1. Basic Information

1.1. CRIS Number: 2007/19343.01.14

Twinning Contract RO/2007-JB/JH/05

1.2. Title:
Fight against money laundering and terrorism financing

1.3. Sector: Justice and Home Affairs

1.4. Location: Romania

2. Objectives

2.1. Overall Objective:
The overall objective is to strengthen the capacity of the anti-money laundering institutional system in line with the international standards.

2.2. Project purpose:
To improve the capacity of the National Office for Prevention and Control of Money Laundering as a key authority in receiving, processing and analyzing cases of money laundering and terrorist financing and disseminate information to competent authorities.

2.3. Justification

The Country Monitoring Report on the state of preparedness for EU membership of Bulgaria and Romania (Chapter 4 - Free movement of capital and Chapter 24 - Justice and Home Affairs), published by the European Commission on September 26, 2006, in the area of fighting money laundering recommends further efforts to arrive at a more satisfactory level of enforcement and implementation of the legal framework, particularly, in respect of:

- the awareness of reporting entities outside the financial sector and supervision of these entities;
- a need for additional staff in the National Office for Prevention and Control of Money Laundering (NOPCML), especially financial analysts, to increase its the operational capacity;
- Efforts from all law enforcement agencies, the FIU and the court system to improve the enforcement of anti-money laundering and terrorist financing legislation.

The Romanian legislation still needs some amendments in order to fully transpose the provisions of the Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (the 3rd directive), especially in the field of politically exposed persons.
3. Description

3.1. Background and justification:

NOPCML was the beneficiary of a Twinning Project RO02-JB/JH-08 financed by EU under Phare Programme 2002, having as senior partner Ufficio Italiano dei Cambi, Financial Intelligence Unit of Italy, having as main achievements, amending of the Law 656/2002 for prevention and sanctioning money laundering and strengthening of the capacity of reporting institutions involved in fight against money laundering.

The need to follow-up and expand the 2002 Phare Programme can be sustained by the following arguments:
- The new status of Romania as Member State requires transposition and implementation of EU directives, regulations and framework-decisions on anti-money laundering and terrorism financing field;
- the legal framework at international and European level registered continuous changes;
- there still is a need to improve the capacity of receiving, processing and analyzing information within the Office, focusing on the new hired staff and new attributions of the institution on combating terrorism financing and supervision over the reporting entities which do not have overseeing authorities;
- the necessity of enforcing the reporting system concerning professions with a high risk of being used in money laundering and terrorist financing, i.e. lawyers, notaries, accountants, real state agents, NPOs, dealers, casinos, leasing companies.

According to the “Executive summary of expert’s fact findings” included in the draft report drawn up by the EC second assessment mission in the field of Justice and Home Affairs in Romania there is a general demand to enhance co-ordination;
- relevant structures involved in the fight against fraud, economic crime and corruption need to be strengthened;
- As regards the role of judiciary in the anti-money laundering policy, there is a need of specialization in the prosecution to deal with complex issues.

The project proposed shall contribute to sustaining the Romania’s efforts, to implement the legislative measures took by EU in the purpose of eliminate the structures of organized crime and money laundering.

On this regard the Romanian legislation on AML/CFT shall be fully harmonized to:
- Council Decision no. 2001/500/JHA/26.06.2001 on money laundering, identification, tracing, freezing, seizing and confiscation of instrumentalities and products of crimes;
- Council Decision 2002/475/JHA/13.06.2002 on combating terrorism;
- Council Decision 2000/642/JHA of 17 October 2000 concerning arrangement for cooperation between financial intelligence units of the Member States in respect of exchanging information;
- The 40 + 9 FATF Recommendations.

The following institutions are identified as target groups for this project:
- National Office for the Prevention and Control of Money Laundering
- Ministry of Justice
• Public Ministry and its related prosecutors.
• Superior Council for Magistrates
• Ministry of Administration and Interior
• Ministry of Public Finance (Financial Guard, National Agency for Fiscal Administration)
• Reporting institutions/professionals – financial and non-financial institutions that must disclose unusual or suspicious transactions to the FIU. Moreover the professionals who are obliged to report under the Money Laundering Legislation and bankers’ associations and other professional associations linked to disclosing institutions.

The project aims to provide training for a large number of staff of the main institutions involved in AML/CTF field:
- 40 specialists in the Romanian FIU;
- 300 specialists working in the financial and non-financial reporting institutions, which do not have overseeing authorities involved in the fight against money laundering and terrorism financing, i.e. lawyers, notaries, accountants, real state agents, NPOs, dealers, casinos, leasing companies, money remitters, exchange house, pawn houses.

Coordination with other EU instruments (structural funds or other pre-accession funds will be assured), in order to avoid overlappings. For this purpose the FIU in the National Office will cooperate with the members of the Steering Committee and the representatives of Ministry of Finance (CFCU, programming structures).

3.2. Linked Activities

The project represent a follow up to the twinning project RO02/IB/JH-08: Integrated programme to strengthen the capacity of Romanian institutions involved in the fight against money laundering, the combat against the financing of terrorism and related organized crime. The project is also complementary to Phare 2006/018-147.03.12.5 “Developing the institutional system on prevention and combating money laundering and terrorism financing.”

The above mentioned project is included within investments categories and includes as main objectives, the following:
- optimization of the reporting system for the current flow of reports at NOPCML;
- creation of a case management system which must include the management of the notification system in electronic format.

These two projects, Phare 2006 Project and Transition Facility Project, are complementary and there is no overlapping.

3.3. Results
1: Revising the legislation on anti-money laundering and terrorism financing
1.1 International standards in the filed of combating money laundering and terrorism financing fully implemented.

2: Increasing the institutional capacity of the National Office for Prevention and Control of Money Laundering

2.1 National strategy on money laundering and terrorism financing elaborated, with the NOPCML having a key role within the system.
2.2 Enhanced on-site and off-site supervision performed by NOPCML over all reporting entities;
2.3 An improved capacity of the financial analysts in processing and analyzing the cases related to money laundering and terrorism financing.
2.4 Trained trainers within NOPML for lecturing to seminars on AML/CTF, which will be organized for reporting entities.
2.5 An International Regional FIUs Seminar on New Trends and Techniques of Money Laundering and Terrorism Financing took place, being organized by NOPCML.

3: Professional training of the financial and non-financial reporting entities, which do not have overseeing authorities

3.1 Training seminars at territorial level were organized and the result was the implementation of the AML/CTF Romanian legislation by legal professions (notaries, lawyers and auditors);
3.2 The financial and non-financial reporting entities, which do not have overseeing authorities have internal AML/CFT procedures and enhanced customer due diligence standards focused on the risk of money laundering and terrorism financing;
3.3 A Handbook of Indicators and Typologies for reporting entities was edited having as main aim detection of unusual transactions suspected of being used for money laundering and terrorism financing.
3.4 The first Money Laundering and Terrorism Financing National Forum took place were was discussed the national strategy on AM/CTF, and the invitees were the managers of the main authorities involved in the field and of the reporting entities professional associations.

3.4. Activities (including Means)

The Member State partner shall offer more experts to cover all the activities foreseen within the limits of one short-term expertise.

Resident Twinning Adviser (12 working months, TF 140.170 EUR)
Related to results 1-10

- Project management and organization/coordination of the activities of the team members in line with the agreed work programmes to enable timely completion of project outputs
- Preparation of project progress reports and supervision of the preparation and production
- Evaluation of the National Office for Prevention and Control of Money Laundering capacity to fully implement the international standards in the filed of combating money laundering and terrorism financing. This activity will result in a report with recommendations.

Profile:

- Strong project management skills and experience
- Excellent computer literacy (Word, Excel, Power Point)
- Very good command of English (oral and written)
- Experience in the field of anti-money laundering and terrorism financing
- Wide knowledge of related EU/international legislation
- Appropriate university qualification
MS Project Leader (3 working days in Romania every 2 months over 6 months, 22,530) Related to results 1-10

- Overall co-ordination of the project;
- Leading the project activities.

Profile:
- Long-term civil servant from an EU Member State administration;
- Educated and experienced in the field of management and organization
- At least 3 years working experience in a leading management
  - Very good command of English (oral and written)
  - Excellent computer skills (Word, Excel)

1. Revising the legislation on anti-money laundering and terrorism financing

The legislation on anti-money laundering and terrorism financing will be revised in accordance with the European acquis and with other relevant acts.

STE 1 and STE 2 (5-working days: TF: 11,840 euro)

1.1.1 Elaboration of a study on the harmonization level of the Romanian legislation to the international acquis, by two designated foreign experts, focusing on the implementing measures provided by the AML/CTF legislation. If necessary, the study will include proposals for amending/completing/adapting the AML/CTF Romanian primary and secondary legislation.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

STE 1 and STE 2 (2 working days, TF: 8,220 euro)

1.1.2 Setting up of one working group on amending the AML legislation in order to harmonize it with the international standards. The working group will be formed by STE 1, STE 2, one principal and one stand-by representatives of the main institutions involved in the field (i.e NIPCML, Ministry of Justice, Public Ministry, Superior Council for Magistrates, Ministry of Administration and Interior, Financial Guard, Ministry of Public Finance and Romanian Intelligence Service)

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration
STE 1 and STE 2 (3 working days, TF: 7,960 euro)

1.1.3 Drafting the appropriate amendments to the Romanian AML/CTF legislation, in accordance with the recommendations of the indicated study.

1.1.4 Organizing of working group discussions on the draft legislation acts with the institutions targeted to implement the proposed acts;

1.1.5 One day seminar on the proposed amendments, targeting all relevant stakeholders.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

2. Increasing the institutional capacity of the National Office for Prevention and Control of Money Laundering

The institutional capacity of NOPCML will be increased by fully implementation of the relevant acts in the field of AML/CFT, the elaboration of the national strategy on AML/CFT and the training provided for the financial analyst within the NOPCML.

STE 3 and STE 4 (one working day, TF: 3,930 EURO)

2.1.1 Setting up of a working group formed by STEs, designated foreign experts and the one principal nominee and one stand by representatives of the main institutions involved in the field (i.e. NOPCML, Ministry of Justice, Public Ministry, Superior Council for Magistrates, Ministry of Administration and Interior, Financial Guard, Ministry of Public Finance and Romanian Intelligence Service), in order to draft the national AML/CTF strategy; establish working procedures/tasks and a timetable.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

STE 3 and STE 4 (3 working days, TF: 7,510 EURO)

2.1.2 Drafting of the national AML/CTF strategy by the working group and elaboration of a project of strategy;

2.1.3 One day seminar on the draft strategy, targeting all relevant stakeholders

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration
Increasing the institutional capacity of the National Office for Prevention and Control of Money Laundering

STE 5 and STE 6 (five 3-day workshops, TF: 41,300 euro)

- 2.2.1 Organizing of five 3-day workshops for the financial analysts within the Supervision and Control Department, by 2 designated foreign experts (STEs), having as topics:
  - Drafting/review of working procedures for off-site supervision;
  - Drafting/review of norms of control and inspection performed by the NOPCML financial analysts to the reporting entities;
  - drafting the standard model of the control work plan;
  - design of the compliance programme;
  - drafting of the compliance questionnaire.

2.2.2 Performing of a pilot control of the financial analysts within the Office, based on the standard model drafted under 2.2.1, and discussions on the results.

STE 7 and STE 8 (four 2-days workshops, TF: 26,630 euro)

- 2.3.1 Organizing of four 2-days workshops with case studies presentations and typologies of money laundering cases on the following topics:
  - Illustration on current developments like cyber laundering and terrorism financing;
  - Wire transfers and their relation to terrorist financing
  - Non-profit organizations and links to terrorism financing;
  - Gatekeepers and money laundering;
  - Main vulnerabilities in the financial sector;
  - The threat from corrupt international Politically Exposed Persons (PEPs) placing criminal assets into the financial markets.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

STE 9 (two 3-days seminars, TF: 9,010 euro)

- 2.4.1 Organizing of two 3-day seminars on the conceptual approach to the study of money laundering as an integrated financial, economic and social phenomenon, with training of a selected audience of analysts on the exploitation of specific IT analysis tools applied to the NOPCML databases.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

STE 10 and STE 11 (four 2-days seminars, TF: 32,320 EURO)

- 2.4.2 Organizing of four 2-days seminars on prevention and combating money laundering and terrorism financing, in territory, for law enforcement agencies, focusing on the following topics:
• The risks and vulnerabilities of money laundering in the financial and non-financial sectors;
• Money laundering and terrorism financing: trends and indicators;

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

STE 12, STE 13 and STE 14 (2-days seminar, TF: 42,380 euro)
2.5.1 Organizing of 2-days FIUs Regional Seminar on New Trends and Techniques of Money Laundering and Terrorism Financing, with the participation of two representatives from each of the regional FIUs.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

3. Professional training of the financial and non-financial reporting entities, which do not have overseeing authorities

The AML/CFL legislative framework will be implemented at the level of reporting entities by trainings organized at territorial level for notaries, lawyers, auditors, real estate agents and other reporting entities provided by the special law in the AML/CFT field.

STE 15 and STE 16 (six 2-days workshops, TF: 48,480 euro)
3.1.1 Organizing of six 2-days workshops, at territorial level, on the following topics:
• Impact of the legislation on the behavior of an independent legal profession;
• How to detect unusual transactions suspected of money laundering and terrorism financing
• Reporting obligations: providing accurate and valued-added information in the reports submitted to the NOPCML;
• Trends and indicators of money laundering;
• The role of independent legal professionals in the fight against money laundering.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

STE 17 and STE 18 (six 2-days workshops, TF: 48,480 euro)
3.2.1 Organizing of six 2-days workshops, in territory, of the representatives of financial and non-financial reporting institutions, which do not have overseeing authorities involved in
the fight against money laundering and terrorism financing, i.e. real state agents, NPOs, dealers, casinos, leasing companies, money remitters, exchange house, pawn houses on the following topics

- Basic concepts of money laundering and terrorism financing – theoretical and practical aspects;
- Identifying suspicious transactions and reporting about them;
- Monitoring of compliance as a tool to increase effectiveness;
- The most common measures applied by the financial and non-financial sectors for non-face to face identification;
- Enhancing flexibility: the risk-based approach.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

STE 19 and STE 20 (2-days, TF: 6,720 euro)
3.3.1 Setting up a working group formed by two designated STEs and financial analysts to be nominated by the National Office for drafting the Handbook of Indicators and Typologies for reporting entities; establish working procedures/tasks and a timetable.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

Editing the Handbook of Indicators and Typologies for reporting entities (TF: 7,000 euro)

STE 19 and STE 20 (six 2-days seminars, TF: 48,480 euro)
3.3.2 Presentation and dissemination of the Handbook of Indicators and Typologies to the reporting entities, during six 2-day seminars, which will be organized at territorial level.

Profile:
- Experience in assessing the set-up of public administration and management
  - Wide knowledge of EC legislation
  - Excellent computer skills (Word, Excel)
  - Very good command of English (oral and written)
  - Legal degree or university degree in public administration

MS PROJECT LEADER (one 2-day forum, TF: 8,860 euro)
3.4.1 Organizing of a 2-day Money Laundering and Terrorism Financing National Forum, on discussing the latest developments on combating money laundering and terrorism financing and on implementation of the national strategy on AML/CTF.
3.5. Lessons learned:

(See Annex 5)

4. Institutional Framework

The main beneficiary of the project is the National Office for Prevention and Control of Money Laundering (NOPCML), which will also be the Implementing Authority of the project.

5. Detailed Budget

<table>
<thead>
<tr>
<th></th>
<th>Transition Facility support</th>
<th>Total costs (TF + co-financing)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment Support</td>
<td>Institution Building</td>
</tr>
<tr>
<td>Project 01: Twinning Contract</td>
<td>0.00</td>
<td>0.53</td>
</tr>
<tr>
<td>Project 01 parallel cofin</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>TOTAL (MEuro)</td>
<td>0.00</td>
<td>0.53</td>
</tr>
</tbody>
</table>

For a good implementation of the Twinning covenant the National Office for Prevention and Control of Money Laundering will ensure co-financing as presented in the above detailed budget.

(*) parallel cofinancing

VAT is not an eligible expenditure under both the Transition Facility and national cofinancing funds indicated in the above budget table. Where contracts are subject to VAT due to provisions of national legislation, these funds have to be provided from national resource outside and in addition to the amounts indicated in the budget table.

6. Implementation Arrangements

6.1. Implementing Agency

The Central Finance and Contracting Unit within the Ministry of Public Finances is the Implementing Agency, having responsibilities for procedural aspects of tendering, contracting and payments. Contact details: PAO, Director CFCU Carmen Rosu, Bulevardul Mircea Voda, nr. 44, entrance B, sector 3, Bucharest, phone number + 40 21 326.55.55, and fax number + 40 21 326.87.09.

The National Office for Prevention and Control of Money Laundering is the Implementing Authority for this project. Contact details: Gheorghe Dragan, SPO, Nicolae
The Project Steering Committee, formed by Beneficiary Project Leader and/or Deputy, Member State Project Leader and/or Deputy, RTA, CFU, and by other Beneficiary institutions involved in the project, detailed below, will be entrusted with guiding the implementation of the Project, evaluation of the progress of the Project, approval of quarterly reports and any other report. The Steering Committee will meet at least on a bimonthly basis.

The Steering Committee members will be representatives of the following institutions:

- National Office for the Prevention and Control of Money Laundering;
- Ministry of Justice;
- Public Ministry;
- Ministry of Administration and Interior;
- Ministry of Public Finance (Financial Guard, National Agency for Fiscal Administration);
- Romanian Intelligence Service.

6.2. Twinning

The National Office for Prevention and Control of Money Laundering is the Implementing Authority for this project.

A Programme Implementation Unit (PIU) is created within the National Office for Prevention and Control of Money Laundering, in order to carry out the day-to-day management of the project. The beneficiary institution will provide all the necessary internal resources (staff and premises) for the implementation of the project. Contact details: SPO Gheorghe Dragan, Senior Member of the Board, e-mail: rel.intl@onpcsb.ro, phone number: +40 21 314.44.47, fax number +40 21 315.52.27.

6.3. Non-standard aspects: The Twinning Manual will be strictly followed.

6.4. Contracts:

The Twinning Contract was chosen taking into consideration the expertise of the similar institutions (FIUs) within the European Union and the need for NOPCML to benefit from all the experience of the MS experts in implementing and achieve the proposed components.

Also, in achieving the results, there is necessary that the MS experts to be present in all the activities which will be organized within the proposed project.

The Twinning Covenant is the most appropriate because of the fact that NOPCML needs the experience of other FIUs in this area.

This project will be implemented through a Twinning Contract: 0.55 MEURO.

7. Implementation Schedule


7.2. Start of project activity: September 2008
7.3. Project completion: August 2009

8. Sustainability

The implementation of the relevant international acts in the field of money laundering and terrorism financing will result in a more comprehensive legislation and as a result, the entire European acquis will be fully implemented.

As a follow up of the training sessions and activities organized for financial analyst within NOPCML, the specialists of the NOPCML will be trained to be future trainers at the seminars which will be organized in the future, after the closing of the project, for the reporting entities.

Also will increase their capacity to detect, analyze and process the suspicious transactions reports related to money laundering and terrorism financing.

The training sessions designed for the reporting entities and the Handbook of Indicators and Typologies for reporting entities will have as a result an increased capacity of the reporting entities on detecting and reporting suspicious transactions and an improvement of the quality of reports submitted to the NOPCML.

NOPCML will allocate the necessary budgetary and staff resources to insure that the results of the project will remain and will be used after the project.

9. Conditionality and sequencing

In order to fully achieve the results of the proposed project the NOPCML will take all the necessary measures, meaning, putting all the necessary resources at the disposal of the MS experts, a project manager of Romanian part will be full time present for a good development of the project.

Also, before the project activity start will be elaborated and adopted all the legislative/administrative documents designed for a good implementation of the project.

ANNEXES TO PROJECT FICHE

1. Logical framework matrix in standard format (compulsory)
2. Detailed implementation chart (compulsory)
3. Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period) (compulsory)
4. List of relevant Laws and Regulations (optional)
5. Lessons learnt from previous years (compulsory)
**Annex 1 - Log frame**

**LOGFRAME PLANNING MATRIX FOR Project Fiche**

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>relates to Copenhagen criterion and Acquis chapter</th>
<th>List of other projects with same objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>The overall objective is to strengthen the capacity of the anti-money laundering institutional system in order to be in line with the international standards.</td>
<td>Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing; Council Decision no. 2001/500/JHA/26.06.2001 on money laundering, identification, tracing, freezing, seizing and confiscation of instrumentalities and products of crimes; Council Decision 2002/475/JHA/13.06.2002 on combating terrorism; Council Decision 2000/642/JHA of 17 October 2000 concerning arrangement for cooperation between financial intelligence units of the Member States in respect of exchanging information; The 40 + 9 FATF Recommendations</td>
<td>ROO2/IB/JH-08: Integrated programme to strengthen the capacity of Romanian institutions involved in the fight against money laundering, the combat against the financing of terrorism and related organized crime. Phare 2006/018-147.03.12.5 “Developing the institutional system on prevention and combating money laundering and terrorism financing”.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve the capacity of the National Office for Prevention and Control of Money Laundering as a key authority in receiving, processing and analyzing cases of money laundering and terrorist</td>
<td>Increased number of money laundering transactions/cases identified, investigated, prosecuted until the end of 2009;</td>
<td>Commission's regular reports</td>
<td>The relevant domestic legislation, compliant with EU</td>
</tr>
<tr>
<td>Results</td>
<td>Objectively verifiable indicators</td>
<td>Sources of Verification</td>
<td>Assumptions</td>
</tr>
<tr>
<td>---------</td>
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</tbody>
</table>
| Component 1: Revising the legislation on anti-money laundering and terrorism financing  
1.1 International standards in the field of combating money laundering and terrorism financing fully implemented. | The Romanian legislation on AML/CFT, fully harmonized with the European acquis, published in the Official Gazette after the approval.  
Following the trainings and the Conference organized in order to strengthen the capacity of the specialist within the National Office, will increase their capacity as trainers for the future seminars organized for reporting entities and also will increase the number and the quality of analysis of suspicious transactions reports analyzed within the National Office. | Regular reports of the relevant beneficiary structures.  
Statistical reports  
Standard project implementation reports. | Close and comprehensive co-ordination of the principal actors involved. |
| Component 2: Increasing the institutional capacity of the National Office for Prevention and Control of Money Laundering  
2.1 National strategy on money laundering and terrorism financing elaborated, with the NOPCML having a key role within the system.  
2.2 Enhanced on-site and off-site supervision performed by NOPCML over all reporting entities;  
2.3 An improved capacity of the financial analyst in processing and analyzing the cases related to terrorism  
2.4 Trained trainers within NOPML for preparation in lecturing to seminars on AML/CTF, which will be organized for reporting entities  
2.5 An International Regional FIUs Conference on New Trends and Techniques of Money Laundering and Terrorism Financing took place, being organized by NOPCML. | | |
| Component 3: Professional training of the financial and non-financial reporting entities, which do not have overseeing authorities  
3.1 Training seminars on territorial level were organized and the result was the implementation of the AML/CTF Romanian legislation by legal professions (notaries, lawyers and auditors);  
3.2 The financial and non-financial reporting entities, which do not have overseeing authorities have an enhanced customer due diligence standards focused on the risk of money laundering and terrorism financing;  
3.3 A Handbook of Indicators and Typologies for reporting entities | Professional trainings for the reporting entities and also, the Handbook of Indicators and Typologies, will improve the quality of the suspicious transactions reports submitted to the NOPCM and also the capacity of the reporting entities to issue procedures and methodologies in applying the provision of the AML/CFT legislation. | | |
was edited having as main aim detection of unusual transactions suspected of being used of money laundering and terrorism financing.

3.4 The first Money Laundering and Terrorism Financing National Forum took place were discussed the national strategy on AM/CTF, and the invitees were the managers of the main authorities involved in the field and of the reporting entities professional associations.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Revising the legislation on anti-money laundering and terrorism financing</strong></td>
<td>One Twinning Covenant</td>
<td>Regular reports of the relevant beneficiary structures. Statistical reports Standard project implementation reports.</td>
</tr>
<tr>
<td>The legislation on anti-money laundering and terrorism financing will be revised in accordance with the European acquis and with other relevant acts.</td>
<td></td>
<td>Full commitment of the parties involved. Timely and adequate resources available.</td>
</tr>
</tbody>
</table>

**STE 1 and STE 2 (5 working days, TF: 11,840 euro)**

1.1.1 Elaboration of a study on the harmonization level of the Romanian legislation to the international acquis, by two designated foreign experts, focusing on the implementing measures provided by the AML/CTF legislation. If necessary, the study will include proposals for amending/completing/adapting the AML/CTF Romanian primary and secondary legislation.

**STE 1 and STE 2 (2 working days, TF: 8,220 euro)**

1.1.2 Setting up of one working group on amending the AML legislation in order to harmonize it with the international standards. The working group will be formed by STE 1, STE 2, one principal and one stand-by representatives of the main institutions involved in the field (i.e. NOPCML, Ministry of Justice, Public Ministry, Superior Council for Magistrates, Ministry of Administration and Interior, Financial Guard, Ministry of Public Finance and Romanian Intelligence Service).

**STE 1 and STE 2 (3 working days, TF: 7,960 euro)**

1.1.3 Drafting the appropriate amendments to the Romanian AML/CTF legislation, in accordance with the recommendations of the indicated study.

1.1.4 Organizing of working group discussions on the draft
legislation acts with the institutions targeted to implement the proposed acts;

1.1.5 One day seminar on the proposed amendments, targeting all relevant stakeholders.

2. Increasing the institutional capacity of the National Office for Prevention and Control of Money Laundering

The institutional capacity of NOPCML will be increased by fully implementation of the relevant acts in the field of AML/CFT, the elaboration of the national strategy on AML/CFT and the training provided for the financial analyst within the NOPCML.

STE 3 and STE 4 (one working day, TF: 3,930 EURO)

2.1.1 Setting up of a working group formed by STEs, designated foreign experts and the one principal nominee and one stand by representatives of the main institutions involved in the field (i.e. NOPCML, Ministry of Justice, Public Ministry, Superior Council for Magistrates, Ministry of Administration and Interior, Financial Guard, Ministry of Public Finance and Romanian Intelligence Service), in order to draft the national AML/CTF strategy; establish working procedures/tasks and a timetable.

STE 3 and STE 4 (3 working days, TF: 7,510 EURO)

2.1.2 Drafting of the national AML/CTF strategy by the working group and elaboration of a project of strategy;
2.1.3 One day seminar on the draft strategy, targeting all relevant stakeholders

Increasing the institutional capacity of the National Office for Prevention and Control of Money Laundering

STE 5 and STE 6 (five 3-day workshops, TF: 41,300 euro)

-2.2.1 Organizing of five 3-day workshops for the financial analysts within the Supervision and Control Department, by 2 designated foreign experts (STEs), having as topics:
  * Drafting/review of working procedures for off-site
supervision;
- Drafting/review of norms of control and inspection performed by the NOPCML financial analysts to the reporting entities;
- drafting the standard model of the control work plan;
- design of the compliance programme;
- drafting of the compliance questionnaire.

2.2.2 Performing of a pilot control of the financial analysts within the Office, based on the standard model drafted under 2.2.1, and discussions on the results.

**STE 7 and STE 8 (four 2-days workshops, TF: 26,630 euro)**

2.3.1 Organizing of four 2-days workshops with case studies presentations and typologies of money laundering cases on the following topics:
- Illustration on current developments like cyber laundering and terrorism financing;
- Wire transfers and their relation to terrorist financing;
- Non-profit organizations and links to terrorism financing;
- Gatekeepers and money laundering;
- Main vulnerabilities in the financial sector;
- The threat from corrupt international Politically Exposed Persons (PEPs) placing criminal assets into the financial markets.

**STE 9 (two 3-days seminars, TF: 9,010 euro)**

2.4.1 Organizing of two 3-day seminars on the conceptual approach to the study of money laundering as an integrated financial, economic and social phenomenon, with training of a selected audience of analysts on the exploitation of specific IT analysis tools applied to the NOPCML databases.

**STE 10 and STE 11 (four 2-days seminars, TF: 30,080 EURO)**

2.4.2 Organizing of four 2-days seminars on prevention and combating money laundering and terrorism financing, in territory, for law enforcement agencies, focusing on the following topics:
- The risks and vulnerabilities of money laundering in the financial and non-financial sectors;
- Money laundering and terrorism financing: trends and indicators;
STE 12, STE 13 and STE 14 (2-days seminar, TF: 42,380 euro)
2.5.1 Organizing of 2-days FIUs Regional Seminar on New Trends and Techniques of Money Laundering and Terrorism Financing, with the participation of two representatives from each of the regional FIUs.

3. Professional training of the financial and non-financial reporting entities, which do not have overseeing authorities

The AML/CFT legislative framework will be implemented at the level of reporting entities by trainings organized at territorial level for notaries, lawyers, auditors, real estate agents and other reporting entities provided by the special law in the AML/CFT field.

STE 15 and STE 16 (six 2-days workshops, TF: 45,120 euro)
3.1.1 Organizing of six 2-days workshops, at territorial level, on the following topics:
- Impact of the legislation on the behavior of an independent legal profession;
- How to detect unusual transactions suspected of money laundering and terrorism financing;
- Reporting obligations: providing accurate and valued-added information in the reports submitted to the NOPCML;
- Trends and indicators of money laundering;
- The role of independent legal professionals in the fight against money laundering.

STE 17 and STE 18 (six 2-days workshops, TF: 45,120 euro)
3.2.1 Organizing of six 2-days workshops, in territory, of the representatives of financial and non-financial reporting institutions, which do not have overseeing authorities involved in the fight against money laundering and terrorism financing, i.e. real state agents, NPOs, dealers, casinos, leasing companies, money remitters, exchange house, pawn houses on the following topics
- Basic concepts of money laundering and terrorism financing - theoretical and practical aspects;
- Identifying suspicious transactions and reporting about them;
- Monitoring of compliance as a tool to increase effectiveness;
- The most common measures applied by the financial and non-financial sectors for non-face to face identification;
- Enhancing flexibility: the risk-based approach.

**STE 19 and STE 20 (2-days, TF: 6,720 euro)**

3.3.1 Setting up a working group formed by two designated STEs and financial analysts to be nominated by the National Office for drafting the Handbook of Indicators and Typologies for reporting entities; establish working procedures/tasks and a timetable.

**Editing the Handbook of Indicators and Typologies for reporting entities (TF: 7,000 euro)**

**STE 19 and STE 20 (six 2-days seminars, TF: 45,120 euro)**

3.3.2 Presentation and dissemination of the Handbook of Indicators and Typologies to the reporting entities, during six 2-day seminars, which will be organized at territorial level.

**MS PROJECT LEADER (one 2-day forum, TF: 8,860 euro)**

3.4.1 Organizing of a 2-day Money Laundering and Terrorism Financing National Forum, on discussing the latest developments on combating money laundering and terrorism financing and on implementation of the national strategy on AML/CTF.
### DETAILED TIME IMPLEMENTATION CHART FOR THE PROJECT
Title: “Fight against Money Laundering and Terrorism Financing”

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<td>Twinning</td>
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D = Design  
C = Contracting  
R = Review  
I = Implementation  
X = Closure

---

ANNEX 2
CUMULATIVE CONTRACTING AND DISBURSEMENT SCHEDULE

"Fight against money laundering and terrorism financing"

Annex 3 - All figures in million EURO

Annex 3a - Cumulative contracting schedule

<table>
<thead>
<tr>
<th></th>
<th>31/03/07</th>
<th>30/06/07</th>
<th>30/09/07</th>
<th>31/12/07</th>
<th>31/03/08</th>
<th>30/06/08</th>
<th>30/09/08</th>
<th>31/12/08</th>
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<th>30/09/09</th>
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NB: All contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of the FA.

Annex 3b - Cumulative disbursement schedule

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<tr>
<th></th>
<th>31/03/08</th>
<th>30/06/08</th>
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<th>30/06/10</th>
<th>30/09/10</th>
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NB: All disbursements must be completed within 36 months of signature of the FA.
### Annex 5 - Lessons learnt from previous years

<table>
<thead>
<tr>
<th>Identified Gaps or Recommended courses of intervention</th>
<th>Action for covering the Gap or implementing the recommended intervention</th>
<th>Phare Programming (Project Reference) 2004-2006</th>
<th>Transition Facility</th>
</tr>
</thead>
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<tr>
<td>- relevant structures involved in the fight against fraud, economic crime and corruption need to be strengthened</td>
<td>- Increasing the institutional capacity of the National Office for Prevention and Control of Money Laundering</td>
<td>Twinning project RO02/IB/JH-08 “Integrated programme to strengthen the capacity of Romanian institutions involved in the fight against money laundering, the combat against the financing of terrorism and related organized crime”</td>
<td>Project to be financed under TF Programme: “Fight against money laundering and terrorism financing”</td>
</tr>
<tr>
<td>- there is still a need to improve the appliance of the legislation on anti-money laundering and terrorism financing</td>
<td>Professional training of the financial and non-financial reporting entities, which do not have overseeing authorities, in order to increase their capacity to implement the relevant legislation on AML/CFT.</td>
<td></td>
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</table>

**Note:** The table should summarize all the interventions aimed at the application of the recommendations of the comprehensive Monitoring Report, SIGMA (financial control, procurement, Peer Reviews, Evaluation reports, Final reports of TW projects, specifying the sources of financing of the intervention, i.e. IFIs or state budget (see the examples in the table). Please insert in the table only those gaps/recommendations relevant for the interventions planned for current exercise, in a most synthetic way. Obviously, the column for PHARE 2004-2006 will be completed only if the intervention spans over all the three programming years – i.e. there are projects to be financed from Phare 2004, respectively 2005 and 2006 under the same recommendation.
## Budget Detailed

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<th>Total costs (TF + co-financing)</th>
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<td><strong>Twinning Contract</strong></td>
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<td>RTA (12 months)</td>
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<td>The beneficiary puts at the disposal of the PAA an office space equipped</td>
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<td>with computers and other IT materials</td>
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