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\$57,000 (€50,000) from a bank account using, for the first time, Albania's legal provision allowing the confiscation of assets of corresponding value equivalent to criminal proceeds. In other cases, a prosecutor, a prison official, and a mayor have been convicted of corruption offenses. In 2018, prosecutors sequestered land belonging to the former prosecutor general, pending an investigation into suspected criminal activity. In the context of ongoing EU accession efforts, political will to investigate high-level officials may be strengthening.

Algeria

OVERVIEW

The extent of money laundering through Algeria's formal financial system is understood to be minimal due to stringent regulations and a banking sector dominated by state-owned banks. Algerian authorities monitor the banking system closely. The system is highly bureaucratic and provides for numerous checks on all money transfers. The continued prevalence of archaic, paper-based systems and banking officials not trained to function in the modern international financial system further deter money launderers who are more likely to use sophisticated transactions. However, a large informal, cash-based economy, estimated at 40 percent of GDP, is vulnerable to abuse by criminals. The real estate market is particularly vulnerable to money laundering. Notable criminal activity includes trafficking, particularly of drugs, cigarettes, arms, and stolen vehicles; theft; extortion; and embezzlement. Public corruption and terrorism remain serious concerns. Additionally, porous borders allow smuggling to flourish.

The country is generally making progress in its efforts to combat money laundering and financial crimes. Over the past several years, the government has updated its criminal laws on terrorist financing and issued new guidelines for the Bank of Algeria and the Ministry of Finance's Financial Intelligence Processing Unit (CTRF), Algeria's FIU.

VULNERABILITIES AND MONEY LAUNDERING METHODOLOGIES

The restricted convertibility of the Algerian dinar enables the Central Bank of Algeria to monitor all international financial operations carried out by banking institutions. Money laundering in Algeria occurs primarily outside of the formal financial system through, for example, abuse of real estate transactions and commercial invoice fraud. Algerian authorities are increasingly concerned by cases of customs fraud, use of offshore havens for tax evasion or to hide stolen assets, and incidences of TBML. The sprawl of the informal economy and extensive use of cash heighten the risk of financial crimes.

Al-Qaida in the Islamic Maghreb, which operates in parts of Algeria, is known to raise money through drug trafficking as well as extortion and taxes imposed on smugglers.

KEY AML LAWS AND REGULATIONS

There were no legislative changes noted in 2018. The following laws are applicable to money laundering in Algeria: Executive Decree no. 06-05, addressing STR requirements; Executive

Decree no. 13-157 on the creation, organization, and functioning of the CTRF; Executive Decree no. 15-153, fixing the thresholds for payments that must be made through the banking and financial systems; and Law no. 16-02, establishing rules for the application of the penal code to AML/CFT. AML provisions in Algeria impose data collection and due diligence requirements on financial institutions processing wire transfers, with stricter requirements for cooperation with law enforcement authorities, upon request, for transfers exceeding \$1,000. In addition, all payments for certain purchases in excess of approximately \$44,200 for real estate or approximately \$8,800 for goods and services must be completed via the banking system. Noncompliance with these provisions could result in sanctions against the individual and/or financial institution.

The United States-Algeria MLAT, signed in April 2010, was ratified by the United States and Algeria and entered into force on April 20, 2017.

Algeria is a member of the MENAFATF, a FATF-style regional body. Its most recent MER is available at: <http://menafatf.org/information-center/menafatf-publications/mutual-evaluation-report-peoples-democratic-republic>.

AML LEGAL, POLICY, AND REGULATORY DEFICIENCIES

Challenges remain in implementation of Algeria's AML regime. A self-analysis by the CTRF continues to identify a need to increase the quality of banks' reporting, although CTRF has noted an improvement in the last two years. While the CTRF has provided some information on the number of cases it is processing, additional information would be needed to evaluate implementation.

Only foreign PEPs are covered under enhanced due diligence requirements.

No information is available on money laundering prosecutions or convictions.

ENFORCEMENT/ IMPLEMENTATION ISSUES AND COMMENTS

The CTRF actively analyzes STRs, compiles and disseminates AML-related information to banks, and engages in some level of quantitative and qualitative self-analysis. A CTRF report for the first half of 2018 indicated that STR filings were up slightly from 2017 after a sharp decline from 2016. Officials at the CTRF explained the earlier decline was due to the implementation of reforms in reporting procedures at banks as well as newly applied technology allowing banks to more efficiently determine whether transactions may be related to money laundering.

Antigua and Barbuda

OVERVIEW

Antigua and Barbuda has improved its AML regime. The country finalized a National Risk