal entity	1 minor breach	Any violation of the norms of the Law 14/2017 that is not specifically classified as a serious or very serious offense in the preceding articles (art. 73)	Fine and written warning	1.500€
TCSP	Natural person	1 serious breach 2 minor breaches	- Failure to conduct an adequate, sufficient, objective, and realistic individual risk assessment when such failure does not constitute a very serious offence (article 72.15) - Any violation of the norms of the Law 14/2017 that is not specifically classified as a serious or very serious offense in the preceding articles (art. 73)	Fine and written warning	5.000€
TCSP	Legal entity	2 serious breaches 1 minor breach	- Failure to establish adequate and sufficient internal control procedures when such failure does not constitute a very serious offence (article 72.13) - Failure to conduct an adequate, sufficient, objective, and realistic individual risk assessment when such failure does not constitute a very serious offence (article 72.15) - Any violation of the norms of the Law 14/2017 that is not specifically classified as a serious or very serious offense in the preceding articles (art. 73)	Fine	41.500€
TCSP	Legal entity	2 very serious breaches 2 minor breaches	- Failure to establish adequate and sufficient internal control procedures, when that implies a high risk (Art.71.2). - Failure to conduct an individual risk assessment (Art.71.10). - Failure to apply CDD in relation to customer risk categorisation (Art.73)	Fine and written warning	862.000 €

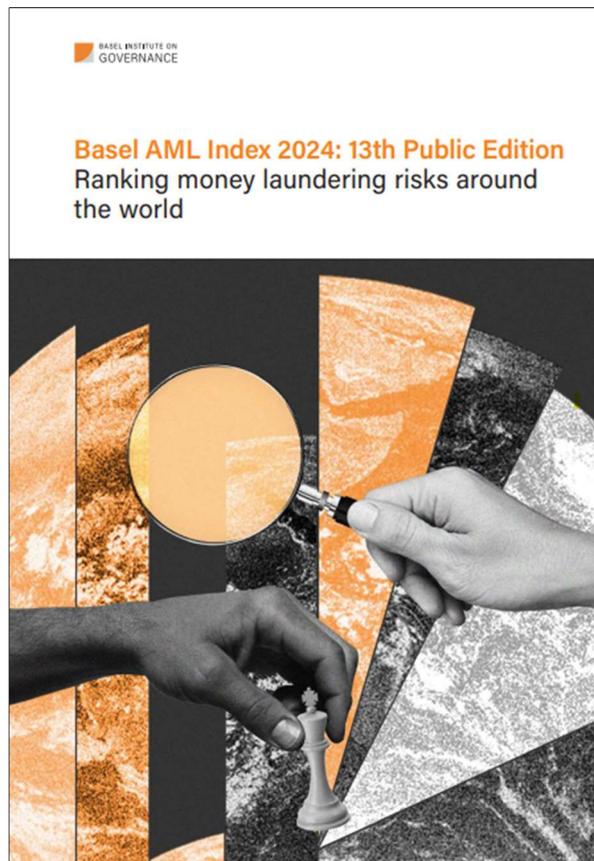
Additionally, we have been requested by various **international organizations** to respond to multiple questionnaires and provide requested information, as shown in the following table:

Name	Organisation	Date
The role of FIUs in the National Risk Assessment process	Egmont Group (IEWG)	Jan-24
Egmont IEWG Project - Most effective data analysis IT tools and cloud services	Egmont Group (IEWG)	Jan-24
OSCE: Questionnaire on the code of conduct related to political and military aspects about safety	OSCE	April-24
FATF questionnaire Follow-Up Actions from ICRG	GAFI	April-24
TF questionnaire	Smaller states working group	June-24
Indicateurs tabac 14 à 19	Ministry of Justice and Internal Affairs	June-24
Typologies questionnaire: proceeds and conflicts	Moneyval	June-24
World Customs Organization (WCO) - Project Octagon	Egmont Group (IEWG)	Aug-24

Lastly, I would again like to highlight the most recent report published on December 2, 2024, by the **Basel Institute of Governance** regarding the 2024 edition of its Anti-Money Laundering Index: *“Basel AML Index 2024: 13th Public Edition.”*

The report concludes that the Principality of Andorra ranks as the fifth-best jurisdiction worldwide in terms of performance.

For those interested, the summary report was published on UIFAND’s website on December 3, 2024.



3. STATISTICS FOR THE YEAR 2024 AND COMPARISON WITH 2023

At first glance, and comparing both periods, a mixed situation can be observed: while the number of Suspicious Transaction Reports (STRs) received has decreased by 21%, requests for international cooperation have significantly increased by 35%, and finally, with requests for national cooperation having remained stable.

However, other data resulting from the work carried out globally either remain almost identical in terms of the volume of analysis generated or show a slight decrease of 12% regarding the volume of analysis carried out, which is, percentage-wise, of low significance.

BALANCE OF THE WORK GENERATED AND CARRIED OUT BY THE UIFAND - 2024 -		
1. OPERATIONAL ANALYSIS		
Concept	Number	Observations
Received STRs	48	39 Banks 2 Investment firms 2 Notaries 2 Lawyers 2 TCSPs 1 Accountant
UIFAND-initiated cases	1	-
National Cooperation	28	25 AFA 2 Government 1 Police
International Cooperation	58	27 – Foreign FIUs to UIFAND 31 - UIFAND to foreign FIUs
Generated volume of analysis	135	-
Number of cases referred to the Prosecutor's Office	28	1 of 2022 9 of 2023 18 of 2024
Values of the cases referred to the Prosecutor's Office with possibility of judicial seizure	12.902.451,53 €	Converted into EUR
Number of archived cases	81	1 of 2022 11 of 2023 69 of 2024
Volume of analysis conducted	109	-
Number of cases under investigation	20	20 of 2024
Natural and legal persons investigated	345	189 natural persons 156 legal entities
Operations blocked by the UIFAND	0	-
2. FOREIGN INVESTMENT		
Concept	Number	Observations
Incoming and analysed applications	24	Direct investment (legal entities): 24 Real estate investment: 0
Negative notice	-	-
Notice for inquiry to the Police	13	-
Observation report to the Companies Register	-	-
Withdrawal	-	-
Persons analysed within the framework of foreign investment	75	42 natural persons 33 legal entities
3. TOTAL		
Concept	Number	Observations
Volume de operational analysis carried out	109	-
Number of foreign investment applications analysed	24	-
Total volume of work carried out	133	-

BALANCE OF THE WORK GENERATED AND CARRIED OUT BY THE UIFAND					
2023					
2024					
1. OPERATIONAL ANALYSIS					Evolution % (2023-2024)
Concept	Number	Observations	Number	Observations	
Received STRs	61	53 Banks 1 Notary 2 Real estate agents 2 Insurance companies 3 Postal offices	48	39 Banks 2 Investment firms 2 Notaries 2 Lawyers 2 TCSPs 1 Accountant	-21%
UIFAND-initiated cases	2	-	1	-	-50%
National Cooperation	28	24 AFA 3 Government 1 Customs	28	25 AFA 2 Government 1 Police	0%
International Cooperation	43	32 – Foreign FIUs to UIFAND 11 - UIFAND to foreign FIUs	58	27 - Foreign FIUs to UIFAND 31 - UIFAND to foreign FIUs	35%
Generated volume of analysis	134	-	135	-	1%
Number of cases referred to the Prosecutor's Office	35	9 of 2022 26 of 2023	28	1 of 2022 9 of 2023 18 of 2024	-20%
Values of the cases referred to the Prosecutor's Office with possibility of judicial seizure	10.502.990 €	Converted into EUR	12.902.451,53 €	Converted into EUR	23%
Number of archived cases	89	13 of 2022 76 of 2023	81	1 of 2022 11 of 2023 69 of 2024	-9%
Volume of analysis conducted	124	-	109	-	-12%
Number of cases under investigation	22	2 of 2022 20 of 2023	20	20 of 2024	-9%
Natural and legal persons investigated	533	297 natural p. 236 legal e.	345	189 natural p. 156 legal e.	-35%
Operations blocked by the UIFAND	1	-	0	-	-
2. FOREIGN INVESTMENT					-
Incoming and analysed applications	26	Direct investment: 25 Real estate investment: 1	24	Direct investment: 24 Real estate investment: 0	-8%
Negative notice	-	-	-	-	-
Notice for inquiry to the Police	15	-	13	-	-13%
Observation report to the Companies Register	2	-	-	-	-
Withdrawals	1	-	-	-	-
Persons analysed within the framework of foreign investment	107	58 natural p. 49 legal e.	75	42 natural p. 33 legal e.	-30%
3. TOTAL					
Concept	Number	Observations	Number	Observations	-
Volume de operational analysis carried out	124	-	109	-	-12%
Number of foreign investment applications analysed	26	-	24	-	-8%
Total volume of work carried out	150	-	133	-	-11%

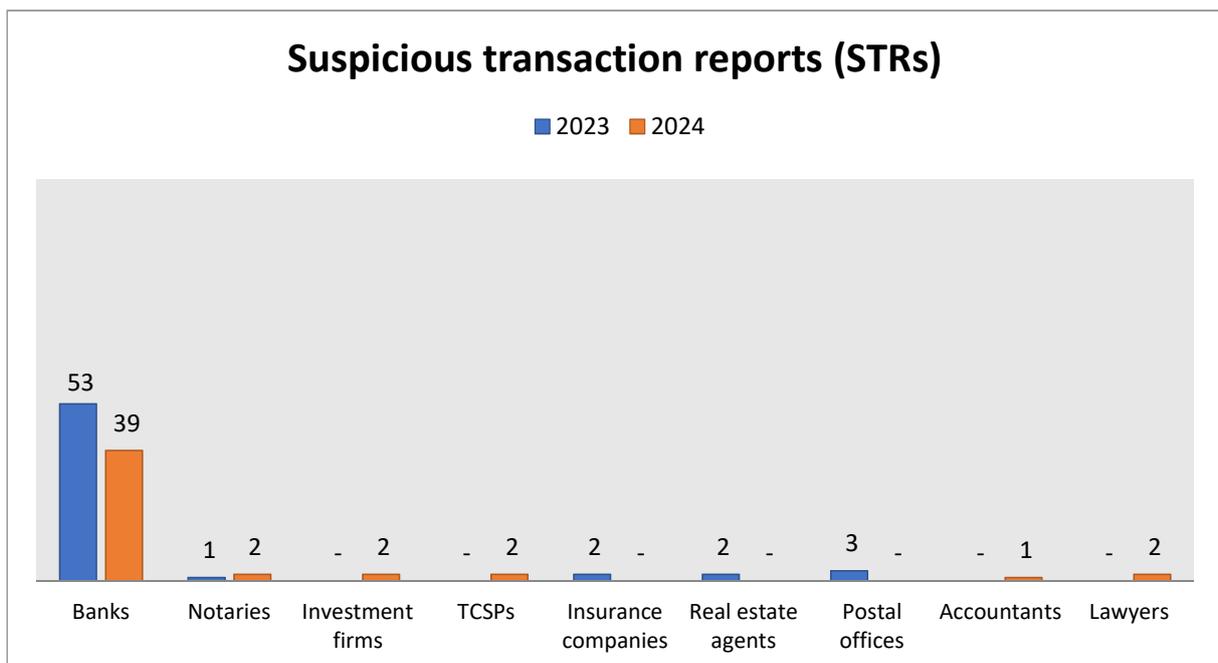
a. Operational analysis

- Suspicious Transaction Reports (STRs)

As noted at the beginning, the decrease in the number of reports submitted is observed only in the banking financial sector, with banks submitting 39 reports this year compared to 53 the previous year.

In terms of other sectors and/or obliged entities, whether non-banking financial institutions or non-financial entities, both the number of reports and the diversity of actors have remained similar across the two years.

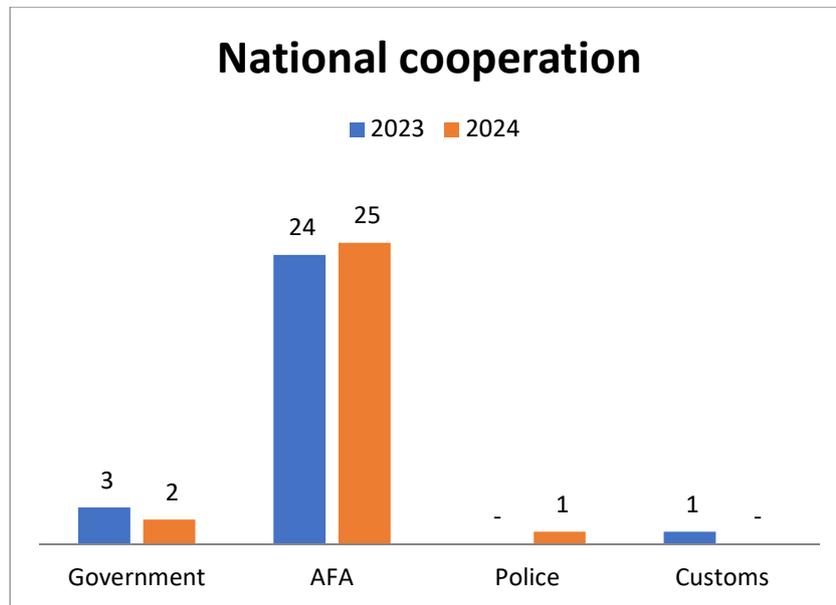
Year	Suspicious transaction reports (STRs)	
	2023	2024
Banks	53	39
Notaries	1	2
Investment firms	-	2
TCSPs	-	2
Insurance companies	2	-
Real estate agents	2	-
Postal offices	3	-
Accountants	-	1
Lawyers	-	2
TOTAL	61	48



- National Cooperation

The figures remain identical in terms of the number of requests received from various national departments/agencies, with those from the Andorran Financial Authority (AFA) continuing to stand out, as usual.

Year	National cooperation	
	2023	2024
Government	3	2
AFA	24	25
Police	-	1
Customs	1	-
TOTAL	28	28



- International Cooperation

Overall, the number of cases handled has significantly increased—by 35%, as already stated—mainly because the requests sent by the UIFAND to foreign counterparts rose to 31 this year, up from the 11 of the previous year.

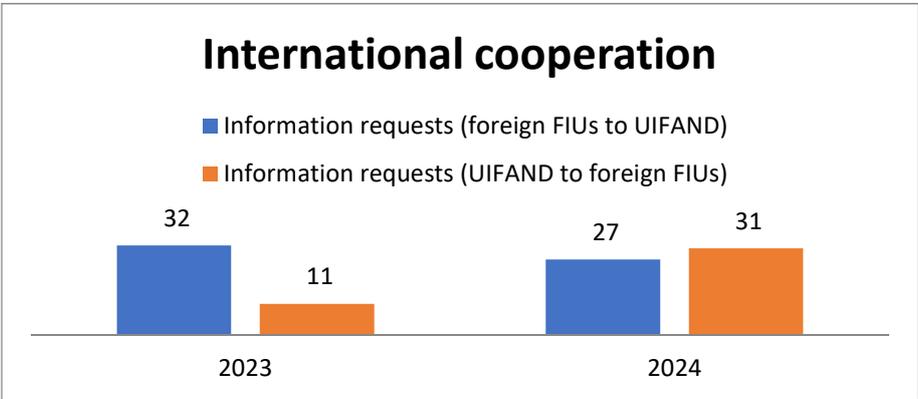
Regarding incoming requests, the decrease is minor, dropping from 32 in 2023 to 27 this year.

Additionally, the UIFAND has addressed requests to 17 different jurisdictions, while requests were received from 15 countries.

It is worth adding that in 2024, a further 7 spontaneous disseminations were received from abroad.

Finally, as usual, we provide the average response time by the UIFAND, which remains exceptionally low. For this year, it decreased further, averaging 9.25 days—demonstrating the effectiveness of our internal system

Any	International cooperation	
	2023	2024
Information requests (foreign FIUs to UIFAND)	32	27
Information requests (UIFAND to foreign FIUs)	11	31
TOTAL	43	58



INTERNATIONAL COOPERATION PER COUNTRY - 2024 -			
Requesting country (Foreign FIUs to UIFAND - 2024)	Number of requests	Number of spontaneous disseminations	Response time (days)
Austria	-	1	-
Belgium	1	-	22
Bermuda	1	-	5
Slovenia	1	-	13
Spain	5	1	7, 7, 1, 4, 1
France	5	1	9, 17, 14, 11, 7
Gabon	1	-	12
Hungary	1	-	2
Ireland	-	1	-
Jersey	-	1	-
Luxembourg	1	-	17
Montenegro	2	-	1, 9
Syria	-	2	-
Switzerland	1	-	14
Tunisia	1	-	12
Total	20	7	Average: 9,25 days

Requested country (UIFAND to foreign FIUs - 2024)	Number of requests	Number of spontaneous disseminations
Germany	3	-
Saudi Arabia	2	-
Belgium	1	-
Brazil	1	-
Bulgaria	2	-
Spain	5	-
Estonia	2	-
France	2	-
Hong Kong	1	-
Hungary	1	-
Italy	2	-
Latvia	1	-
Lithuania	2	-
Netherlands	1	-
Poland	2	-
United Kingdom	1	-
Switzerland	2	-
Total	31	0

- Cases referred to the Prosecutor's Office and amounts potentially subject to judicial seizure

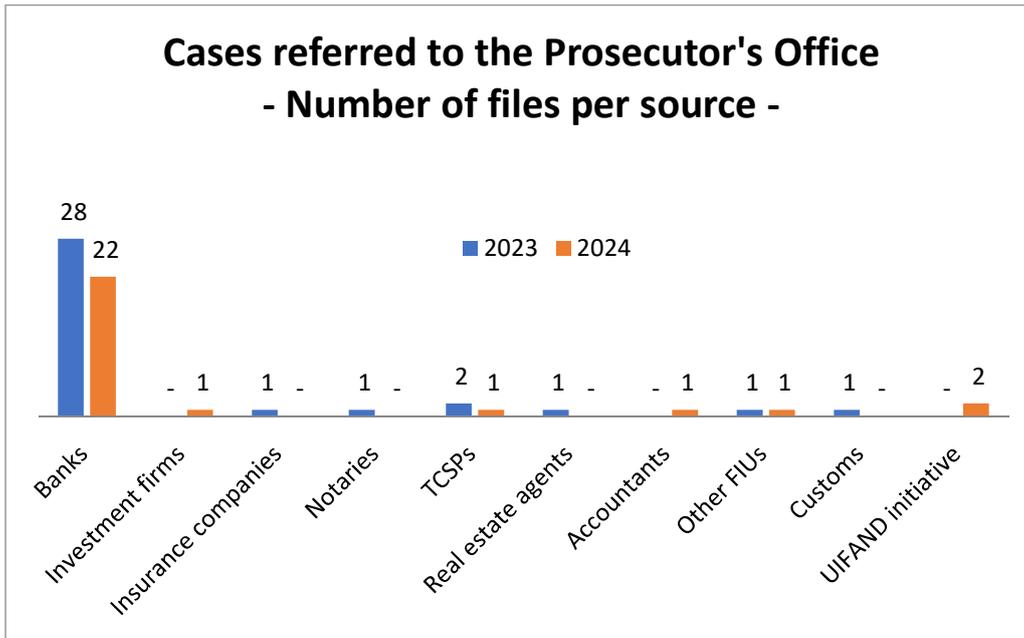
There has been a slight decrease of 20% in the number of cases referred to the Prosecutor's Office—28 this year compared to 35 the previous year.

Of these 28 cases, 1 corresponds to matters initiated in 2022, another 9 to cases from 2023, and the remaining 18 to cases from the 2024 calendar year.

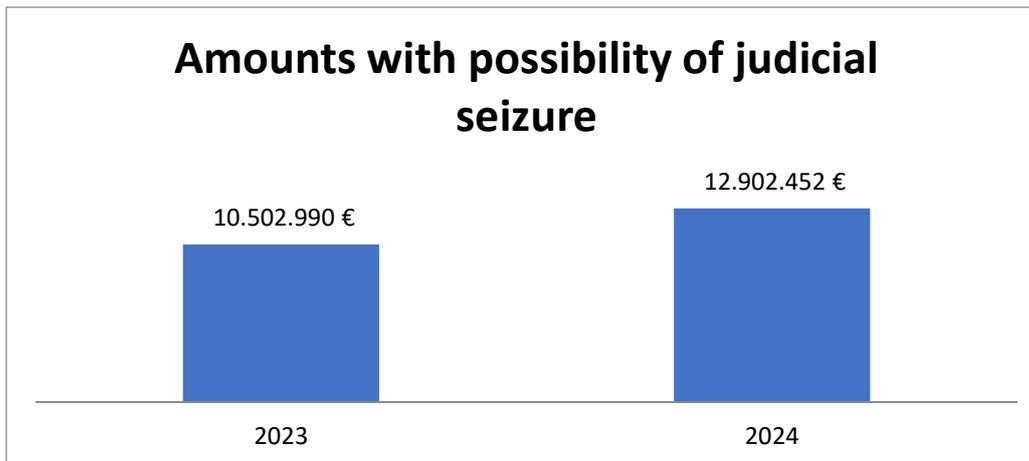
As for filed cases, 81 were archived, compared to 89 in 2023.

Lastly, regarding cases under investigation, the number is very similar, with emphasis on the fact that no cases from previous years remain under investigation.

Year	Cases referred to the Prosecutor's Office - Number of files per source -	
	2023	2024
Banks	28	22
Investment firms	-	1
Insurance companies	1	-
Notaries	1	-
TCSPs	2	1
Real estate agents	1	-
Accountants	-	1
Other FIUs	1	1
Customs	1	-
UIFAND initiative	-	2
TOTAL	35	28



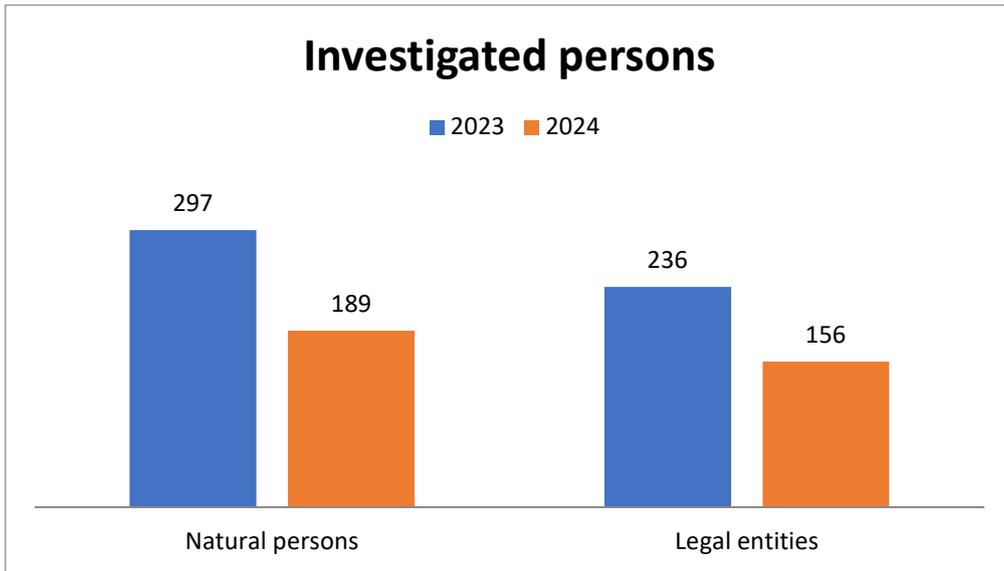
Year	Possibility of judicial seizure	
	2023	2024
Possibility of judicial seizure	10.502.990 €	12.902.452 €



- Number of persons investigated

This figure derives from the total number of cases analysed, which is not necessarily proportionate to the number of cases referred.

Year	Investigated persons	
	2023	2024
Natural persons	297	189
Legal entities	236	156
Total	533	345

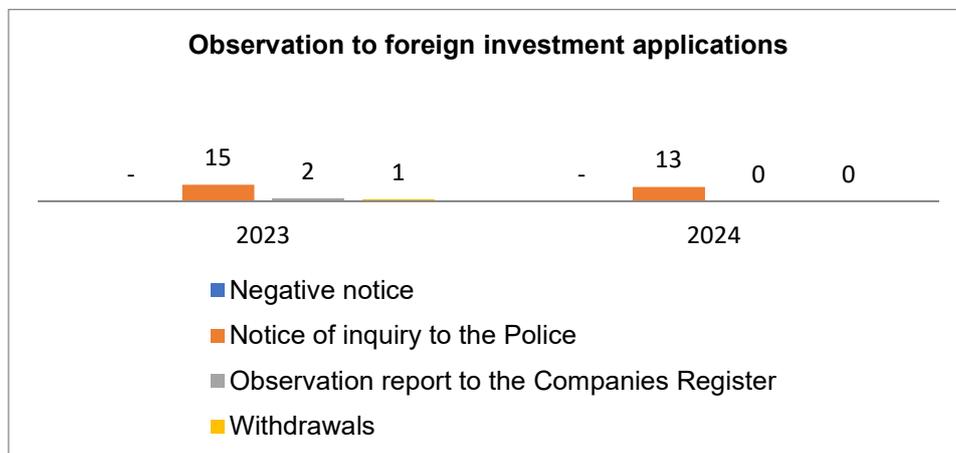


b. Foreign investment

- Applications submitted

The number of applications has remained steady over the past few years, with the particular note that all applications in 2024 were for direct investment.

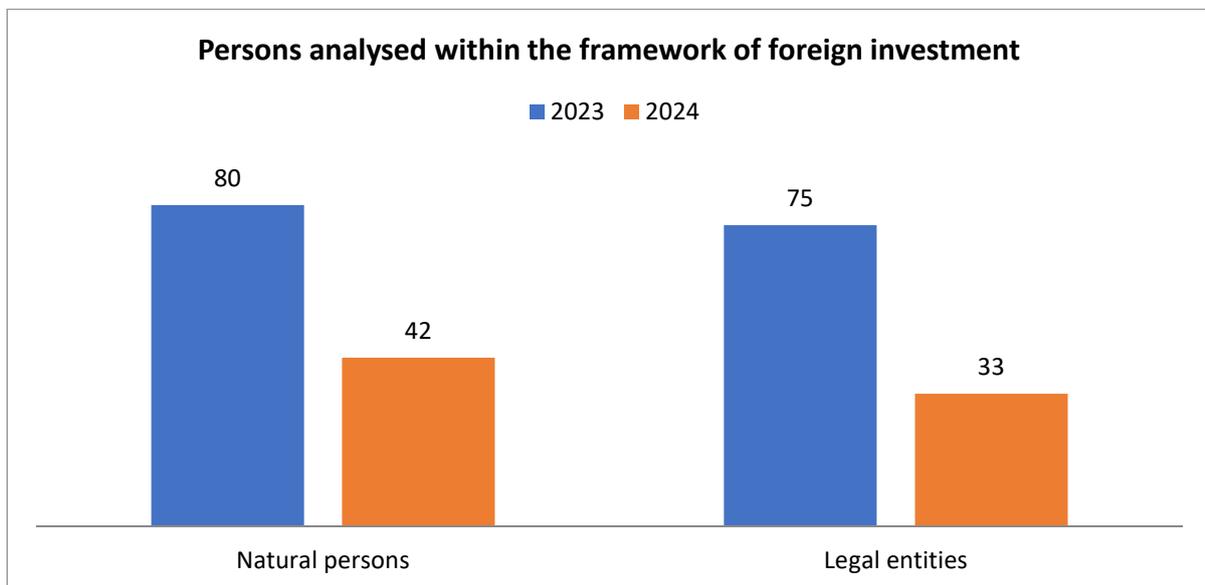
Year	Foreign investment	
	2023	2024
Applications presented	26	24
Applications analysed	26	24
Negative notice	-	-
Notice of inquiry to the Police	15	13
Observation report to the Companies Register	2	-
Withdrawals	1	-
TOTAL	26	24



- Number of persons analysed

Following the previous point, and while the figure does not have to be necessarily proportionate, it is true that, having slightly decreased the number of applications, the number of analysed persons has also decreased.

Persons analysed within the framework of foreign investment		
Year	2023	2024
Natural persons	80	42
Legal entities	75	33
Total	155	75



4. HISTORIAL STATISTICS FROM 2010-2024: 15 years of data

In this 2024 activity report, we considered it appropriate to present a broad compilation of data and statistics since 2010, covering the past 15 years of work carried out.

The first point to highlight is that, with this information, the reader will be able to quickly and objectively gain a clear view of the real impact of the Financial Intelligence Unit across the various areas that make it up.

The second point stems from two factors that have had a very positive influence: (i) the formation of a sufficient and technically skilled work team, and (ii) the ongoing development of internal legislation, which has expanded not only powers but also obligations.

The result of all this has been a gradual increase in work figures, year after year, as reflected in this historical compilation.

Finally, it should be noted that the statistics presented below, on the one hand, follow the usual format and, on the other, are grouped into two main sections: (1) the Operational Area, and (2) the Supervision Area.

a. Operational Area

BALANCE OF THE WORK GENERATED AND CARRIED OUT BY THE UIFAND – 2010 to 2024 –		
1. OPERATIONAL ANALYSIS		
Concept	Number	Observations
Received STRs	976	848 Banks 7 Investment firms 28 Notaries 14 Lawyers 4 Economists 7 Accountants 28 TCSPs 1 Traders in high-value goods 11 Real estate agents 10 Insurance companies 18 Postal offices
UIFAND-initiated cases	84	-
National Cooperation	269	235 INAF/AFA 6 Police 2 Judicial authorities 2 Customs 24 Government
International cooperation	755	526-Incoming (Foreign FIUs to UIFAND) 229-Outgoing (UIFAND to foreign FIUs)
Generated volume of analysis:	2.084	-
Cases referred to the Prosecutor's Office	567	-
Values of the cases referred to the Prosecutor's Office with possibility of judicial seizure	810.931.386,92 €	Converted into EUR
Operations blocked by the UIFAND	8.135.015,58€	Converted into EUR
2. FOREIGN INVESTMENT		
Concept	Number	Observations
Incoming and analysed applications	7.328	-
3. TOTAL		
Concept	Number	Observations
Persons investigated and analysed with the framework of foreign investment	36.298	24.375 natural persons 11.923 legal entities
Volume of operational analysis carried out	2.084	-
Number of foreign investment applications analysed	7.328	-
Total volume of work carried out	9.412	-

- Operational analysis 2010-2024

- Suspicious transaction reports (STRs)

SUSPICIOUS TRANSACTIONS REPORTS (STRs) AND REFERRALS TO THE PROSECUTOR'S OFFICE - 2010 to 2024 -																	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total	Percentage
Banks	13	13	20	28	32	52	48	107	112	116	99	56	60	53	39	848	86,89%
Investment firms	-	-	-	-	-	-	1	-	1	2	1	-	-	-	2	7	0,72%
Notaries	2	1	1	-	1	1	-	2	5	7	3	1	1	1	2	28	2,87%
Lawyers	2	2	3	2	1	1	-	1	-	-	-	-	-	-	2	14	1,43%
Accountants, auditors, tax advisors	-	1	-	-	-	1	-	-	1	1	1	1	-	-	1	7	0,72%
Economists	-	-	-	-	-	1	2	1	-	-	-	-	-	-	-	4	0,41%
TCSPs	-	-	-	-	-	-	-	4	2	11	4	3	2	-	2	28	2,87%
Jewellers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Traders in high-value goods	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1	0,10%
Real estate agents	-	1	-	-	2	1	1	1	-	-	2	1	-	2	-	11	1,13%
Insurance companies	-	-	-	-	-	1	-	-	3	-	2	2	-	2	-	10	1,02%
Postal offices	5	3	1	1	-	2	1	-	-	-	-	1	1	3	-	18	1,84%
Total STRs	22	21	25	31	36	60	53	116	124	138	112	65	64	61	48	976	100,00%

- UIFAND-initiated cases

UIFAND-INITIATED CASES - 2010 to 2024 -																
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
UIFAND-initiated cases	4	16	24	8	14	9	3	0	1	0	0	2	0	2	1	84

- **National cooperation**

NATIONAL COOPERATION FILES - 2010 to 2024 -																
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Police	-	-	1	1	-	-	-	-	1	-	1	-	1	-	1	6
Judicial authorities	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	2
Customs	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	2
Government	-	1	1	4	1	-	2	-	-	-	-	1	9	3	2	24
INAF/AFA	-	-	-	3	6	30	26	17	24	23	18	20	19	24	25	235
Total files	-	2	2	9	7	30	28	17	25	23	19	21	30	28	28	269

- **International cooperation**

INTERNATIONAL COOPERATION WITH FOREIGN FIUs - 2010 to 2024 -																
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Incoming (Foreign FIUs to UIFAND)	31	43	20	26	22	41	20	41	47	33	37	53	53	32	27	526
Average time of response (days)	38,96	47,51	42,4	33,75	25,23	18,5	12,95	10	12	14	11	10	7	14	9,25	20,44
Outgoing (UIFAND to foreign FIUs)	10	9	0	12	11	7	11	47	22	11	25	11	11	11	31	229
Total	41	52	20	38	33	48	31	88	69	44	62	64	64	43	58	755

- **Cases referred to the Prosecutor's Office and amounts with possibility of judicial seizure**

REFERRAL OF CASES TO THE PROSECUTOR'S OFFICE - 2010 to 2024 -																
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total	
18	15	14	16	25	21	29	56	82	87	74	28	39	35	28	567	

AMOUNTS (in EUR) WITH POSSIBILITY OF JUDICIAL SEIZURE REGARDING THE CASES REFERRED TO THE PROSECUTOR'S OFFICE, AS WELL AS AMOUNTS OF THE OPERATIONS BLOCKED BY THE UIFAND – 2010 to 2024 –								
	2010	2011	2012	2013	2014	2015	2016	2017
Possibility of judicial seizure	631.909,00 €	10.356.525,00 €	1.948.124,97 €	17.524.726,46 €	6.183.860,31 €	55.203.451,00 €	10.720.222,00 €	254.272.517,00 €
Blocked by UIFAND	7.569.030,00 €	68.312,00 €	- €	497.673,58 €	- €	- €	- €	- €
	2018	2019	2020	2021	2022	2023	2024	Total (2010-2024)
Possibility of judicial seizure	124.374.390,00 €	72.491.078,03 €	186.631.720,28 €	10.485.699,91 €	36.701.720,43 €	10.502.990 €	12.902.452,53€	810.931.386,92€
Blocked by UIFAND	- €	- €	- €	- €	- €	- €	- €	8.135.015,58€

- **Foreign investment**
 - **Presented applications**

COMPANIES REGISTER (FOREIGN INVESTMENT) FILES – 2010 to 2024 –																
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Companies Register	128	181	305	802	1.022	1.140	1.143	1.464	995	26	14	19	39	26	24	7.328

- **Number of natural and legal persons analysed**

NUMBER OF PERSONS ANALYSED (FOREIGN INVESTMENT) - 2010 to 2024 -																
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Natural persons	737	1.435	1.438	2.414	3.205	2.646	2.873	3.748	2.535	743	503	440	1.261	355	42	24.375
Legal entities	417	686	904	1.094	1.167	1.315	1.301	1.541	1.124	471	519	602	464	285	33	11.923
Total	1.154	2.121	2.342	3.508	4.372	3.961	4.174	5.289	3.659	1.214	1.022	1.042	1.725	640	75	36.298

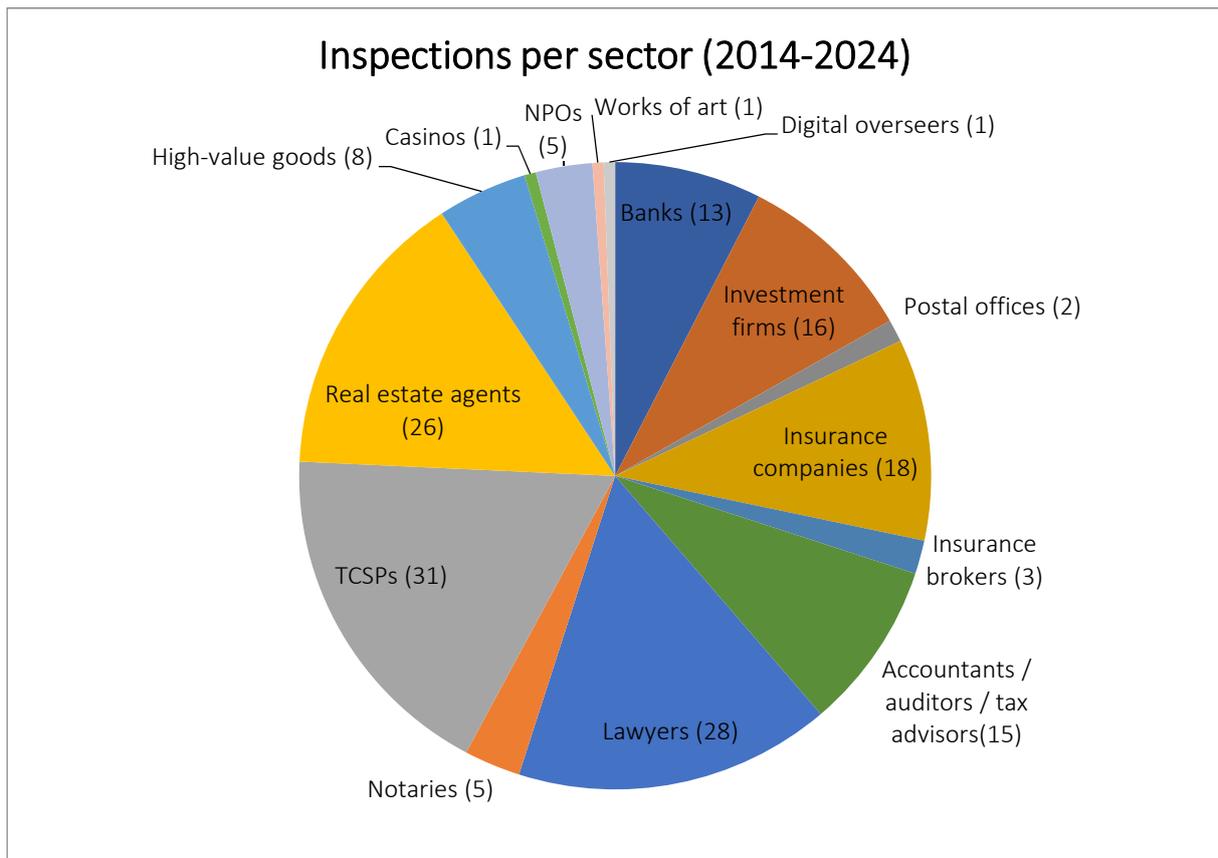
- Files referred to the Tax and Customs Department

Case file UIFAND	Year	Tax payers	Type of verification and applicable regime	Tax years	Type of tax	Type of infringement	Total tax debt
1056/13	2015	1 natural person	MANAGEMENT AND SANCTIONS	2012-2013	IAE	2 MINOR FRAUDS	23.535,34 €
6046/17	2018	2 legal entities	GENERAL AND SANCTIONS	2015-2017	IRPF, IGI	6 SERIOUS FRAUDS	101.269,44 €
6076/17	2018	1 legal entity	GENERAL AND SANCTIONS	2014-2018	IS, IGI	4 VERY SERIOUS FRAUDS 6 SIMPLE FRAUDS	348.444,66 €
6175/18	2018	1 legal entity	GENERAL AND SANCTIONS	2015-2017	IS, IGI	6 MINOR FRAUDS	10.967,40 €
6295/18	2019	1 legal entity	GENERAL AND SANCTIONS	2017-2019	IS, IGI	6 MINOR FRAUDS	37.150,02 €
6300/18	2019	1 natural person	GENERAL	2016-2018	IRPF	None	73.680,35 €
6433/19	2020	1 natural person	GENERAL AND SANCTIONS	2016-2019	IRPF	4 MINOR FRAUDS	18.124,15 €
6440/19	2019	2 legal entities	GENERAL AND SANCTIONS	2017-2019	IS, IGI	3 SERIOUS FRAUDS 8 MINOR FRAUDS	409.064,15 €
6541/19	2020	2 legal entities 1 natural person	GENERAL AND SANCTIONS	2016-2019	IRPF, IS, IGI	4 SERIOUS FRAUDS 10 MINOR FRAUDS	127.641,36 €
6625/20	2020	1 natural person	GENERAL AND SANCTIONS	2016-2020	IRPF	4 MINOR FRAUDS	257.343,03 €
6798/21	2021	1 legal entity	GENERAL	2018-2020	IS, IGI	None	353.202,16 €
7094/23	2023	1 natural person	GENERAL	2019-2021	IRPF	None	- €
7098/23	2023	1 legal entity	SANCTIONS	2019-2022	IS	3 MINOR FRAUDS 3 SIMPLE FRAUDS	6.189,04 €
7219/24	2024	Ongoing files for which no additional data can be provided yet.					
7140/24	2024						
7275/24	2024						
TOTALS							
		9 natural persons 8 legal entities				4 VERY SERIOUS FRAUDS 13 SERIOUS FRAUDS 43 MINOR FRAUDS 9 SIMPLE FRAUDS	1.766.611,10 €

b. Supervision Area

- **Inspections**

Detail of the inspections 2014-2024	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Financial obliged entities												
Banks	2	1	-	1	5 (**)	1 (*)	-	-	1	1 (*)	1 (*)	13
Non-banking financial institutions (investment firms)	4	-	-	-	1	8 (**)	-	1	-	1	1	16
Postal offices	1	-	-	-	-	1	-	-	-	-	-	2
Insurance companies	2	-	-	2	2	1	-	11 (**)	-	-	-	18
Insurance brokers	-	-	-	-	-	-	-	1	-	1	1	3
Non-financial obliged entities												
Accountants / Auditors / Tax advisors	5	2	1	3	3	1	-	-	-	-	-	15
Lawyers	9	2	1	6	3	1	-	-	3	1	2	28
Notaries	-	1	-	-	1	-	-	1	-	1	1	5
Economists, business agents and other TCSPs	-	-	-	-	-	2	-	-	2	2	4 ⁴ 21 (**)	31
Real estate agents	9	1	-	4	4	1	-	-	2	3	2	26
Traders in high-value goods	3	-	-	-	2	1	-	1	-	1	-	8
Casinos	-	-	-	-	-	-	-	-	-	-	1	1
NPOs	-	-	-	-	1	-	-	1	-	2	1	5
Works of art	-	-	-	-	-	-	-	-	-	-	1	1
Digital overseers	-	-	-	-	-	-	-	-	-	-	1	1
(*) Joint inspections with AFA (**) Thematic inspections												
Total	35	7	2	16	22	17	-	16	8	13	37	173



- External audit reports

Reviewed audit reports 2012-2024		2012			2013			2014			2015			2016			2017			2018			2019			2020			2021			2022			2023			Total		
	Aud.(*)	Sup.(**)	INs (***)	Aud.	Sup.	INs	Aud.	Sup.	INs	Aud.	Sup.	INs	Aud.	Sup.	INs	Aud.	Sup.	INs	Aud.	Sup.	INs	Aud.	Sup.	INs	Aud.	Sup.	INs	Aud.	Sup.	INs	Aud.	Sup.	INs	Aud.	Sup.	INs				
Banks	5	0	0	5	5	5	4	2	4	4	4	4	5	3	5	5	0	5	5	5	5	5	5	5	5	4	5	5	2	4	3	1	3	3	3	54	34	48		
Investment firms	7	0	7	7	1	7	9	4	9	9	4	9	10	5	10	8	3	8	9	4	9	9	6	9	11	3	11	12	7	12	13	7	13	15	11	15	119	55	119	
Postal offices	2	0	2	2	0	2	2	0	2	2	0	2	2	0	2	1	0	1	2	1	2	1	1	1	2	1	2	2	0	2	2	1	2	2	0	2	22	4	22	
Insurance companies	12	0	8	11	0	11	11	11	11	11	3	11	11	8	11	11	10	11	11	8	10	10	0	10	11	3	11	11	0	11	10	5	10	10	8	10	130	56	125	
Total	26	0	17	25	6	25	26	17	26	11	26	28	16	28	25	13	25	27	18	26	25	12	25	29	11	29	30	9	29	28	14	28	30	22	30	325	149	314		

(*) Reviewed external audit reports

(**) Audit supplements

(***) Informative notes with recommendations/conclusions

- Sanctioning proceedings

Detail of sanctions imposed 2012-2024		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		2023		2024		Total		
	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount	#	Amount		
Financial obliged entities																														
Banks	2	160.000 € 30.000 €	1	145.000 €	-	-	-	-	-	-	2	140.000 € 20.000 €	-	-	1	200.000 €	-	-	-	-	-	-	-	-	-	-	-	-	6	695.000 €
Non-banking FIs (investment firms)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Postal offices	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance companies	-	-	1	7.000 €	-	-	-	-	-	-	-	-	1	10.000 €	1	90.001 €	-	-	-	-	-	-	-	-	-	-	-	-	3	107.001 €
Insurance brokers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Non-financial obliged entities																														
Accountants/Auditors/Tax advisors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1.500 €	1	1.500 €		
Lawyers	-	-	-	-	2	600 € 600 €	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	3.001 €	-	-	1	6.000 €	4	10.201 €		
Notaries	-	-	-	-	-	-	-	-	-	-	-	-	1	9.003 €	-	-	-	-	-	-	-	-	-	-	-	-	1	9.003 €		
Economists, business agents and other TCSPs	-	-	-	-	-	-	-	-	-	-	-	-	1	15.001 €	-	-	-	-	-	-	1	15.001 €	-	-	3	862.000 € 41.500 € 5.000 €	5	938.502 €		
Real estate agents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	9.000 € 1.500 €	-	-	2	10.500 €		
Traders in high-value goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	30.002 €	-	-	-	-	1	30.002 €			
Casinos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
NPOs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Works of art	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Digital overseers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total	2	190.000 €	2	152.000 €	2	1.200 €	-	-	-	-	2	160.000 €	3	34.004 €	2	290.001 €	-	-	1	30.002 €	2	18.002 €	2	10.500 €	5	916.000 €	23	1.801.709 €		

- Technical communiqués, informative notes and others

Detail of the communiqués, guidelines and others published between 2010-2024		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Technical communiqués		7	6	8	8	9	6	10	7	12	9	12	10	9	10	9	132
Informative notes		-	-	-	-	-	-	-	-	4	2	2	1	-	3	-	12
Others (guidelines, risk indicators, etc.)		-	-	-	-	-	-	-	-	2	3	1	-	-	4	-	10
Total		7	6	8	8	9	6	10	7	18	14	15	11	9	17	9	154

5. OPINION ARTICLES

The Transparency of Legal Persons and Legal Arrangements: New International Standards and Conclusions from the 5th Round of Mutual Evaluations

1. Introduction

The aim of this article is to highlight the need to ensure transparency in the ownership and control, as well as the proper monitoring of the activities, of legal persons and legal arrangements operating in the country.

Cases such as the use of Andorran (and also foreign) companies for the fraudulent acquisition of luxury goods and the triangulation of operations, or the presence of company service providers who, through Andorran companies, promote aggressive tax optimization or tax planning schemes¹, confirm the crucial need for adequate prevention and control frameworks.

Therefore, this article seeks to address the issue from three main perspectives: (i) the availability and quality of beneficial ownership information and the international standards on the matter; (ii) foreign investment and the associated control mechanisms; and (iii) the regulation of “gatekeepers”² and other obliged entities linked to legal persons and arrangements and their transactional flows.

1.1. The situation in Andorra since 2017

The last report assessing the effectiveness of Andorra’s anti-money laundering and counter-terrorist financing (hereinafter “AML/CFT”) system was MONEYVAL’s mutual evaluation report from September 2017³. It revealed that although the country had taken certain measures to prevent the misuse of Andorran companies for illicit purposes, it had not sufficiently considered the risks posed by company service providers.

Furthermore, the controls on beneficial ownership did not always allow the identification of all those exercising control (beyond direct ownership) over legal persons and arrangements. There were no mechanisms to ensure that the information in the Companies Register was accurate and up to date, and the supervision of notaries, administrative service providers (*gestors administratius, gestories*), associations, and foundations had been insufficient, among other issues. At that time, the level of effectiveness was rated as moderate.

Since then, multiple legal developments and practical measures have been implemented, notably:

- The establishment of a beneficial ownership register through the *Regulation on the registration and access to information relating to beneficial owners in the registers of legal entities*, and its subsequent amendments⁴. The obligation to register beneficial ownership information applies to Andorran companies and branches, as well as associations and foundations. Standardized forms have been developed to provide and update information consistently. The beneficial ownership information in the registers

¹ It is understood by aggressive tax planning/optimisation the use of complex and/or artificial structures to relocate the tax base to other jurisdictions, taking advantage of mismatches between legislations, ensuring that certain items of income remain untaxed anywhere or exploiting differences in tax rates. (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legissum%3A21_1).

² Those obliged entities that participate more directly in the constitution, register, changes in the ownership and control structure, administration and direction of legal persons and arrangements, such as notaries, lawyers or corporate service providers.

³ [Andorra - Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism](#)

⁴ *Decree pf 5-9-2018 which approves the Regulation on the registration and access to information relating to beneficial owners in the registers of legal entities.*

is available to competent authorities, obliged entities, and individuals who can demonstrate a legitimate interest.

- The obligations concerning the collection, retention, and access to beneficial ownership information set out in Chapter III (Article 19) of *Law 14/2017, of 22 June, on the prevention and fight against money laundering or the financing of terrorism*. These include the obligation for obliged entities and competent authorities to report any discrepancies to the registers.

After the introduction of these improvements in Andorra's legal framework, the effectiveness of the system has not yet been reassessed by MONEYVAL. However, the measures described above were addressed in the OECD Global Forum's Second Round Peer Review Report on the Transparency and Exchange of Information for Tax Purposes⁵, published in November 2019. This report indicated that the criteria related to the availability of legal ownership, beneficial ownership, accounting, and banking information for legal persons were either fully or largely compliant (the two highest ratings).

Nevertheless, the report also highlighted areas for improvement, namely: (i) a significant number of inactive companies with legal personality (a situation that partially remains to this day) which do not comply with the obligations to report their legal and beneficial ownership or their accounting information; and (ii) the fact that no supervisory or sanctioning actions had yet been undertaken in relation to the (at the time of the report, recently introduced) obligations for companies to report their beneficial owners to the registers.

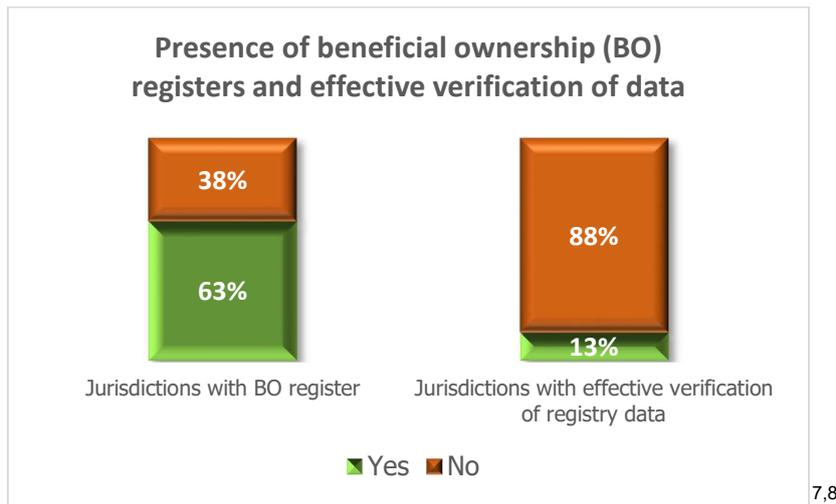
2. Availability and quality of beneficial ownership information: the international landscape

However, international experience shows us that simply having a beneficial ownership register is not enough to achieve adequate compliance with transparency standards for legal persons and arrangements. In fact, such registers are increasingly common in many countries, particularly as a result of the transposition of the EU's "5th AML Directive"⁶ (with requirements that have been further strengthened by subsequent EU Directives and Regulations).

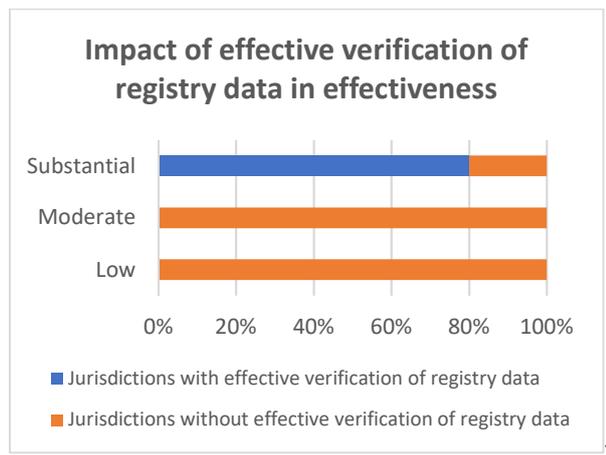
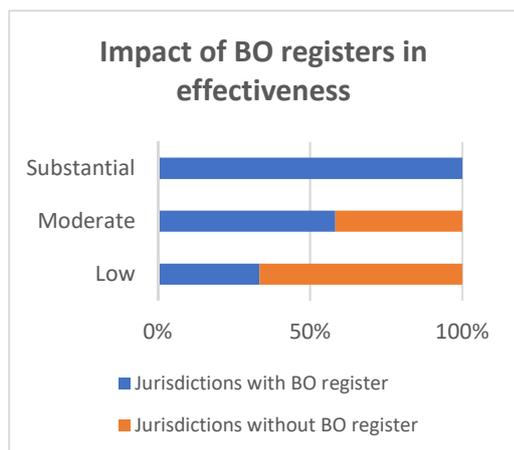
Looking specifically at the countries within the MONEYVAL framework, of which Andorra is a member, this prevalence is indeed confirmed:

⁵ OECD (2019), Global Forum on Transparency and Exchange of Information for Tax Purposes: Andorra 2019 (Second Round): Peer Review Report on the Exchange of Information on Request, Global Forum on Transparency and Exchange of Information for Tax Purposes, OECD Publishing, Paris, <https://doi.org/10.1787/7f57533b-en>.

⁶ Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (Section 3): [EUR-Lex - 02015L0849-20241230 - EN - EUR-Lex](#).



It is also confirmed that the presence of these registers has not necessarily led to positive ratings. In fact, most countries have not received high ratings, and the only five jurisdictions in the MONEYVAL area that achieved a “substantial” effectiveness rating⁹ generally have robust mechanisms to verify the accuracy and ensure the quality of registered data, and other risk-mitigating measures:



2.1. Common issues

A horizontal review of the 5th round of mutual evaluation reports¹⁰ reveals a series of trends, commonalities, and areas for improvement that are relatively widespread and help explain the above results. More specifically:

- Inadequate assessment of ML/TF risks associated with legal persons and arrangements (no comprehensive, formalised or documented risk study).

⁷ Source: own elaboration based on the Moneyval mutual evaluation reports available at: <https://www.coe.int/en/web/Moneyval/jurisdictions>. The situation reflected is, therefore, that present in the country at the time of the mutual evaluation, which may not be the same as the current one. In fact, in a significant number of jurisdictions reference is made to BO registers not yet operational, but with an expectation to become operational soon.

⁸ The category “No” refers to situations where the quality of BO data has not been considered sufficient, ranging from a total absence of verification, to having verification elements that were not assessed as sufficient to ensure the adequacy and currency of data, or others.

⁹ The effectiveness ratings according to the FATF Methodology are: “low”, “moderate”, “substantial” and “high”. The first two correspond to situations where “fundamental” or “major” improvements are needed, while the latter two correspond to situations where the improvements needed are only “moderate” or “minor”. At a global level, no country (in the last concluded round of mutual evaluations) has achieved a “high” rating in Immediate Outcome 5 (the one concerning transparency of legal persons and arrangements) and only 17 a “substantial” one.

¹⁰ Moneyval 5th round of mutual evaluations, equivalent to FATF 4th round, that went from 2015 to 2024 ([Mutual Evaluations - Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism](#)).

- Registers of beneficial owners that do not cover all types of legal persons and arrangements (where applicable) incorporated in the country or operating under its legislation.
- Beneficial ownership data available in the country (whether through registers or other sources) lacks sufficient quality and is not adequately updated.
- AML/CFT competent authorities are under-resourced, and cooperation among them is insufficient. As a result, knowledge and expertise are fragmented across authorities, with no coordinated national effort.
- The main source of beneficial ownership information being obliged entities, many of which have poor compliance with AML/CFT obligations and/or rely excessively on customers' self-declarations.
- Lack of sanctions or inadequate sanctions to ensure compliance with beneficial ownership reporting obligations.
- Difficult access to beneficial ownership information by competent authorities (e.g. judicial orders are required).
- Limited involvement of obliged entities ("gatekeepers") in the management, administration, and intermediation of transactions and structural changes of legal persons and arrangements; or insufficient regulation of these obliged entities.
- Widespread use of nominee arrangements (nominee shareholders and/or directors), often for unclear or non-transparent purposes.

Furthermore, other international initiatives also emphasize the importance of having reliable and verified information on the beneficial owners of legal persons and arrangements. One example is the various studies promoted by the organisation Transparency International¹¹.

Although their report "Through the Keyhole"¹² focuses on a specific case (the UK's "Register of Overseas Entities" and the transparency shortcomings they found¹³), its findings highlight a number of potentially relevant issues for any country that has one (or several) beneficial ownership registers—which would include Andorra. These issues would encompass the following:

- Entities required to submit information to the register fail to do so, and, therefore, registers do not have complete information on all the types of legal persons in the country in question. Available sanctions are either not enforced or insufficient to ensure an adequate level of compliance.
- Incorrect identification of beneficial owners with the purpose of obscuring the ownership and control structure and the true owner.
- Trusts (or "*fideicomisos*", or similar legal arrangements) that ultimately control a company, whose information is less accessible.

¹¹ International non-governmental organisation, with headquarters in Berlin, that supervises and promotes measures against corporate crimes and political corruption internationally. It annually publishes the Corruption Perception Index ([About - Transparency.org](https://www.transparency.org)).

¹² *Through the Keyhole. Emerging insights from the UK's register of overseas entities.* Authors: Steve Goodrich and Ben Cowdock. Published on February, 2023 ([Through the Keyhole | Transparency International UK](https://www.transparency.org)).

¹³ More precisely, the study highlights British companies with unknown beneficiaries, unknown or anonymous foreign companies that own real estate in the UK or opaque structures with trust in their control structure, among other situations.

- False declarations that the company has no beneficial owners, with directors or senior management officers being reported instead.
- Company service providers being declared as the beneficial owners of the legal persons or arrangements they establish, in unjustified cases (where clients continue to exercise actual control over the structure and underlying assets).

2.2. Good practices, lessons learned, and strengthening of the standards

What would be necessary, therefore, to achieve a high level of transparency regarding legal persons and arrangements that are established, administered, or otherwise operate in a country, in order to ensure strong compliance with international standards and prevent their misuse in fraudulent schemes?

Firstly, a review of the reports from the latest round of mutual evaluations also allows us to identify a series of good practices and “lessons learned,” the implementation of which has generally led to good levels of compliance, such as:

- Availability of up-to-date, well-documented ML/TF risk assessments of legal persons and arrangements, based on comprehensive data and involving all relevant stakeholders (judicial and law enforcement authorities, FIUs, supervisors, registries, tax authorities, obliged entities...)
- Authorities (and other actors, such as obliged entities, if so defined) have direct or timely access to beneficial ownership information.
- Availability of specific measures (prohibitions, licensing requirements, activity and transaction flow checks, mandatory reporting, updating and public disclosure of links between nominators and nominees) to mitigate certain risks, such as the use of shell or fictitious companies, or misuse of nominee arrangements (directors, shareholders).
- Existence of beneficial ownership registers with complete, adequate, and up-to-date information, accompanied by robust verification and risk mitigation mechanisms, such as risk assessment and scoring, annual information confirmations, checks on the fitness and properness of parties (directors, members, etc.), mandatory provision of ownership and control structure charts, powers to conduct on-site inspections, initial and periodic screening against international sanctions lists, PEP lists, and adverse media, provision and analysis of financial statements, etc.
- Interconnection between different national registers (of companies, beneficial owners, real estate, bank accounts, etc.).
- Mandatory requirement for legal persons and arrangements to have a bank account in the country or to use the services of an obliged entity established in the country (e.g., a company service provider).
- A high number (or in any case, a number proportionate to the country's risk profile¹⁴) of investigations and criminal prosecutions involving legal persons and arrangements and related actors.

Secondly, and even more importantly, we have also seen how international transparency standards, which are constantly evolving, have recently been significantly strengthened, from

¹⁴ In this sense, not all countries have the same degree or type of exposition to ML/TF risks associated to legal persons and arrangements. Therefore, the expectations regarding the number of investigations and prosecutions will also be different. That means that it is not comparable the risk profile of a jurisdiction that is an International financial and company incorporation centre with a widespread use of complex structures and that allows the creation of legal arrangements operating under the country's law without any other links, with the risk profile of another country where only legal entities with basic characteristics can be incorporated, that have justified commercial activity in the country, that it does not allow for the creation of legal arrangements and where the number of legal persons is not high.

two main perspectives as outlined below. These enhanced standards include some of the good practices described above—or rather, jurisdictions that had already begun to implement these practices were doing so in anticipation of the entry into force of the new and reinforced standards.

6th Round of Mutual Evaluations¹⁵

The new round of mutual evaluations, which is expected to begin in Andorra in the last quarter of 2026, comes with substantial changes to Immediate Outcome 5 and Recommendations 24 and 25, which are the components of the FATF assessment methodology that address the transparency of legal persons and arrangements. Notably, under this round, assessed jurisdictions are expected to implement the following:

- Apply the transparency requirements to all legal persons and arrangements that can be established in the country (i.e., not only companies, but also other types of entities such as associations and foundations).
- Apply risk assessment and beneficial ownership information requirements also to foreign legal persons that have “sufficient links”¹⁶ with the country.
- Ensure that there is more than one source of beneficial ownership information, among the following: beneficial ownership register, public authority or body (e.g., the FIU or tax authority—in any case, not just one authority or body), “alternative mechanisms” (e.g., interconnection of multiple registers or private bodies or organisations), regulators, stock exchanges, or obliged entities.
- Ensure that the basic and beneficial ownership information of legal persons is adequate, accurate (i.e., verified through reliable and independent sources or via mechanisms such as discrepancy reporting), and up to date (with reasonable frequency, e.g., within one month upon a change).
- Competent authorities (especially law enforcement, judicial authorities, and the FIU) must have fast and effective access to basic and beneficial ownership information. Furthermore, registers must enable access to this information for foreign authorities, should consider granting access to obliged entities, and may even consider make it publicly available.
- Apply risk mitigation measures in relation to bearer instruments (prohibition, conversion to registered instruments, or immobilisation with an intermediary).
- Apply risk mitigation measures in relation to nominee directors and shareholders (prohibition, registration of the identity and the nominee agreement, public disclosure of such information, or requiring a license to provide nominee services).
- Similarly to legal persons, apply risk assessment and mitigation measures to legal arrangements without legal personality (trusts and similar structures), ensure the availability and timely access to adequate, accurate, and up-to-date basic and beneficial ownership information, and apply proportionate and dissuasive sanctions in case of non-compliance.

¹⁵ Moneyval 6th round of mutual evaluations, equivalent to the FATF 5th round, which started in 2024, whose first reports are adopted in June and October 2025, and are expected to be published in December 2025.

¹⁶ Some examples of “sufficiency” tests to indicate links would be a significant economic activity, the establishment of branches or agencies in the country, having significant business relationships with obliged entities in the country, owning real estate or other local investments, being tax resident in the country or hiring employees.

New European Union Regulations¹⁷

The new European legislation introduces numerous and extensive provisions regarding the requirements for identifying, making available, and registering beneficial owners, which are largely aligned with the FATF standards described above, even if in some cases the approach can be more prescriptive or go a step further. More specifically, and as additional novelties, the following points are worth highlighting:

- Countries must have central registers of beneficial ownership, and these must contain basic information, beneficial ownership data, and information on nominee arrangements for legal persons, trusts and other similar structures (whether or not they have legal personality), as well as foreign entities¹⁸ (under certain circumstances).
- The information to be reported to the central register by legal persons and arrangements must be adequate, accurate, and up to date. It must include the identification details of beneficial owners, the nature, date, and extent of the beneficial interest they hold (whether through ownership or other means), basic information about the legal person (legal form, address, representatives, etc.) or legal arrangement (trust deed, parties involved, assets, etc.), and a description of the ownership and control structure (indicating relationships and ownership percentages between the various individuals and entities involved), among other details.
- Beneficial ownership information must be submitted to the central register at the time of incorporation, updated within a maximum of 28 days after any change occurs, and verified annually by the legal person or arrangement.
- Legal persons and arrangements must document the steps and actions taken to identify their beneficial owners. If none can be identified, they must submit a declaration to this effect to the central register and provide the identification data of senior management officials.
- For those categories of legal entities deemed to be at a higher risk of ML/TF, the European Commission may determine a lower threshold than the standard of 25% participation to the share capital (down to a maximum of 15%) to indicate direct ownership.
- Foreign entities must provide information to the central register when they establish a business relationship classified as medium-high or high ML/TF risk with an obliged entity in the country (who must inform the foreign entity of the requirements and request an extract from the register), acquire real estate or certain high-value goods, or are awarded a public contract. The obligations apply as long as the situation that triggered them persists.
- Registers must verify beneficial ownership information at incorporation and periodically thereafter, through checks and on-site inspections of registered entities.

¹⁷ Known as the “AML Package”, which includes: (i) Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (the “single rulebook”); (ii) Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (the “6th AMLD”); (iii) Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (the “AMLA Regulations”); and (iv) Regulation (EU) 2023/1113 of the European Parliament and of the Council of 31 May 2023 on information accompanying transfers of funds and certain crypto-assets. In this article, reference is made to the first two legal instruments.

¹⁸ Legal persons incorporated abroad or legal arrangements administered abroad or whose trustee or equivalent figure is established abroad.

- Register data must be accessible to competent AML/CFT authorities, tax authorities, authorities enforcing international sanctions, self-regulatory bodies, supranational authorities¹⁹, obliged entities (for due diligence purposes), and individuals who can demonstrate a legitimate interest.
- Competent AML/CFT authorities and obliged entities must report discrepancies between the beneficial ownership information they hold and what is in the register. The register must resolve these discrepancies within a maximum of 30 days and amend the recorded information if necessary.
- Registers must verify that legal persons and structures are not subject to international sanctions or controlled by sanctioned individuals, and must make this information visible in the registry data.
- Registers must have the power to impose sanctions (including financial penalties) on registered entities in cases of non-compliance with beneficial ownership information requirements.
- Registers must report ML/TF suspicions to the FIU.
- Beneficial ownership information must be retained for five years after the dissolution of the legal person or arrangement.
- Central beneficial ownership registers in each Member State must be interconnected at the European level through the BORIS system²⁰.

Thus, in light of the above, and despite progress made to date, Andorra will need to intensify its efforts to comply with these requirements²¹, including legal amendments, the implementation of new mechanisms and necessary technological developments, as well as making greater use of some of the information verification tools already available (e.g. discrepancy reporting).

3. Foreign Investment

The liberalisation of foreign investment since 2012, through Law 10/2012, of 21 June, on foreign investment in the Principality of Andorra, and its subsequent amendments²², as well as the Regulation of 1 August 2012 implementing Law 10/2012 and its subsequent amendments²³, has gradually led to a shift in the country's risk profile, considering the new typologies of companies and beneficial owners, as well as the number of such entities incorporated as a result of said liberalisation.

Based on data from the Department of Statistics²⁴, we observe the following trends in the applications for direct foreign investment:

2020		2021		2022		2023		2024	
#	Value (EUR)								

¹⁹ The European Anti-Money Laundering Authority (AMLA), the European Public Prosecutor's Office (EPPO), the European Anti-Fraud Office (OLAF), Europol, Eurojust.

²⁰ Beneficial Ownership Registers Incorporation System ([Beneficial ownership registers interconnection system \(BORIS\) | European e-Justice Portal](#)).

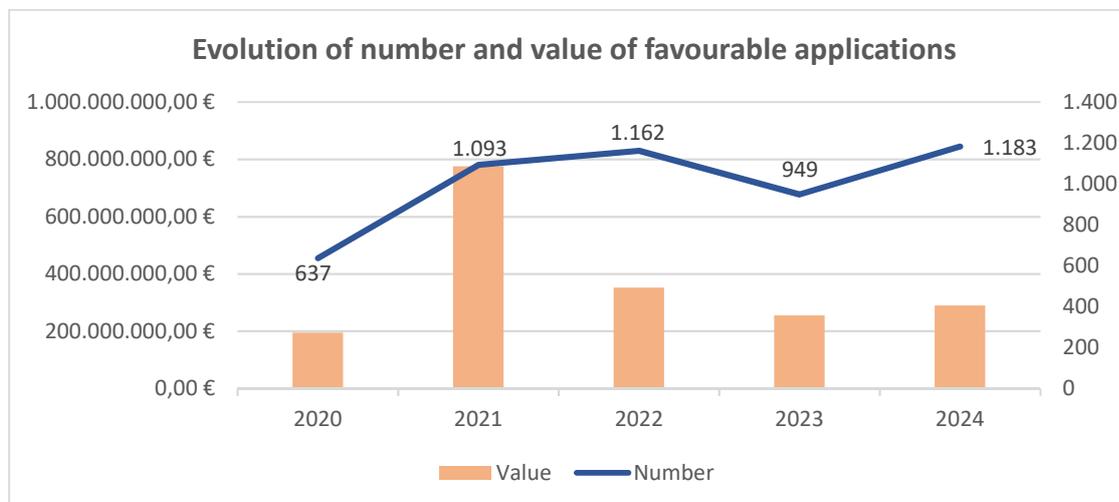
²¹ The Regulations and Directive of the "AML Package" are part of the annex of the Monetary Agreement between Andorra and the European Union, as agreed in the Joint Committee in November 2024, and published on July 23rd, 2025 (https://www.bopa.ad/Documents/Detail?doc=GLT_2025_07_24_09_13_15) (in Catalan).

²² Mainly Law 16/2018, of July 26, supporting business activity and promoting entrepreneurship, and Law 3/2024, of February 1st, on the tax on foreign investment in real estate in the Principality of Andorra.

²³ Mainly the Decrees of August 28, 2012 and September 5th, 2018, that amend the Regulation implementing Law 10/2012.

²⁴ Own elaboration using the data available at: [Activitat estadística | Departament d'Estadística del Govern d'Andorra](#) (in Catalan).

Filed	671	219.404.213,98	1.139	823.153.427,15	1.251	396.032.158,18	1.009	281.437.391,91	1.297	300.683.920,10
Favourable	637	194.738.803,98	1.093	775.319.166,15	1.162	351.677.537,95	949	255.172.227,40	1.183	290.063.272,30



As we can see, there has been an increase of over 85% in the number of applications approved in 2024 compared to 2020, and of nearly 49% in terms of the invested value. The peak reached in 2021 is noteworthy, especially regarding the value of the investments, after which somewhat of a downward trend can be observed in the amounts invested.

Regarding the different sectors of activity, when considering the data on formalised investments²⁵ during the 2020–2024 period, there is a predominance of "provision of services" activities and, to a lesser extent, wealth management and trade in terms of the number of applications; and of wealth management, provision of services and real estate development in terms of investment amounts, with significant values (exclusively in 2024) in the trade and especially the hotel sectors.

As for the investors' nationalities, Spain, France and Andorra²⁶ stand out throughout the 2020–2024 period, both in the number of applications and the amounts invested, with some notable exceptions to this pattern corresponding either to one-off investments (such as the Cayman Islands in 2021 or Luxembourg in 2022 and, to a lesser extent, 2024), or to specific cases like the United Kingdom, which, although already present in previous years, experienced a significant increase in 2024 (rising from 9.38% of the value of formalised investments in 2023 to 33.82% in 2024).

Foreign direct investment has outpaced real estate investment in terms of the number of investments throughout the 2020–2024 period, maintaining relatively stable figures (around 500). However, in terms of investment amounts, although foreign direct investment was higher than real estate investment from 2020 to 2023 (only slightly in 2023), in 2024 the amount of the latter exceeded that of direct investment (approximately 378.5 million euros in foreign real estate investment), showing a clearly upward trend.

It is worth noting that, at the request of the Foreign Investment Registry, the UIFAND analysed 24 foreign direct investment applications in 2024 (for more detail on how these requests were processed and followed upon, please refer to the Operational Area statistics of this activity report).

²⁵ It is to be understood as formalised investments, according to the information available at the Department of Statistics, those authorised investment requests that have been formalised before an Andorran notary in a particular year.

²⁶ The category "Andorra" includes cases where 50% of the investment is foreign.

In any case, the shift in the country's risk profile due to the data presented on foreign direct investment must be accompanied by sufficient control measures. In this regard, the additional measures introduced by *Decree 137/2025, of 9 April 2025, approving the Regulation on Foreign Investment*²⁷ (which repeals the previous implementing regulation), are very welcome. This regulation introduces controls by the Foreign Investment Registry to verify that applications do not involve prohibited foreign investments and that authorised investments are able to prove their effective economic activity within 18 months by providing evidence of the registration of a business, a minimum turnover, and compliance with accounting and tax obligations.

It also sets out the requirement for authorised foreign investments to be formalised before a notary, and the procedures for data exchange between notaries and the Administration.

These measures are intended to be a first step towards greater alignment with international standards on the transparency of legal persons and, more specifically, to help mitigate the risks associated with shell companies lacking real economic activity.

4. Regulation of obliged entities

In the area of transparency of legal persons and arrangements, the role and degree of involvement of obliged entities is also essential. This is because one of the main risks associated with these vehicles arises in situations where the involvement of such entities is limited to the incorporation or provision of a business address, without participating in the administration, direction or management of the entity, acting as intermediaries in its transactions, or having visibility over changes in its ownership and control structure.

This results in the creation of vehicles, with or without legal personality, that can operate internationally under the country's legislation (thus potentially causing serious reputational consequences), but for which there is insufficient visibility over their operations, thereby limiting the ability of competent AML/CFT authorities to act. Establishing obligations that entail a greater degree of involvement by obliged entities (notaries, lawyers, accounting advisers, banks, company service providers, etc.), or by other stakeholders such as agents or representatives of the legal entity in the country, serves as an effective measure to mitigate these risks.

In Andorra's case, while obliged entities such as lawyers, notaries or banking institutions are subject to robust market entry controls, administrative service providers ("*gestors administratius*") are not in the same situation.

In Andorra's mutual evaluation report of September 2017, it was already highlighted that the level of involvement of these service providers ("*gestories*") in the creation and administration of legal persons and arrangements (local or foreign) had not been sufficiently assessed, nor had their associated ML/TF risks, nor their supervision or market entry controls. Although some initiatives aimed at further professionalising the sector have been undertaken, such as the creation of the Association of Administrative Service Providers and steps taken to regulate the sector²⁸, there is still progress to be made.

For AML/CFT supervision purposes, all the aforementioned obliged entities fall under the supervision of UIFAND. Specifically for company service providers, the UIFAND has focused efforts on this sector during the 2024 financial year in terms of its supervisory, sanctioning, and operational activities. The reasons for this focus include the medium risk rating attributed to the sector in the latest National Risk Assessment, the results of previous inspections,

²⁷ [El Govern aprova un nou Reglament d'inversió estrangera - Govern d'Andorra](#) (in Catalan)

²⁸ [El Govern d'Andorra i l'Associació de Gestories s'alien per aprovar la regulació del sector i acabar amb el buit actual](#) (in Catalan)

suspicious transaction reports submitted to the UIFAND, and international cooperation requests from foreign counterparts.

In this regard, a series of thematic inspections were carried out on 21 entities in the sector (and 4 more of a general scope), the main aggregated conclusions of which can be found in the information note published on 1 April 2024²⁹. As a result of these inspections, 4 administrative sanctioning proceedings were initiated and concluded (between 2024 and 2025), some of which stemmed from very serious breaches, leading to the imposition of substantial financial penalties. At the operational level, two suspicious transaction reports submitted by the sector were analysed and resulted in the opening of files. For more information on these actions, please refer to the relevant sections of this activity report.

Despite the work already carried out, UIFAND's efforts regarding this sector and the rest of the obliged entities will remain strong in the coming years.

5. Conclusions

As shown throughout this article, transparency requirements for legal persons and arrangements—intended to ensure the availability of adequate, accurate, and up-to-date information on their beneficial owners—have been significantly reinforced in recent years and will remain an international priority going forward. This occurs at a time when, in the Andorran context, cases have been detected involving company service providers with poor compliance with AML/CFT obligations, the use of Andorran companies in fraudulent schemes, a shift in the country's profile in terms of company incorporation by foreign beneficial owners, and a historically significant number of inactive companies posing a risk.

For all these reasons, and especially in view of the upcoming MONEYVAL 6th round of mutual evaluations, it is particularly important that Andorra continues to demonstrate a strong commitment to adopting international standards, so that the country remains a trustworthy jurisdiction (which is also essential to attract foreign investment that adds value) and continues to maintain a strong reputation in the field of preventing and combating financial crime.

Gerard Prast Clavero

Supervision Division

²⁹ [01/04/2025 - Informative note addressed to the obliged entities, especially to the sector of Trust and Company Service Providers \(TCSPs\)](#)

Adoption of the new European AML/CFT regulatory package and future perspectives

I. Introduction

The adaptation of European financial law to the Andorran regulatory framework constitutes a key element in the process of legal harmonization initiated with the signing of the Monetary Agreement between the Principality of Andorra and the European Union in 2011³⁰. This Agreement, which is technical in nature but with political and legal implications, establishes Andorra's commitment to periodically align its legislation with the legal acts, regulations, and amendments of existing European Union texts in areas such as financial supervision, market transparency, and the prevention of money laundering and the financing of terrorism (hereinafter, AML/CFT).

Within this framework, the Joint Committee, which serves as the cooperation body between representatives of the Government of Andorra and the European Commission, meets annually to assess the degree of compliance with the Agreement, to agree on the regulatory texts to be adopted, and to strengthen technical and legal coordination between both parties. In this context, at the thirteenth meeting held on 5 November 2024, the Principality of Andorra undertook the commitment to incorporate, no later than 31 December 2028, the new European legislative package on AML/CFT, spearheaded by Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024.

This legislative package introduces significant innovations compared to previous legal instruments, both in terms of content and regulatory structure. For the first time, the legislative package is structured as follows: (i) a directive focusing on the organizational and institutional aspects that Member States—and eventually Andorra—must adopt; (ii) a regulation establishing harmonized technical and practical prevention obligations applicable to obliged entities; (iii) a regulation concerning the creation of the European Anti-Money Laundering Authority (“AMLA”); and (iv) a regulation regarding the information accompanying transfers of funds and certain crypto-assets.

This new regulatory framework will require substantial amendments to Andorran legislation, going beyond minor adjustments, with the aim of ensuring its full integration and effectiveness.

The following sections analyse the content of the European legislative package and, at the same time, the legislative and institutional implications for the Principality of Andorra, taking into account both future evaluation processes by international bodies

³⁰ Original text of the Monetary Agreement between the Principality of Andorra and the European Union in 2011. Available at: <https://www.bopa.ad/Documents/Detail?doc=73FBE>

and the practical impact on the activities of public institutions, economic operators, and obliged entities.

II. Chronological overview of the legislation

Andorra has undergone a process of consolidation and progressive adaptation of its legal framework in AML/CFT matters, following FATF recommendations and European guidelines in line with the commitments derived from the Monetary Agreement.

To better understand the context, it is important to note that European AML/CFT regulation has evolved consistently and progressively since the 1990s in response to the growing threat of transnational crimes and new forms of financial criminality. This has led to the expansion and refinement of the regulatory framework through the implementation of six directives and two additional regulations related to information accompanying fund transfers and the movement of cash, all of which reinforce the integrity of the European Union's financial system.

In this regard, the first Directive (91/308/EEC) was adopted in 1991, focusing exclusively on drug-related offences and applicable only to financial institutions. As crime became more sophisticated, a second Directive (2001/97/EC) was introduced in 2001, expanding both the scope of predicate offences³¹ and the range of obliged entities, now including professionals such as lawyers, notaries, and real estate agents.

The third Directive (2005/60/EC), adopted in 2005, introduced the risk-based approach, with a special focus on customer due diligence and the identification of beneficial ownership. This approach was reinforced ten years later with the fourth Directive (EU) 2015/849, which responded to new threats such as terrorism and cybercrime, and included measures like the creation of beneficial ownership registers.

The fifth Directive (EU) 2018/843 increased transparency in registers and brought virtual asset service providers (VASPs) within the scope of obliged entities.

Finally, the sixth Directive (EU) 2018/1673 marked a milestone in criminal harmonisation by establishing a common definition of money laundering and introducing the criminal liability of legal persons.

This regulatory development demonstrates the clear intent of European institutions to stay ahead of emerging forms of economic crime, establishing an increasingly stringent, comprehensive, and cross-cutting legal system.

In the Andorran context, the first steps towards aligning with EU directives came with the Law on International Criminal Cooperation and on the Fight against Money Laundering of Proceeds from International Crime, dated 29 December 2000, along with its subsequent amendments. It is worth highlighting that this Law already included

³¹ The predicate offense (also called underlying, prior, or antecedent offense) is the original crime from which the money or assets that are later laundered originate. In other words, before a money laundering offense can occur, there must have been a criminal activity that generated illicit financial gains.

provisions on both international criminal cooperation and anti-money laundering measures.

A major leap was made with Law 14/2017, of 22 June, on the prevention and fight against money laundering and terrorist financing (hereinafter “Law 14/2017”). This legislation represented a turning point, as it became the first and only consolidated legal text in Andorra dedicated to AML/CFT, while also incorporating numerous and significant legislative innovations.

It marked a key moment in Andorra’s legal framework against money laundering. For the first time, a law was specifically aligned with European directives, particularly Directive (EU) 2015/849 of the European Parliament and of the Council (the “Fourth Directive”), signifying a strong step toward regulatory alignment with the European context.

Furthermore, the legal foundations established by this law enabled the Principality—from the issuance of the MONEYVAL³² mutual evaluation report (MER) in September 2017 until the third progress report in November 2021—to position itself among the leading countries in the fight against money laundering. An example of this progress is reflected in the 2021 Basel AML Index, which analysed 203 jurisdictions and ranked Andorra first in the world as the country where money laundering is most difficult to carry out—an elite position the Principality has maintained ever since.

Moreover, and as previously anticipated, this Law has been amended on several occasions since its approval in 2017, with the following being the most significant:

- In 2018, through Law 21/2019 of 28 November, various changes were introduced, including new definitions such as that of “funds.” Following MONEYVAL’s recommendations, the definition of funds in Article 366 bis of the Qualified Law 9/2005 of 21 February, of the Criminal Code, was revised in line with FATF Recommendation 5, which concerns the criminalisation of terrorist financing; and
- In 2022, through Law 37/2021 of 16 December, with the objective of transposing the Fifth Directive (EU) 2018/843 and updating the legislation in accordance with FATF recommendations. Among the notable changes introduced by this reform were the inclusion of virtual asset service providers as obliged entities, access to information on beneficial owners, as well as the creation of the Register of Financial Accounts and Equivalent Instruments.

It is also important to note that, although this discussion focuses on AML/CFT-specific legislation, both the European directives and FATF standards have driven other equally relevant legislative reforms in this field. A key example is Qualified Law 45/2022

³² Moneyval: The Committee of Experts on the Evaluation of Measures against Money Laundering and Terrorist Financing - MONEYVAL is a permanent monitoring body of the Council of Europe responsible for assessing compliance with key international standards to combat money laundering and terrorist financing, as well as evaluating the effectiveness of their implementation. It also provides recommendations to national authorities on necessary improvements to their systems. Through a dynamic process of mutual evaluations, peer reviews, and regular follow-ups on its reports, MONEYVAL aims to enhance national authorities' ability to fight money laundering and terrorist financing more effectively. Source: <https://www.coe.int/en/web/moneyval>.

of 22 December, amending Qualified Law 9/2005 of 21 February, of the Criminal Code, which broadened the concept of predicate offence, establishing that any offence may be considered as such, thereby eliminating the former system of a predefined list of crimes that could give rise to money laundering.

In conclusion, this legislative and institutional evolution underscores the importance of maintaining a clear and rigorous strategy, especially in view of implementing the pending new directives, in order to ensure continued alignment with European and international standards.

III. The new European regulatory package

In May 2024, the European Parliament and the Council of the European Union approved a new AML/CFT regulatory package. Unlike the previous approach, this is not a single directive encompassing all preventive aspects, but rather a coordinated set of legal instruments, including:

- A directive governing national mechanisms for combating money laundering and terrorist financing (Directive (EU) 2024/1640);
- A single regulation establishing obligations for the private sector to prevent money laundering and terrorist financing (Regulation (EU) 2024/1624);
- A regulation establishing the European Anti-Money Laundering Authority (AMLA) (Regulation (EU) 2024/1620);
- A regulation, adopted in 2023, that updates the existing framework on fund transfers by expanding its scope to cover crypto-asset transfers (Regulation (EU) 2023/1113).

Before presenting the substantive content of the rules, it can be anticipated that this new regulatory scheme responds to a strategy aimed at uniformly harmonising AML/CFT regulations across all Member States. The fact that the regulations are directly applicable to EU Member States implies a mandatory coherence in key areas such as due diligence measures or restrictions on cash use—areas where differences between jurisdictions could previously exist.

Conversely, the Directive allows a certain margin of manoeuvre for States, as it regulates internal organisational aspects and facilitates the adaptation of resources and institutional systems, such as Financial Intelligence Units (FIUs) or other national supervisory authorities.

It is also important to highlight the role of AMLA, which will be responsible for supervising and coordinating the uniform application of AML/CFT rules across the European Union. This new Authority will have powers to directly supervise high-risk financial entities, strengthen cooperation between FIUs and national supervisors, and possess sanctioning capacity. For Member States, this represents more centralised supervision, a higher level of cohesion, and the obligation to adjust their institutional and legal frameworks to ensure effective cooperation with AMLA. Equally relevant is

its function to develop guidance and interpretative clarifications that facilitate the practical application of the regulation.

Thus, although the AMLA establishing regulation is not currently planned to be incorporated into the annex of the Monetary Agreement, the establishment of this new authority will have relevant indirect implications for the Principality, especially regarding international commitments and the desire to progressively align with European standards. To the extent that Andorran entities maintain cross-border relationships with EU counterparts or participate in European financial circuits, they will be subject to increased compliance and transparency requirements, which could motivate subsequent internal legislative reforms or future cooperation agreements with said European Authority.

On the one hand, regarding the normative content of Directive (EU) 2024/1640, the following stand out:

- New licensing, registration, and integrity requirements are established for certain obliged entities, such as providers of services to companies and trusts. In this regard, they must ensure that their senior management and beneficial owners meet integrity criteria and possess appropriate experience;
- The information to be transmitted to central registers of bank accounts (the Financial and Equivalent Accounts Register in Andorra) is extended to include securities accounts and crypto-asset accounts;
- Member States must enable a single, immediate, and free access point for relevant real estate information, including ownership, prices, previous owners, and transfers of property;
- The FIU.net system, intended for information exchange between FIUs of Member States, third countries, and European bodies, is improved and placed under the competence of AMLA.

On the other hand, regarding the obligations of obliged entities contained in Regulation (EU) 2024/1624, the following can be highlighted:

- The number of obliged entities is expanded to include dealers in high-value goods (for example, motor vehicles, high-value boats and aircraft), providers of crowdfunding services and intermediaries of such services, agents, and professional football clubs, among others;
- More detailed provisions on the functions of the management board member responsible for regulatory compliance are included;
- Due diligence measures are strengthened, adding the obligation to verify that the client is not subject to a sanctions regime;
- The identification information to be obtained from the client, their representative, and beneficial owner is specified, including legal structures such as trusts;
- Continuous monitoring of the business relationship is intensified, requiring updated information on the origin and destination of funds. Maximum update

deadlines are also established: one (1) year for high-risk clients and five (5) years for others;

- FIUs may request information on suspicious transactions with a response time of five working days, reducible to less than twenty-four hours in urgent and justified cases.

This set of measures significantly strengthens the European AML/CFT framework, so Andorra, under the lens of the Monetary Agreement and the desire for alignment with European standards, will need to carefully assess the implications of this new regulatory package, thereby determining the best way to adapt to emerging requirements.

IV. Interconnection with the sixth round of MONEYVAL evaluation

In the field of AML/CFT, Andorra is currently undergoing a particularly demanding period, marked by the coincidence of two major milestones: firstly, the timeline established for the implementation of the new European AML/CFT legislative package, with a deadline set for 31 December 2028; and secondly, the scheduled start of the sixth round of MONEYVAL evaluation, which will begin in the last quarter of 2026.

This simultaneous timing creates a significant interaction between two processes of a different but complementary nature: while the first entails an internal adaptation of the Andorran legal system to align with the latest European and international standards, the second constitutes an external evaluation exercise to assess the technical compliance³³ and effectiveness³⁴ of the current system, according to criteria established by the Financial Action Task Force (FATF).

Indeed, the MONEYVAL evaluation analyses both the degree of normative alignment with the 40 FATF Recommendations and, above all, the effective implementation of the measures adopted, in accordance with the new FATF methodology approved in August 2024. This new methodology represents a substantial update compared to the previous one, especially concerning the content and focus of evaluations, placing emphasis on the effectiveness of the measures, that is, verifying practical results through the achievement of the eleven immediate outcomes reflecting the real impact of the policies and legislative framework implemented.

³³ Technical Compliance: Each assessment examines whether a country has all the necessary laws, regulations, and legal instruments in place, in accordance with the technical requirements of the 40 FATF Recommendations. This legal, regulatory, and operational framework forms the foundation of an effective system to deprive criminals of the proceeds of their crimes and terrorists of their financing, as well as to prevent the harm they may cause to society. Source: *FATF Assessment Methodology (2022)*.

³⁴ Effectiveness: Each assessment will focus particularly on effectiveness, ensuring that countries implement and apply the laws, regulations, and policies being adopted. A country must demonstrate that, in the context of the risks it faces, it has an effective framework to protect the financial system from abuse. There will also be greater emphasis on major risks and contextual factors. This will ensure that countries, and the evaluators reviewing them, focus on high-risk areas rather than lower-risk areas where it is comparatively easier to initiate investigations and secure convictions. The assessment team will examine 11 key areas, or immediate outcomes, to determine the level of effectiveness of a country's efforts. Source: *FATF Assessment Methodology (2022)*.

Likewise, this new evaluation round will be based on the methodology in force and the legislation applicable at the time of the on-site visit (planned for April 2027), which will limit consideration of reforms still in the process of adoption or regulatory development. This temporal gap between the deployment of the new European regulatory framework and MONEYVAL's formal assessment poses a strategic challenge for Andorra, especially regarding its international credibility and commitment in AML/CFT matters.

Nevertheless, the importance of the new European legislative package is not limited to its potential inclusion in the mutual evaluation report. The subsequent follow-up mechanisms allow jurisdictions to provide updated information on measures taken following key recommendations. In this regard, the first follow-up report, to be submitted within three years after the mutual evaluation report (MER), expected at the end of 2028, will become a key opportunity for Andorra to demonstrate the effective implementation of the new European package and thus strengthen its rating in terms of technical compliance and effectiveness.

This fact underscores the necessity to strategically plan the implementation of the new European regulatory package, not only to comply with the implementation obligation but also as an essential tool for the progressive improvement of the international assessment of Andorra's preventive system. In conclusion, adequate scheduling and effective implementation—including practical and supervisory measures—can have a significant impact on future MONEYVAL evaluations and, by extension, on the Principality's international reputation.

At the same time, this situation highlights the importance of fostering active dialogue between regulatory and supervisory authorities and the obliged entities within the Andorran system, to ensure an orderly, coordinated, and aligned normative transition with evolving international requirements. Indeed, the interconnection between both processes should not be perceived as a difficulty, but as an opportunity to consolidate the solidity and modernization of Andorra's AML/CFT system.

V. Impacts of adopting the package

The adoption and implementation of the new regulatory package will entail modifications to Andorra's internal legal framework and will not be limited to the formal incorporation of European provisions, but will require a thorough review of the existing system, both materially and institutionally and operationally. This regulatory process will involve, among other aspects, the incorporation of new definitions, the establishment of additional and specific requirements regarding beneficial ownership transparency, strengthened regulation of virtual assets, limitations on cash payments, and the expansion of due diligence obligations. Likewise, a comprehensive review of the normative system will be necessary to avoid duplication or contradiction with other regulations and to ensure internal coherence.

It is important to highlight that this new package affects not only the legislative sphere but also the institutional and administrative domains. Indeed, it is expected that national authorities will have to assume new competences and responsibilities derived from the European framework's requirements. For example, intelligence units—

namely UIFAND—will have to reinforce their capacity for analysis, supervision, coordination, and international cooperation. Public registries, police and judicial authorities, and other supervisory bodies will also be affected.

Thus, it is foreseeable that any institutional strengthening will be accompanied by improvements in information systems and data exchange protocols, as well as the creation of formal coordination mechanisms among competent authorities. At the operational level, obliged entities will need to review their internal procedures and prevention systems, for instance, updating manuals, internal controls, and staff training policies.

Additionally, the reporting of both periodic and suspicious operational information by obliged entities to authorities, particularly UIFAND, will also be subject to changes, so the reporting systems of obliged entities will need to adapt accordingly.

In summary, the European AML/CFT package has been designed by Europe to restructure the regulations in this area and harmonize practical application among States, which indirectly implies a structural transformation by the countries that goes beyond the mere formal adaptation of rules.

VI. Application of the regulatory package in Andorra

The systematic scope of the new European AML/CFT regulatory package raises the need to assess, from a legal perspective, the most appropriate regulatory pathways for its integration into the Andorran legal system. Although we are still at an early stage, this reflection anticipates a future modification of the existing regulatory framework.

In this context, reforming the existing legislative corpus has the advantage of promoting regulatory continuity. Therefore, it would not be a mere exercise of legislative substitution but a process aimed at updating, adapting, and preserving the effective validity of AML/CFT provisions.

This approach would ensure the durability, coherence, and functionality of the current legal framework, facilitating its adaptation to new regulatory requirements, the correction of legal gaps, the resolution of ambiguities, and the strengthening of legal certainty.

Opting for this approach would also help preserve the formal stability of the legal text, insofar as it is based on already consolidated legal foundations within the national system. In this regard, the incorporation of a transitional additional provision that provides for the approval of a revised and consolidated text could be a useful tool to guarantee internal coherence of the regulatory framework, facilitate systematic interpretation, and offer clearer, more structured, and accessible regulation.

Alternatively, it should be noted that the scope and depth of the modifications required by the new European regulatory package—both in material and institutional terms—could have a significant impact on the original architecture of the law, complicating its systematization and compromising clarity. This is especially relevant in areas such as

supervisory functions, new substantive requirements, or specific obligations imposed on obliged entities.

This raises the possibility of drafting a new specific law which, unlike a mere modification, would entail adopting a comprehensive and harmonized regulatory framework structured according to the systematics and terminology of the Directive, the European Regulation, and the complementary provisions.

Indeed, the regulatory outcome will determine the degree of accessibility, understanding, and stability of the AML/CFT legal system at a time when it is subject to increasing demands for transparency, effectiveness, and international coordination. Therefore, it will be essential to guarantee a complete and functional integration of the new requirements, ensuring compatibility with pre-existing legal and institutional structures, as well as the capacity to adapt to the continuous evolution of international and European standards in the field.

VII. Conclusions

The Principality of Andorra is on the path to implementing part of the new European AML/CFT regulatory package, as it formally committed to in the Joint Committee held in November 2024 within the framework of the Monetary Agreement. This step is not optional but a legal and institutional requirement that demands a coherent and effective action plan.

The implementation of European regulations will position Andorra among the most advanced jurisdictions in AML/CFT, consolidating the country as a reliable and transparent actor, committed to the integrity of the international financial system.

Nevertheless, this task involves a significant legal and technical challenge. It is not only a legislative update but also a deep structural reform that requires determining the best pathway to achieve complete, coherent, and operational adaptation. All this must begin with a detailed evaluation of the impact of the regulations and the directive.

It is crucial to keep in mind at all times that the ultimate goal of this process is to protect the proper functioning of Andorra's economic system and maintain the Principality's leadership in the fight against money laundering and terrorist financing, thereby demonstrating its capacity and willingness to position itself at the forefront on this issue.

In summary, this new phase should be seen as an opportunity to consolidate a robust and modern system that ensures better protection of the Andorran financial system and actively contributes to the global fight against financial crime. For this reason, this transformation must be approached with responsibility, technical rigor, and a strategic vision to continue being an international reference.

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