

National PEPs identification

Background

FIU is obliged to issue methodological recommendations on strengthening client identification and identification of politically exposed persons. National PEP is an individual who has performed public functions in Ukraine (in the preceding year or according to the risk-based assessment). Foreign PEP is an individual who has performed public functions in foreign countries.

Timeline

Martynenko demands removal of public references regarding his corruption cases from AntAC

26.10.2018

Former MP from the Narodnyi Front party Mykola Martynenko, indicted by NABU of money laundering, filed the lawsuit against the Anti-Corruption Action Center. He demands to remove references regarding his participation in corrupt activities from the website of one of organization's projects. This is about Martynenko's dossier, which is placed in Public Register of Domestic [...]

Methodical Recommendations on PEP identification

24.06.2015

FIU approved the Methodical Recommendations on identification of PEPs. FIU recommended to use the first open Ukrainian PEP <http://pep.org.ua/> developed by AntAC.

Introduction of national PEPs

14.10.2014

The Law "On prevention and combating of legalization (laundering) of proceeds of crime, terrorist financing and the financing of proliferation of weapons of mass destruction" introduced the new category of clients, national PEPs and foreign PEPs, and identified them as high risk clients. However, Ukrainian approach to limit PEP identification for three years after the end of public service contradicts FATF recommendations, which suggest implementation of risk-based approach.

Documents

IMF

The NBU will continue to conduct at least four quarterly inspections of banks at higher risk of laundering of the proceeds of corruption, focused on regulatory requirements related to customer due diligence and PEPs, including with regard to requirements to identify PEPs, to verify their source of wealth and beneficial ownership information. By end-January 2019, the NBU, with technical assistance from the IMF, will also prepare a roadmap to focus AML/CFT supervision on ensuring the adequacy of financial institutions' AML/CFT framework, and discontinue investigative functions.

Full doc: https://bank.gov.ua/en/file/download?file=ENG_SBA%2005122018%20LOI_MEFP_TMU.pdf

IMF

We remain committed to strengthening and mobilizing the AML/CFT framework to support efforts to tackle high-level corruption. In this respect, by end-March 2019, and in agreement with IMF staff, we will adopt amendments to the AML legal framework, including to ensure: ... (ii) that the definition of the persons related to PEPs is consistent with the risk-based approach encouraged by the FATF standard;

Full doc: https://bank.gov.ua/en/file/download?file=ENG_SBA%2005122018%20LOI_MEFP_TMU.pdf

IMF

"In the context of amendments to the AML legal framework, we will also ensure, in agreement with Fund staff, that the definition of the persons related to PEPs is consistent with the risk-based approach encouraged by the FATF standard, and that proportionate and dissuasive sanctions can be implemented by the NBU in case of breaches of compliance with the AML framework." para 26

Full doc: <https://www.imf.org/~media/Files/Publications/CR/2017/cr1783.ashx>

IMF

"The Financial Intelligence Unit (FIU) will assist financial institutions and other reporting entities in identifying domestic PEPs (in particular, by issuing relevant guidance and conducting training events). (structural benchmark)" para 32

Full doc: <https://www.imf.org/external/np/loi/2015/ukr/022715.pdf>

SBC

"Ensure effective client identification with regard to a variety of services offered by legal entities or agents (e.g. 'webmoney' services)" para 2.3.1.3

Full doc: