1. **Basic information**
   1.1. CRIS Number: 2002/000-580-02-05  
      Twinning number: PL/IB/2002/FI/04  
   1.2. Title: Financial Intelligence Unit  
   1.3. Sector: Finance  
   1.4. Location: Poland  

2. **Objectives**

2.1. **Overall objective**
Preparation of the Polish Financial Intelligence Unit to effective fight with money laundering by adaptation of European Union (Council Decision of 17 October 2000 concerning arrangements for cooperation between financial intelligence units of Member States in respect of exchanging information) and Egmont Group standards of exchanging information, and developing relations with law enforcement agencies and other administrative bodies.

2.2. **Project purpose/immediate objective**
- Creation effective and secure channels (IT system - FIUnet) for exchange of information between Polish FIU and EU counterparts.  
- Creation effective and secure channels for exchange of information between Polish FIU and law enforcement agencies, public prosecutor office and other administrative services.

2.3. **Accession Partnership and NPAA priorities**
Reference to the Accession Partnership:
Free movement of capital  
- Strengthen surveillance and regulatory bodies including the Financial Intelligence Unit.  
- Ensure implementation of the recommendations of the Financial Action Task Force.

Reference to the National Programme of the Adaptation of the Acquis (NPAA) 2000:  
Priority 4.2. Preventing of money laundering – adaptation of law and creation of Financial Intelligence Unit.

Reference to the National Programme of the Adaptation of the Acquis (NPAA) 2001:  
Enactment of the Act of 16 November 2000 on Counteracting Introduction of Property Values Derived from Illegal or Undisclosed Sources into Financial Circulation (O.J. No 116, item 1216 with amendments) and creation Polish FIU in the beginning of the year 2001 fulfilled priority 4.2. Accession Partnership and therefore there was no a new priority concerning combating money laundering in NPAA 2001.

Reference to the Regular Report:  
- Strengthen surveillance and regulatory bodies including the Financial Intelligence Unit.  
- Ensure implementation of the recommendations of the Financial Action Task Force.

2.4. **Contribution to the National Development Plan** – N/A

2.5. **Cross Border Impact** – N/A

3. **Description**

3.1. **Background and justification**
The Polish Authorities have faced since 1992 the problem of money laundering, taking some steps in order to meet international anti-money laundering standards. On the 16th of November 2000 the Act on Counteracting Introduction of Property Values Derived from Illegal or Undisclosed Sources into Financial Circulation (O.J. No 116, item 1216 with amendments) was adopted ( came into force in the second half of the year 2001). The referenced piece of legislation has implemented the rules of the Council Directive 91/308/EEC on prevention of the use of the financial system for the purpose of money laundering.

On February 21, 2001 the Prime Minister, based on Article 3 (2) and (3) of the Act, nominated the General Inspector of Financial Information and from that moment intensive works started in order to create appropriate conditions for enforcement of the Act. The most important ones are:  
- establishment of the Department of Financial Information and building up a professional team,  
- assessment of the Act on its practical operations,  
- initiating the international cooperation with financial intelligence organisations and units,
- drafting of executive orders,
- initiating cooperation with obligated institutions,
- working out the cooperation relationships with the cooperating units referred to in the Act,
- undertaking the computerisation tasks.

All actions taken up within the preparatory stage aim at ensuring that tasks imposed on the General Inspector of Financial Information are comprehensively implemented.

The most imperative legislative tasks are: collection, storage, processing and analysing of information according to the procedures determined in the Act, as well as taking up actions to counteract introduction into financial circulation of property values derived from illegal or undisclosed sources.

Immediately after the General Inspector of Financial Information was nominated, the assessment of the Act was conducted in order to an from the point of view of its practical functioning. An initial, rough assessment of the number of subjects obligated and on the amount of information transmitted by these subjects was conducted.

It has been calculated that in Poland there is over 50 000 units obligated to transmit to the General Inspector of Financial Information the data specified in the Act. These subjects are expected to transmit approx. 1 000 000 information per month. This data encompasses information on all cash and non-cash (clearing) transactions exceeding EURO 10 000.

Taking into consideration, among others, a huge amount of information, the Polish government had prepared an amendment to the Act on 16 November, which after approval of Council of Ministers was presented to the Parliament and it is expected that the amendment will to be adopted by the end of June 2002. According to the proposal of the amendment:

1) the trash-hold will be 15 000 EUR;
2) the list of obligated institutions supposed to send information concerning the above mentioned transactions will be reduced to ca. 15 000 units (35 000 private insurance brokers without permanent offices will be obliged to send only STRs to the FIU). The list of obligated institution will be as follows:

<table>
<thead>
<tr>
<th>OBLIGED INSTITUTIONS</th>
<th>Number of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks – centrals</td>
<td>69</td>
</tr>
<tr>
<td>Cooperative Banks</td>
<td>642</td>
</tr>
<tr>
<td>Cooperative Savings and Credit Banks</td>
<td>126</td>
</tr>
<tr>
<td>Brokerage Houses</td>
<td>43</td>
</tr>
<tr>
<td>Casinos, games of chance, automatic machine games</td>
<td>184</td>
</tr>
<tr>
<td>Leasing companies</td>
<td>41</td>
</tr>
<tr>
<td>Insurance companies – centrals</td>
<td>71</td>
</tr>
<tr>
<td>Pension funds</td>
<td>20</td>
</tr>
<tr>
<td>Bureau of exchange</td>
<td>3471</td>
</tr>
<tr>
<td>Notaries</td>
<td>1407</td>
</tr>
<tr>
<td>Brokers</td>
<td>525</td>
</tr>
<tr>
<td>Investment funds</td>
<td>15</td>
</tr>
<tr>
<td>Post offices</td>
<td>7729</td>
</tr>
</tbody>
</table>

From the 1st of July 2004, information concerning transactions of value above 15000 EUR from all institutions will be transferred by the electronic way. It is clear that for the purpose of the processing of data, a sufficient analytical tools should be used. The most important result of the project will be the development of the statistical analysis.

The approach to the STR analysis is different. The provisions of the Act of 16th November 2000 (Act on Counteracting Introduction of Property Values...) have introduced the system of registration of transactions which circumstances indicate that the funds originate from illicit or undisclosed sources (art. 8, section 3). In the situation when the above circumstances have been ascertained, the obligated institutions shall register the transaction and identify the persons participating therein (art. 9). Immediately upon the registration of the transaction and no later than within 7 days after its effective date, the financial institutions shall send or transfer the following data: date and place of transaction, first
and second name, citizenship, address, statistical number PESEL, features of the identity document which was used to identify the person effecting the transaction, amount, currency and type of transaction, number of bank account which was used for effecting the transaction and the data on the owner or person authorized to use the account, data of the physical person, legal person or an organizational entity without legal personality on behalf of which the transaction was effected, identity or name and address of transaction payee.

The obligated institutions shall send the above information on paper or deliver the same on electronic data carriers. The form chosen must be in compliance with the requirements of the ordinance by the Minister of Finance of 21th September 2001 on determining the template of transactions register, the manner of keeping thereof and the procedure of supplying of the register data to the GIFI.

Pursuant to Article 16 section 1 of the Act of 16 November 2000 (Act on Counteracting Introduction of Property Values...) an obligated institution that is to carry out a transaction where there are justified suspicions of the commission of a money laundering offence is obliged to notify the GIFI in writing forthwith. The GIFI may, within 12 hours of confirming the receipt of the notification, request the obligated institution in writing to stop the transaction in question for a period not exceeding 48 hours from the receipt of the notice. Simultaneously the GIFI informs the competent public prosecutor of the suspicion that an offence has been committed and hands over materials pertaining to the stopped transaction. The public prosecutor is empowered to extend the suspension the execution of the transaction for up to 3 months.

The new system of reporting suspicious transactions has been operating in Poland for 9 months. According to the new reporting system, GIFI prepared the amendment to the act of 16 November (see annex D). Every STR is analysed and the statistical analysis are to be used for supporting appropriate analysis. Additionally statistical analysis will be used for:

- identification of financial institution which could be used for money laundering,
- preparation of the list of institutions which have to be controlled by GIFI inspectors in the light of compliance of anti-money laundering provisions,
- identification particular region of the country which is especially exposed.

The average time necessary for a single analysis is hard to estimate. One of the reasons is that cases that began several months ago are still continuing. The duration of cases depends on the inflow of information from the obligated institutions and, in the event of large banks with many branches or banks associating minor provincial banks this can take up to two months or even more. Sometimes the information received results in extending the number of institutions audited.

All kinds of institutions have been catalogued, while distinguishing their headquarters, divisions and addresses. This activity helped establish an initial cooperation with particular sectors, thus simplifying contacts with particular subjects.

It should be underlined that the environment is extremely vital. New, highly sophisticated methods of legalizing the proceeds from crimes are being devised, so the law has to adjust constantly to the changing conditions, as only why doing so, it could be effective. Moreover, Poland does not have any experience in this field and only the practical functioning of the law should enable an introduction of optimum methods combating such proceedings.

In order to prepare to the best possible enforcement of the law, contacts have been established with all interested subjects. These, in turn, have contributed to working out of optimum co-operation methods while enforcing the Act. Thanks to these contacts, it was possible to learn the opinions of all interested sectors.

In many cases these contacts helped dispel the reservations to the Act, as they offered opportunities of explaining the purpose of specific provisions.

It should be separately stressed that very intensive working contacts with obligated institutions, in order to accomplish the possibly high efficiency of the system were maintained, as a good cooperation of these authorities with the government authorities is a key element of the system.

The most important tasks faced by the organisational unit of the General Inspector of Financial Information include:
- development and further rationalisation of the analytic-information system for investigating the flow of completed transactions and for an efficient implementation of the enforced Act,
- initiation of intensive controls in the obligated institutions on compliance with the registration principles and on informing on transactions governed by the provisions of the Act,
- strengthening the staff by hiring new employees that have experience in control or financial institutions,
- working out of day-today contacts with cooperating units in order to efficiently check upon transmitted information,
- close cooperation with obligated institutions in order to design methods for disclosing money laundering proceedings,
- designing negotiations and concluding of bilateral agreements with foreign financial intelligence units,
- identifying of the scope and procedures of information exchange aiming at prevention of money laundering,
- active participation in international organisations coordinating combating of money laundering,
- full implementation of Phare 1999 and Phare 2001 programmes with respect to the duties of the General Inspector of Financial Information,
- development of particularly active relationships with the NIS countries in the field of prevention of money laundering,
- unification of registration procedures and registering (giving numbers) the official and confidential correspondence,
- training necessary for servicing of the Department system. This training should encompass the topics on principles and techniques of conducting informatics projects, system administration for anticipated type of server, servicing the ORACLE, DB2 and Tamino database, and the use of XML language.

Having in mind that fact final audit of functioning of Polish FIU could be possible in the year 2003. The expected results of full implementation of this project will be the adaptation of Polish law to the European Union standards.

Implementation of Act on 16 November 2000 was the first stage of creation anti-money laundering system in Poland. The next step should be establishing effective every day cooperation with law enforcement agencies, especially in the area of trucking suspicious transactions, exchange of financial intelligence and preparing materials for public prosecutors. The intensive cooperation among those units is essential. The Polish FIU especially needs to develop cooperation with public prosecutors and the General Headquarters of the Police.

Together with enacting of Act on 16 November the Polish Parliament amended the Polish Penal Code. The new definition of the money laundering offence in the new article 299 Penal Code liquidates the list of the most serious predicate offences that were previously enumerated in old art. 299§1 Penal Code and introduces penal liability of the person committing the predicate offence, also for the committing by the same person of the money laundering offence (self money laundering). The new article introduces a higher penalty for committing the money laundering offence.

According to the Polish law (Penal Code), the main types of crime generating considerable illegal revenues include above all:
- production or trade in narcotics or psychotropic substances;
- forging money or securities;
- robbery;
- extortion;
- smuggling;
- trade in arms, ammunition, explosives and fissile materials;
- other crimes against high value property;

Those types of crime are considered prior offences to the money laundering and the fight against them is not in the competence and responsibilities of the Polish FIU, which has a status of the administrative body established for the counteracting introduction into financial circulation of property values derived from illegal or undisclosed sources. Combating the offences listed above is one of the top priorities of the law enforcement agencies (Ministry of Internal Affairs and Administration and Ministry of Justice),
which act on the basis of the Penal Code, and additionally the Polish Customs Services (Customs Services Act of 24.07.1997) and Customs Inspection (Customs Inspection Act of 06.06.1997).

In the nearest future Polish FIU has to become an active player in the area of international cooperation. This is one of the most important priority of Polish Authorities (NPAA) and that idea has been supported by EU experts and international organizations (PC-R-EV).

The latest and most significant signal from EU is Council Decision of 17 October 2000 concerning arrangements for cooperation between financial intelligence units of Member States in respect of exchanging information. Having in mind the Poland’s accession to the EU together with the need of international cooperation in combating money laundering and financing of terrorism, the realization of the project will give Poland the opportunity for the effective exchange of information. The objective of the project is to prepare Polish FIU for the role of the important partner for EU counterparts.

3.2. Linked activities
The project continues actions undertaken in the field of combating money laundering in the programs Phare 1999 and 2001. The above projects will give the following results:

- training of people of the FIU and an audit of the way the FIU is starting to work, in focusing on the method of detection of fraudulent transactions,
- assistance to the FIU to develop the links with the Financial and credit Institutions, in particular through the organization of seminars,
- preparation of an analysis regarding the functioning of the FIU,
- drawing up of rules cooperation with foreign FIUs and fostering working contacts with representatives of foreign FIU,
- drawing up of rules of cooperation with the European Commission.

Results of the above projects will be used to achieve objectives specified in Phare 2002 project. Above mentioned projects are aimed to prepare operational status of Polish FIU. Project Phare 2002 will help to put in place the results of previous projects and will give the opportunity to improve and harmonize with latest standards of EU, internal procedures of functioning Polish FIU and standards of exchanging information. Realization of Phare’99 will be finished until March 2002 and realization of Phare 2001 will be finished in the year on 2004.

Moreover the Polish FIU will cooperate with law enforcement agencies during realisation of other Phare projects, especially Phare 2000, implemented by the Police, Twinning for Police services; Subcomponent 1.2: Money laundering and Phare 2002 Twinning – Fight with organised crime in the view of European integration; Subcomponent 1.1: Organised crime. It helps to create appropriate system of cooperation among all government authorities, including administrative and law enforcement agencies, in the scope of combating money laundering.

3.3. Results
The final results of the project will be:

- appropriate IT system in place. Polish FIU able to realize effective exchange of information with EU counterpart FIUs;
- an improvement of combating money laundering based on results achieved;
- created effective channels for cooperation with public prosecutors necessary for preparing of legal instruments;
- created requirements for application of effective strategy for gathering, analysing and exchanging of information;
- transferred knowledge and experience of the EU Member States concerning gathering, processing and exchanging of information between FIUs;
- increased amount of data sanding between FIU and law enforcement agencies;
- effective exchange of information between Polish FIU and law enforcement agencies;
- better co-ordination of control in case of many units participating in control activities;
- increased qualification of Polish FIU employees and law enforcement agencies;
- polish legal system adapted to the new acquis on money laundering concerning exchange of information on the international level.
3.4. Activities

Contract 1 – Twinning

Component 1 – International cooperation and exchange of information - Creation of IT system concerning requirement of European Union
- Practical drawing up of rules of the co-operation with foreign FIUs and fostering working contacts with representatives of foreign FIU.
- Practical drawing up of rules of co-operation with the European Commission.
- Evaluation of solutions applied in scope of exchange of information used in Poland, including possibility to use databases.
- 3-4 study visits deepened co-operation in the scope of the exchange of information and using IT system.
- Preparation of a list/report on IT tools and methods used in Member States.
- Preparation of a report concerning FIUs data base systems.
- Comparison of systems used for combating money laundering revealing in chosen EU countries, defining solutions possible to be implemented in Poland.
- Preparation of project definition – IT system characteristics and specification for exchange of information.
- Preparation of a model system based on a system already working in the EU countries.
- 4-5 study visits connected with IT system and exchange of information.
- Preparation of the reports from study visits.
- Analyses of polish legal system in the light of EU standards.
- Extension of Polish FIU computer system and creation of the compatible links for the exchange of information with financial institutions and foreign counterparts.

The aim of the study visits is to familiarise with applied solutions in given area in the EU Member States. After each study visit a report containing proposals and recommendations for the future realisation of the project will be presented.

Actions taken in the scope of the twinning contract implementation require involvement of the Pre-Accession Advisor (PAA) for the period of 12 months. The PAAs basic duty will be advisory and professional daily assistance in the program implementation. PAA should have at least five years of the experience in working within the FIU in the field of IT and international co-operation. He/She should also be familiar with the legal aspects of the exchange of information between the Member States. PAAs will also provide expertise and co-ordinate work of other experts on implementation of tasks listed under twinning. The short term experts should have at least three years of experience with IT systems, statistics, international co-operation, legal aspects of the exchange of information in the Member States.

Component 2 – Cooperation of Polish FIU with other Authorities responsible for combating money laundering
- Practical drawing up of rules of cooperation FIU with law enforcement agencies.
- Evaluation of solutions applied in scope of exchange of information used in Poland, including possibility to use databases.
- 5-6 trainings with law enforcement agencies – legal and practical aspects concerning cooperation between this units (all trainings will supplement the training organised by the Police during realization of Phare 2000 – Subcomponent 1.2: Money Laundering and Phare 2002 – Subcomponent 1.1: Organised crime).
- Comparison of systems used for combating money laundering revealing in chosen EU countries, defining solutions possible to be implemented in Poland – between FIU and law enforcement agencies.
- Extension of Polish FIU computer system and creation of the compatible links for the exchange of information with law enforcement agencies.

Contract 2 - Technical equipment
- 2 servers, (one Internet server and one for the increase of the efficiency in data analysis)
- 20 working stations (for the new staff of Polish FIU, especially for analytics),
- 5 notebooks with network adapter,
- 5 network printers,
- analytical software,
- network security equipment (firewall, etc.)
- high-efficiency scanner – for the scanning of the paper versions of declaration send by the obliged institutions.

Currently the Ministry of Finance is running the tender procedure for the conceptual work for the elaboration of the basic assumption (the scope and appropriate tools) for the creation of the internal IT system for collecting and analysing financial data presented by the obliged institutions. It is planned to finalize this first phase till the March of 2002. On the basis of this concept, the final data base model will be developed and implemented. The second phase will start in the year 2002.

Above mentioned system has to be structured to have possibility of cooperation with exterior systems, especially with FIUnet. The purpose of the Phare project (investment part) is to assist Polish FIU in the next phase of the system development which will be the adjustment of the IT system to the on-line working and to the connection with foreign counterparts.

The purchase of additional equipment will allow Polish FIU system to increase efficiency and physical separating exterior part of it to communicate with data base, according to requirements of the security.

4. Institutional Framework
The project beneficiary are:
- The Ministry of Finance, Department of Financial Information (Polish FIU) – leading institution;
- The Ministry of Justice, Crime Organised Bureau in the National Prosecutor’s Office;
- The Ministry of Internal Affairs and Administration, General Headquarters of the Police.

The project will affect institutional development and effectiveness of exchange of information. The project implementation will also affect achievement of EU standards in the field of Financial Intelligence Units. The basic tasks of the Department of Financial Information are to: collect, keep, process and analyse information according to the procedures provided for in the Act, as well as taking up actions to counteract introduction into financial circulation of property values derived from illegal or undisclosed sources. The tasks encompass, in particular:
- current co-operation with the domestic institutions charged with preventing of money laundering,
- current co-operation with domestic and international institutions and organisations associated with the Polish financial system,
- administration of the data received from obligated institutions,
- analysing information on controls carried out by institutions indicated in the Act,
- drafting of relevant legal acts,
- drafting of periodical reports on General Inspector of Financial Information activities.

5. Budget

<table>
<thead>
<tr>
<th>PHARE financing</th>
<th>Investment support INW</th>
<th>Institution Building IB</th>
<th>PHARE total</th>
<th>National co-financing</th>
<th>IFI</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1 Twinning</td>
<td>0</td>
<td>1,250,000</td>
<td>1,250,000</td>
<td>100,000</td>
<td>0</td>
<td>1,350,000</td>
</tr>
<tr>
<td>Contract 2 Investment</td>
<td>937,500</td>
<td>0</td>
<td>937,500</td>
<td>312,500</td>
<td>0</td>
<td>1,250,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td>937,500</td>
<td>1,250,000</td>
<td>2,187,500</td>
<td>412,500</td>
<td>0</td>
<td>2,600,000</td>
</tr>
</tbody>
</table>

Co-financing will be available

6. Implementation arrangements
6.1. Implementing Agency
PAO: Krystyna Gurbiel, Under-secretary of State at the Office of the Committee for European Integration, Al. Ujazdowskie 9, 00-918 Warsaw. Tel. +48 22 455 5241, Fax: +48 22 455 5243, CFCU: Foundation “Co-operation Fund”, ul. Górnoslaska 4A, 00-444 Warsaw.

The CFCU is responsible for handling tendering, contracting and payments of contracts on behalf of the Ministry of Finance.

6.2. Twinning
The project will be implemented in the form of the twinning agreement. Pre-Accession Advisor will be place in the Ministry of Finance in the Department of Financial Information.

Contact person:
Jarosław Zółtowski, Head of International Co-operation Unit at the Department of Financial Information, Ministry of Finance, 12 Swietokrzyska Str., 00-916 Warsaw, ph +48 22 694 56 38, e-mail: Jaroslaw.Zoltowski@mofnet.gov.pl
6.3. Non-standard aspects
The project implementation will be performed according to the Phare programming described in the Twinning Manual.
There will be the twinning agreement concluded: amounting to EURO – 1 250 000. The implemented tendering procedures will be concordant with “Practical Guide to PHARE, ISPA and SAPARD”.

6.4. Contracts
Two contracts are planned:
1. **twinning agreement**, (Phare financing **EUR 1 250 000**)
2. **purchase of computer hardware**, EUR 1 250 000 (Phare financing **EUR 937 500** and domestic joint co-financing **EUR 312,500**).

7. Implementation schedule
7.1. Start of tendering/call for proposals
   - twinning – Q3/Q4 2002
   - investment – Q4/Q1 2002/2003
7.2. Start of project activity
   - twinning – Q1 2003
   - investment – Q2 2003
7.3. Project completion
   - before 30th September 2005

8. Equal opportunities
The project will respect equal participation of men and women. Equal opportunity will be ensured for use of aid funds. The only criteria of project participation is professionalism and experience in implementation of similar projects.

9. Environmental impact – N/A
10. Rates of return – N/A
11. Investment criteria – N/A

12.1. Conditionality and sequencing.
Implementation of an IT system for data exchange with foreign FIU.
Purchase of IT equipment for the needs of Department of Financial Information (Polish FIU) should be made at the final stage of project implementation, after development and pilot implementation of the first version of system.
Practical drawing up of rules of cooperation with law enforcement agencies.

12.2. Sequence of proposed activities
- preparation of hardware specification,
- pilot implementation of the hardware and software in the Department of Financial Information,
- preparation for hardware and software implementation in the Department of Financial Information (preparation of project definition – IT system for exchange of information, preparation of a model system, preparation of a list/report on IT tools and methods),
- study visits for employee of the Department of Financial Information.

12.3. Main stages of project implementation
- selection of partners for twinning agreements realization - III quarter of 2002
- purchase of technical equipment – II / III quarter of 2003

Appendices to the project fiche
<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Contracting period expires</th>
<th>Disbursement period expires</th>
<th>Total budget</th>
<th>Phare Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>02.05 Financial Intelligence Unit</td>
<td>30/11/04</td>
<td>30/11/05</td>
<td>EUR 2,600,000</td>
<td>EUR 2,187,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation of the Polish Financial Intelligence Unit to effective fight with money laundering by adaptation of European Union (Council Decision of 17 October 2000 concerning arrangements for cooperation between financial intelligence units of Member States in respect of exchanging information) and Egmont Group standards of exchanging information and entering into relations with law enforcement agencies and other administrative bodies.</td>
<td>Ensuring required institutional level of Polish FIU meeting EU requirements on exchange of information</td>
<td>Official publications</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose (immediate objectives)</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions and risk factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Creation effective and secure channels (IT system - FIUnet) for exchange of information between Polish FIU and EU counterparts</td>
<td>• pilot implementation of &quot;IT European System&quot;.</td>
<td>• Official publications</td>
<td>• Cooperation institutions involved in project implementation</td>
</tr>
<tr>
<td>• Creation effective and secure channels for exchange of information between Polish FIU and law enforcement agencies, public prosecutor office and other administrative services.</td>
<td>• less time consuming process of consultations between FIUs – exchange of information on-line.</td>
<td>• Departmental statistics</td>
<td>• Award of relevant funds for project implementation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Results/products</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Appropriate IT system in place Polish FIU able to realize effective exchange of information with EU counterpart FIUs</td>
<td>• better information flow between FIUs; greater amount of information provided to foreign FIUs.</td>
<td>• Official publications</td>
<td>• provisions of required funds</td>
</tr>
<tr>
<td>• Improvement of combating money laundering based on results achieved;</td>
<td>• Number of the Polish FIU staff with appropriate qualification and knowledge.</td>
<td>• Departmental statistics</td>
<td>• punctual implementation of PHARE 1999 and PHARE 2001 programs</td>
</tr>
<tr>
<td>• Created effective channels for cooperation with public prosecutors necessary for preparing of legal instruments;</td>
<td>• System developed, in place and ready to use</td>
<td>• Training reports</td>
<td></td>
</tr>
</tbody>
</table>
- Transfer knowledge and experience of the EU Member States concerning gathering, processing and exchanging of information between FIUs;
- Increased amount of data sending between FIU and law enforcement agencies;
- Effective exchange of information between Polish FIU and law enforcement agencies;
- better coordination of control in case of many units participating in control activities;
- increase qualification of Polish FIU employees and law enforcement agencies;
- polish legal system adapted to the new acquis on money laundering concerning exchange of information on the international level.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Investments</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>practical drawing up of rules of the cooperation with foreign FIUs and fostering working contacts with representatives of foreign FIU,</td>
<td>help of short-term experts in management and coordination of activities indicated in the project; help of short-term experts in implementation of specific activities indicated in the project; defining data exchange methods (criteria for selection, monitoring of efficiency of criteria used, cooperation with other countries) - continuation of Phare 1999 and 2001 activities; preparation of the framework for IT system data base for information concerning suspicious transaction exceeding 10 000 EURO analytical software for processing received information.</td>
<td>Project reports Reports from study visits Implementation documentation Users assessment</td>
<td>• Realization Phare 1999 and 2001 • Ensuring of high professional level of training • Full provision of IT and data transmission equipment • Provision of necessary funds</td>
</tr>
<tr>
<td>practical drawing up of rules of cooperation with the European Commission.</td>
<td>Evaluation of solutions applied in scope of exchange of information used in Poland, including possibility to use databases; 3-4 trainings with law enforcement agencies; 3-4 study visits deepened cooperation in the scope of the exchange of information and using IT system; preparation of a list/report on IT tools and methods used in Member States; preparation of a report concerning FIUs data base systems; comparison of systems used for combating money laundering revealing in chosen EU countries, defining solutions possible to be implemented in Poland; preparation of project definition - IT system characteristics and specification for exchange of information; preparation of a model system based on a system already working in the EU countries; 4 - 5 study visits connected with IT system and exchange of information;</td>
<td>• 3-4 trainings with law enforcement agencies; 3-4 study visits deepened cooperation in the scope of the exchange of information and using IT system; preparation of a list/report on IT tools and methods used in Member States; preparation of a report concerning FIUs data base systems; comparison of systems used for combating money laundering revealing in chosen EU countries, defining solutions possible to be implemented in Poland; preparation of project definition - IT system characteristics and specification for exchange of information; preparation of a model system based on a system already working in the EU countries; 4 - 5 study visits connected with IT system and exchange of information;</td>
<td>• Realization Phare 1999 and 2001 • Ensuring of high professional level of training • Full provision of IT and data transmission equipment • Provision of necessary funds</td>
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• preparation of the reports from study visits;
• analyses of polish legal system in the light of EU standards;
• extension of Polish FIU computer system concerning with exchange of information with financial institutions and foreign counterparts;
• practical drawing up of rules of cooperation FIU with law enforcement agencies;
• evaluation of solutions applied in scope of exchange of information used in Poland, including possibility to use databases;
• 5-6 trainings with law enforcement agencies – legal and practical aspects concerning cooperation between this units (all trainings will be supplement to the trainings organised by the Police during realization of Phare 2000 – Subcomponent 1.2: Money Laundering and Phare 2002 – Subcomponent 1.1: Organised crime);
• comparison of systems used for combating money laundering revealing in chosen EU countries, defining solutions possible to be implemented in Poland – between FIU and law enforcement agencies;
• extension of Polish FIU computer system and creation of the compatible links for the exchange of information with law enforcement agencies.

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**Annex 2-3 Implementation, contracting and disbursement schedules**

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<th>02.05 Financial Intelligence Unit</th>
<th>Date of Drafting</th>
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<td>Disbursement schedule</td>
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