

**THE GOVERNMENT OF GEORGIA**

**Ordinance №606**

*Tbilisi*

*30 October 2014*

**On Approving the Regulation of the Financial Monitoring Service of Georgia –  
Legal Entity of Public Law**

1. Pursuant to Paragraph 1 of Article 102 of the Law of Georgia on Facilitating the Prevention of Illicit Income Legalization, the attached Regulation of the Financial Monitoring Service of Georgia – Legal Entity of Public Law shall be approved.
2. Pursuant to Article 25 of the Law of Georgia on Normative Acts, the Ordinance of the Government of Georgia of 31 December 2013 on Approving the Regulation of the Financial Monitoring Service of Georgia – Legal Entity of Public Law shall become void.
3. This ordinance shall become effective upon promulgation.

**Prime Minister**

**Irakli Gharibashvili**

*Approved under the  
Government of Georgia Ordinance №606  
of 30 October 2014*

## **Regulation of the Financial Monitoring Service of Georgia - Legal Entity of Public Law**

### **Chapter I**

#### **General Provisions**

##### **Article 1. Status and Grounds of Activity of the Financial Monitoring Service of Georgia**

1. The Financial Monitoring Service (hereinafter referred to as the Service) is a legal entity of public law established pursuant to the Law of Georgia on Legal Entity of Public Law, which exercises powers under the Law of Georgia on Facilitating the Prevention of Illicit Income Legalization and relevant legal acts.

2. The Financial Monitoring Service of Georgia shall be an independent authority and shall conduct its activities in accordance with the Constitution of Georgia, Georgia's international treaties and agreements, and relevant legal acts.

3. The Service shall be entitled to acquire rights and liabilities, conclude transactions and engage in relations with third parties on its own behalf, and to be a plaintiff and/or a defendant in the court.

4. The Service shall represent Georgia, within its competence, at international assemblies, councils and conferences.

5. The Service shall have an independent balance sheet, bank account, and a seal with the state emblem and its own name.

6. The Service shall submit annual activity reports to the Government of Georgia.

### **Chapter II**

#### **Objectives and Responsibilities of the Service**

## **Article 2. Objectives of the Service**

The Service shall pursue the objective of facilitating the prevention of illicit income legalization and financing of terrorism.

## **Article 3. Responsibilities of the Service**

1. For the purpose of facilitating the prevention of illicit income legalization and financing of terrorism, the Service shall:

a) Establish the suspicious transaction reporting form upon agreement with the respective supervisory authority;

b) Define and for the purpose of assisting monitoring entities in ascertaining suspicious nature of transactions, provide them with information (list, guidelines, etc.) on suspicious transactions and their participants;

c) Request and obtain from monitoring entities, where necessary, additional information and available documents (originals or copies), including confidential information, on any transaction and parties to it, for the purpose of uncovering illicit income legalization or terrorism financing, as well as other criminal offences;

d) Provide supervisory authorities with the information for further action;

e) Adopt legal acts, within its competence, for the purpose of implementing provisions of the Law of Georgia on Facilitating the Prevention of Illicit Income Legalization;

f) Participate in the development and discussions of draft normative acts related to the regulation of the economic sphere and other issues concerning its powers;

g) For the purpose of discharging its responsibilities, forward queries to and obtain information from all state or local self-government bodies or institutions, as well as from any individual or legal entity exercising public responsibilities pursuant to the Georgian legislation;

h) Apply to the court for the purpose of seizing a property (bank account) or suspending a transaction (operation), when there are reasonable grounds to believe that the property (transaction amount) can be used for financing terrorism (case materials shall be immediately forwarded to respective authorities of the Chief Prosecutor's Office of Georgia and the Ministry of Internal Affairs of Georgia);

i) Set up an information network, systemize and analyze the information obtained, and ensure the creation and functioning of the relevant record-keeping database;

j) Forward the relevant information (including confidential information) and case materials to respective authorities of the Chief Prosecutor's Office of Georgia and the Ministry of Internal Affairs of Georgia, without the need for approval from any authority or individual, when there are reasonable grounds to believe that a transaction is suspicious and is being implemented for the purpose of illicit income legalization, terrorism financing or other criminal offences.

k) Examine the state of implementation of the Law of Georgia on Facilitating the Prevention of Illicit Income Legalization and where necessary, develop appropriate legislative proposals to ensure that the objective of this law is realized.

l) Exercise powers provided for by the Law of Georgia on Facilitating the Prevention of Illicit Income Legalization and other normative acts.

### **Chapter III**

#### **Management of the Service**

##### **Article 4. Management and Structure**

1. The Service shall be governed by the Head of the Service who is appointed for the term of four years and dismissed by the Prime Minister of Georgia.

2. Head of the Service shall be dismissed prior to the expiration of his/her term on the basis of:

a) Personal application;

b) Serious misconduct in office;

c) Inability to fulfill his/her duties due to illness for four consecutive months or upon being declared legally incapable or having limited legal capacity by the court;

d) Termination of Georgian citizenship;

e) Conviction of a criminal offence.

3. Head of the Service shall have deputies who are appointed and dismissed by the Head of the Service. The number of deputies shall be determined through the staff list of the service.

4. In case of absence of the Head of the Service, his/her duties shall be exercised by the one of the deputies based on the decree of the Head of the Service.

5. Deputy Heads of the Service shall exercise duties assigned by the Head of the Service, ensure fulfillment of objectives provided for by this Regulation and the existing legislation, and supervise the implementation of assignments and orders of the Head of the Service.

6. The Head of the Service shall issue normative acts - decrees on the basis of and for the purpose of implementing the Georgian legislation.

7. The staff list of the Service and the amount of salaries of its employees shall be approved by the Prime Minister of Georgia based on the proposal of the Head of the Service.

7<sup>1</sup>. The Head of the Service is entitled, within the budget earmarked to the Service, to set supplemental wage for the employees (*29.05.2017 #262*).

8. Head of a structural unit of the Service shall be appointed and dismissed by the Head of the Service. Head of a structural unit shall be directly subordinated to the Head of the Service.

9. Head of a structural unit of the Service shall:

- a) Allocate responsibilities among the employees of a structural unit under his/her direction;
- b) Supervise the implementation of responsibilities by the employees of a structural unit under his/her direction;
- c) Provide oversight over the powers exercised by a structural unit under his/her direction;
- d) Submit proposals to the Head of the Service on issues related to the organization of work, encouragement of employees and use of disciplinary measures in a structural unit under his/her direction.

10. Powers, responsibilities and structure of a structural unit of the Service shall be determined under the regulation of the structural unit, which shall be approved by the Head of the Service at the proposal of the head of a respective structural unit.

11. Structural units of the Service include:

- a) Analytical Department;
- b) Data Collection and Processing Department;

- c) Department of Information Technologies;
- d) Department of Methodology, International Relations and Legal Affairs;
- e) Administrative Department.

12. Employees of the Service shall be appointed and dismissed by the Head of the Service.

## **Chapter IV**

### **Financing, Reporting and Accountability of the Service**

#### **Article 5. Financing**

1. The budget of the Service shall be annually approved by the Government of Georgia based on the proposal submitted by the Head of the Service. Current expenses of the Service shall not be less than the financing approved for the previous year. Current expenses can only be reduced compared to the previous year on the basis of prior consent of the Head of the Service. If the Government of Georgia does not approve the budget of the Service, the Service shall be financed in the amount approved for the previous year.

2. The sources of financing for the Service include:

- a) The state budget;
- b) Other income permitted by the Georgian legislation.

#### **Article 6. Reporting Requirements**

The Service shall submit the activity report to the Government of Georgia once a year before May 1.

#### **Article 7. Accountability**

The Service shall be accountable to the Government of Georgia.

## **Chapter V**

### **Reorganization and Liquidation of the Service**

#### **Article 8. Reorganization and Liquidation of the Service**

Reorganization and liquidation of the Service shall be undertaken pursuant to the Georgian legislation.

## **Chapter VI**

### **Procedure for Introducing Changes and Amendments to the Regulation of the Service**

#### **Article 9. Procedure for Introducing Changes and Amendments to the Regulation of the Service**

Changes and amendments to the Regulation of the Service shall be introduced based on the proposal of the Head of the Service and through the Ordinance of the Government of Georgia.