



Project Title:	Project against Money Laundering & Terrorist Financing	
Project Number:	206/126-126	
Country:	Russian Federation	
	Local operator	EC Consultant
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Project starting date: 1 January 2007

Project duration: 42 Months

Project budget: Euro 3.150.000

Funding: European Commission / Council of Europe

Implementation: Council of Europe

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Reporting period: 1 January 2007 – 31 March 2007

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1 PROJECT SYNOPSIS

Project Title: Protection against Money Laundering & Terrorist Financing

Project Number: 2006/126-126

Country: Russian Federation

Project objectives: The overall objective of the Project is **to contribute to the prevention and control of money laundering and terrorist financing in the Russian Federation in accordance with European and other international standards and best practices.** The specific objective is **to enhance the human capacities of key institutions of the anti-money laundering system of the Russian Federation (Rosfinmonitoring, judiciary, prosecution, law enforcement and financial sector).** This includes the improvement of the legislative basis on which these institutions operate.

Planned outputs: **Output 1:** Legislation of the Russian Federation more compliant with all applicable European and international standards; and, the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (ETS 198) ratified and applied in practice.

Output 2: The Rosfinmonitoring training strategy elaborated and implemented.

Output 3: The AML/CTF Training Centre further developed.

Output 4: The law enforcement agencies, and in particular the Ministry of Interior and Federal Security Service as well as prosecutors and judges, have their training plans in investigating and treating money laundering and terrorist financing cases in line with international standards and are able to implement them.

Output 5: Regulators and supervisors of the financial and legal services sector supported in elaborating and implementing training plans in countering money laundering and terrorist financing including national legislation and international standards and best practices.

Synopsis of Project Activities:

The project objectives will be achieved utilising a number of delivery mechanisms including:

- Provision of expert advice and opinions;
- Study visits to other C of E Member States;
- Roundtables and seminars;
- Workshops;
- Internships in the relevant bodies of the C of E Member States;
- Training Courses;
- Research;
- Translations;
- Publication and dissemination of texts and/or audiovisual CD-ROMs.

2.1 Introduction and start up activities

Although the project officially began in January 2007 there were no substantial activities within the reporting period, the time being spent on administrative issues both in Moscow and Strasbourg.

- 2.2 The 1st **quarter** period to end of March was primarily concerned with the preparation of the inception report, the identification and appointment of staff, the refurbishment of project office premises, the updating of office and IT equipment, establishing a mechanism to provide the project team with funds, and planning for first operational meeting with the senior management of the beneficiary organisation.

3. Summary of project planning for the next quarter [April-June]

The core elements in project planning for the next quarter are to identify and appoint a project team leader, make initial operational contact with the primary beneficiary, develop a project work plan, hold a start-up meeting with the participation of the EC Delegation in Moscow, and hold a coordination meeting with the beneficiaries. This meeting will also serve as a closing meeting for the Moli-Ru PAP where the CFT Guidelines will be formally publicised. Furthermore, efforts will concentrate on the delivery of the activities foreseen by the work-plan and to further develop contacts in other entities within the anti money laundering chain thereby increasing the opportunities for the project to impact on their activities and to identify possibilities for joint activities either within the existing project timeframe or within a future project.

4. Project activities & outputs January 2007 – March 2007

4.1 Start-Up Activities

Appointment of office manager and long-term local expert and continued search for long-term international expert / team leader. Regaining possession of office premises, checking of IT equipment, and negotiations with landlord of premises, security issues, and general project administration.

4.2 Output 1
No activities this reporting period

4.3 Output 2
No activities this reporting period

4.4 Output 3
No activities this reporting period

4.5 Output 4
No activities this reporting period

4.6 Output 5
No activities this reporting period

5. Project Team Activities January 2007 – March 2007

5.1 January 2007
No activities undertaken

5.2 February 2007

- Recruitment of Office Manager and Long Term local expert
- 3 meetings with Deputy Head of Rosfinmonitoring/Project Beneficiary Contact, Sergei Osipov re project and its organization (incl. exchange of letters in connection with the position of the team leader).
- Meeting with I. Alekseev, E. Tolgskaya, ITMC re office premises availability to the project and agreeing the usage of the MOLI-RU1 equipment and furniture
- Meeting with E. Tolgskaya re: financial issues, where it was agreed that the Center will provide MOLI office with the cleaner on a basic of co-financing; issue of internet and telephone bills were not yet decided.
- Clarifications on project's registration in RF.

5.3 March 2007

- 4 meetings with the leadership of ITMC re: training needs of Rosfinmonitoring , the role of ITMC in training Rosfinmonitoring staff and the staff of law enforcement agencies and reporting institutions. Possibilities of combining the efforts of ITMC and MOLI-RU project in this area.
- Preparation for start-up meeting with liaison with Rosfinmonitoring re visas, budget, visibility etc.
- Contacting Service providers re office needs purchase

6. Conclusions
The main activity during this reporting period was the identification and recruitment of the project team. Identification and recruitment of the Long Term International Expert who will assume the role of Team Leader remains a priority but is expected to be completed within the next reporting period.

7. Annexes
None

8. Project planning for next reporting period

The following activities are forecast for the reporting period April - June 2007.

- Organise a start-up conference for the official launch of the project together with the beneficiary and the EC Delegation with commensurate media coverage.
- Organise a coordination seminar with the beneficiary to outline the project objectives, outputs, and activities and to agree on contact persons, priorities, and methodology.

8.1 Output 1:

Identification of international experts who are willing to assist and be part of a standing legal working group for the duration of the project.

8.2 Output 2:

Further discussions with the senior management of Rosfinmonitoring and the ITMC to decide on areas of responsibilities and priorities for effective delivery of project resources.

8.3 Output 3:

Further discussions with the senior management of Rosfinmonitoring and the ITMC to decide on areas of responsibilities and priorities for effective delivery of project resources.

8.4 Output 4:

Further discussions with the senior management of Rosfinmonitoring and the ITMC to decide on areas of responsibilities and priorities for effective delivery of project resources.

8.5 Output 5:

Further discussions with the senior management of Rosfinmonitoring and the ITMC to decide on areas of responsibilities and priorities for effective delivery of project resources.