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# Regulation of «anti-money laundering» legislation in Belarus: compliance with FATF requirements

The primary document regulating the «anti-money laundering» legislation in the Republic of Belarus is the Law «On measures for prevention of laundering of criminal proceeds, financing of terrorism and financing of proliferation of weapons of mass destruction».

Responsibilities for internal control over compliance with the «anti-money laundering» legislation is imposed on banks, forex companies, leasing organizations, High-Tech Park residents (hereinafter referred to as HTP), gambling organizers, commodity exchanges, notaries, auditors, attorneys and attorney bureaus, organizations providing legal services, and others.

The listed entities have specific obligations. For example, the development of internal control rules and the provision of special notifications in electronic form to the Financial Monitoring Department of the State Control Committee (hereinafter – FMD SCC). According to the results of reviewing the special notifications FMD SCC may order to to suspend financial transactions.

The special notification shall be issued, in particular, for such transactions of legal entities as transactions with movable and immovable property, securities, loan transactions, debt transfer operations and assignment of claims in the amount exceeding 20,000 basic units (approximately 187,350 Euros) for legal entities and 2,000 basic units (approximately 18,735 Euros) for individuals.

Before any financial transaction is carried out its participants shall be identified, what includes first and last name, passport information, location and other information. In addition, information about the beneficial owners, about the founders and other information can be requested.

«Anti-money laundering» legislation provides the banks with the right to suspend and (or) reject in performance of the financial transaction, in connection, termination or suspension of the usage of the remote banking service system. Bank decides on the specific measures depending on kind of the transaction and criteria to consider financial transaction as suspicious.

Banks may use their right on application of specific measures in particular in following cases:

1. Conducting a financial transaction that does not correspond to the nature of the client's business.
2. Unreasonable splitting of the financial transaction into several parts, if the total amount of the transaction is 20,000 basic units and more for legal entities. For example, instead of providing one loan in the amount of 200,000 Euro, two or three transactions are made within short term.
3. The financial transaction is close in value or exceeds 2,000 basic units and is performed as transfer of funds abroad for non-deliverable OTC financial instruments or is connected with the purchase and sale of securities. At the same time, such operations shall not be as part of usual activity of the organization. In this case, the banks analyze the transactions usually carried out by the organization and make appropriate decisions.
4. The client's authorized capital is less than 100 basic units (approximately 940 Euro), and bank account was opened less than within 6 months. At the same time, financial transactions in the amount of more than 5,000 basic units (approximately 46,840 Euros) are made within one banking day after opening the account or financial transactions in the amount of more than 20,000 basic units (approximately 188,000 Euros) are made within one month after opening the account. At the same time, the client did not receive a bank credit.

5. Carrying out a financial transaction in the amount close to or exceeding 2,000 basic units (approximately 18,800 Euros) related to the acquisition or alienation of digital signs (tokens) with payments in BYN, foreign currency, electronic money from non-residents without the participation of an HTP resident.
6. Execution of financial transactions for a total amount of 1,000 or more basic units (approximately EUR 9,300) within a calendar month related to the acquisition, use and repayment of electronic money, if banks cannot determine the origin of the funds.

After the bank has restricted the conduct of a financial transaction, it informs the client about its actions in writing, indicating the reasons and grounds, and sends a special notification to the FMD SCC. After that, the FMD SCC checks the validity of the bank's actions and the results of the audit are issued in the form of an opinion, which indicates the suspension of financial transactions or a notification of the resumption of financial transactions.

For HTP residents some additional criteria are established to reject in carrying out a financial transaction:

1. The client offers (intends) to make a financial transaction through a HTP resident with the types of tokens based on the principle of complete anonymization;
2. The client plans (offers) to make (performs) settlements on one financial transaction for the amount exceeding 2000 basic units (approximately 18,800 Euros), not by bank transfer or electronic money transfer.

For HTP residents some additional criteria for identifying and indicating a suspicious financial transaction are established, for example:

1. Depositing by a client - an individual into the HTP resident's cashier or receipt of cash from the HTP resident's cashier in the amount exceeding 200 basic units (approximately 1,860 Euros).
2. Depositing by the client - legal entity into the HTP resident's cashier or receiving cash from the HTP resident's cashier.
3. The client uses (or plans to use) a virtual wallet for making a financial transaction, if this wallet was used for transactions on the trading platforms «Silk Road», «AlphaBay», «Hansa», «Dream Market», «CGMC».
4. The client uses (plans to use) «anonymiser software», «IP mixers», «coin mixers», and other anonymizer programs (including virtual wallets that exclude the possibility of tracking transactions made with their use, for example, Dark Wallet) when performing an operation to transfer tokens to the address (ID) of the virtual wallet.

For HTP residents, additional guarantees are established, such as the right to unilaterally refuse to execute a contract for a financial transaction in writing. At the same time, this right is an essential condition of contracts for the implementation of financial transactions, in the absence of which it is possible to state that the non-conclusion of the contract.

We shall mention that participants of the financial transaction are not liable for actions of banks and other organizations which provide internal control measures. The fact of drafting and sending the special notification is confidential and cannot be disclosed to third parties.

Therefore, the Belarusian legislation is being amended in accordance with the FATF recommendations. Organizations need to be careful when performing a number of financial transactions, as they may be considered suspicious by the bank, may be suspended and checked by the FMD SCC.

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