



Financial Intelligence
Unit of Latvia

Financial Integrity Newsletter

FIU Latvia 2024 activity report

Key priorities: Centralisation of sanctions implementation functions and MONEYVAL 6th round mutual evaluation

Foreword by the Prime Minister of Latvia,
Evika Siliņa:

“ **MONEYVAL mutual evaluation will help attract foreign investment to Latvia.** ”

More in this issue:

- **The use of informal solutions** to deal with various issues among citizens and businesses **is declining.**
- The fight against transnational organised crime **continues under Latvia's leadership.**
- **12 million euros in attempted financial fraud** prevented in 2024.

#9 April 2025



Financial Intelligence
Unit of Latvia

Foreword

MONEYVAL assessment will help attract foreign investment to Latvia

The top priorities of my government include both Latvia's national security and economic growth. These two areas influence each other significantly. Both national security and economic growth depend on combating financial crimes to strengthen the rule of law and improve Latvia's international image.

In recent years, Latvia has made considerable progress in this area. The upcoming MONEYVAL mutual evaluation report on the effectiveness of Latvia's anti-money laundering and counter-terrorist and proliferation financing (AML/CTPF) system will be an excellent opportunity to showcase what has been achieved and confirm the progress made.

In 2023, the Latvian government made a strategic, responsible, and challenging decision to be the first country whose AML/CTPF system would be assessed in the new mutual evaluation round. Moreover, it is the first country not only among MONEYVAL or European Union member states but also within the FATF global network. This step is a logical continuation of the fundamental reforms and the fight against money laundering, terrorist financing, and proliferation financing that have been jointly undertaken in recent years. This has allowed Latvia to establish a strong and resilient financial crime prevention system.

The expected MONEYVAL mutual evaluation has a significant impact on Latvia's future economic development. It is an internationally recognized comprehensive assessment of a country's ability to prevent its financial system from being used for criminal purposes.

Through effective money laundering prevention and combating, Latvia's goal is to promote the rule of law, Latvia's economic growth, and the investment environment, thereby strengthening Latvia's internal and external security. Latvia's efforts in money laundering prevention have been recognized internationally. As former FATF President Raja Kumar once stated, "Latvia is a small but formidable leader in AML."

As the head of government, I will continue to solidify Latvia's status as a country with an effective anti-money laundering and prevention system. The government will continue to ensure that a strong signal about the security of our financial system is sent to foreign investors and foreign credit institutions, which will improve Latvia's credit rating, significantly reduce the cost of banking services, and promote foreign investment.



Evika Siliņa

Prime Minister of Latvia

Terms, abbreviations and definitions

AI – Artificial Intelligence

AML – Anti-Money Laundering

AML/CFT – Anti-Money Laundering and
Countering the Financing of Terrorism

AML/CTPF – Anti-Money Laundering, Counter-
Terrorism and Proliferation Financing

EAA – European Economic Area

EU – European Union

FATF – Financial Action Task Force

FIA – Financial Industry Association

FIU – Financial Intelligence Unit

IT – Information Technology

KNAB – Corruption Prevention and Combating
Bureau of Latvia
Korupcijas novēršanas un apkarošanas birojs

ML – Money Laundering

MONEYVAL – Committee of Experts on the
Evaluation of Anti-Money Laundering Measures
and the Financing of Terrorism

OSINT – Open Source Intelligence

SP – State Police

SRS – State Revenue Service

UN – United Nations

UR – Register of Enterprises
Uzņēmumu reģistrs

FIU Latvia 2024 activity report

Summary

Key priorities for 2024

- Centralisation of sanctions implementation functions
- MONEYVAL 6th round mutual evaluation

Within 2024, FIU Latvia received

- **5,501 reports** of suspicious transactions from reporting entities
- **95,518 threshold declarations**
- **451 reports** of suspicious transactions with suspected sanctions evasion



42% increase

in suspicious transaction reports from the non-financial sector



85,000

the average number of visits per month to the website sankcijas.fid.gov.lv

International cooperation



Lithuania

FIU Latvia's primary international partner
(by number of requests sent)



6,779,267 euros

frozen at FIU Latvia's request



9.54 out of 10

FIU Latvia's international cooperation
rating



The most common data requests

from foreign Financial Intelligence Units
were about

- Tax related crimes
- Fraud
- Embezzlement
- Sanctions violations

MONEYVAL 6th round evaluation



Latvia

The first country to be evaluated in the new round



June 10-13, 2025

The FATF/MONEYVAL plenary will adopt Latvia's report



Q4 of 2025

Latvia's mutual evaluation report will be published

FIU Latvia's role in sanctions implementation

On April 1, 2025, FIU Latvia became the competent authority for implementation of international sanctions and national sanctions of Latvia.

Key benefits of this centralisation include

- **Single point of contact** to seek guidance and clarifications on 'sanctions' implementation for private and public sector stakeholders
- **Enhanced legal certainty** and a uniform approach to sanctions implementation
- **Synergy between functions** for sanctions' implementations and prevention of sanctions circumvention
- **Comprehensive overview** of sanctions' implementation in Latvia with access to information from all relevant parties



148

sanctioned person with frozen assets in Latvia



64 million euros

funds frozen in financial institutions

Priorities for 2025

- **Successful completion** of the MONEYVAL 6th round mutual evaluation
- **Initiation of the National Risk Assessment** (NRA) for the period 2023-2025
- **Increased use of cutting-edge technologies** in FIU Latvia's operations

“ Our goal to maintain our position as a world-class institution safeguarding Latvia and its citizens from financial crime remains unchanged. FIU Latvia will continue the strategic course set several years ago and ensure that the changes made are sustainable and effective. ”

Toms Platacis, Head of FIU Latvia.

How effectively has the Anti-Money Laundering Coordination Unit worked?

Interview with one of the founders of the Unit, now a judge of the Constitutional Court, Juris Juriss.

Since November 2024, **Juris Juriss** has been a judge in the Constitutional Court. For more than 25 years, he worked in the Prosecutor's Office, specialising in the prevention and combating of financial and economic crime – more than 15 of those years in the General Prosecutor's Office.

In 2020, Juriss participated in the establishment of the Anti-Money Laundering Coordination Unit, which coordinates the prevention and combating of money laundering (ML) in Latvia.

Our conversation focused on the establishment and progress of the Unit, the latest challenges in the area of anti-money laundering (AML), and the forthcoming MONEYVAL mutual evaluation report to be published at the end of 2025.



Juris Juriss

Judge of the Constitutional Court

**This interview has been edited for length and clarity.*

Could you please explain in more detail what the Anti-Money Laundering Coordination Unit is and why it was set up?

The idea of the Anti-Money Laundering Coordination Unit (further in the text – the Unit) was created in 2020 when the new Prosecutor General, Juris Stukāns, took office.

At that time, we realised the need to assess the progress made by the prosecution and investigative authorities in combating ML. In the previous period, the financial sector – credit institutions, in particular – did not sufficiently implement a risk-based approach, especially with regard to servicing non-resident businesses.

Around the same time, the geopolitical situation was escalating as well. International legal cooperation became increasingly complex, especially within the former post-Soviet states. The information received often could not be fully used in the investigation, prosecution, or confiscation – including non-conviction-based confiscation – of ML cases.

Given the new challenges, including the increasing use of new technologies in ML, it became necessary to seek more effective means of tracing, seizing, and confiscating illicit proceeds.

The Unit started its work on 1 January 2021, with a focus on the effective combat of ML and asset

confiscation, including non-conviction-based confiscation. This can be described as an essential step towards improving Latvia's AML efforts and restoring international confidence in the country's legal system in a sufficiently short timeframe.

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The formation of the Anti-Money Laundering Coordination Unit can be described as an essential step towards improving Latvia's AML efforts and restoring international confidence in the country's legal system.

What are the Unit's functions?

The main functions of the Unit include a number of important activities related to AML. I will try to list them all:

- **Exercising the functions of a senior prosecutor** – this function requires the assessment and verification of the legality and reasonableness of responses to complaints and decisions made in criminal proceedings.
- **Improving the efficiency of investigations and criminal proceedings** – the prosecutors of the Unit assist in specific investigative processes by providing methodological support, as well as participating in the drafting of the necessary procedural documents. This contributes to the progress of investigations, prosecutions and judicial proceedings.
- **Ensuring cooperation between different institutions** – investigative institutions, prosecution units and operational entities – to coordinate the investigation of ML cases.
- **Providing statements on the merits of terminating criminal proceedings** – the Unit provides statements on whether all necessary steps have been taken in the

investigation process. If the termination of the case is not justified, this may affect the individual's right to compensation.

- **Participation in international cooperation groups and commissions**, as well as ensuring cooperation with international organisations such as MONEYVAL. In cooperation with FIU Latvia and, for example, through the involvement of the banking sector, the Unit also provides its expertise in the development of AML methodologies and recommendations.
- **Development of legislation and various methodological materials** on ML prevention and combat.
- **Development and implementation of training programmes** – both in Latvia and abroad – to raise law enforcement officials' awareness of current ML issues while promoting cooperation with Latvian and foreign law enforcement authorities.
- **Coordination of asset recovery** in cooperation with the Asset Recovery Office, a specialised unit of the State Police. The purpose of this function is to help develop the necessary methodological material for the effective recovery of assets, as well as to provide support to investigators and prosecutors in this area.

How big of a team was needed to carry out all these functions?

It was clear from the start that three prosecutors and a Chief Prosecutor would not be able to carry out all the functions mentioned effectively. At the same time, increasing the number of prosecutors in the General Prosecutor's Office was not feasible – it would mean that resources (e.g. human resources and budget) would be diverted to the Unit, reducing capacity at other levels of the prosecution service.

As a result, the following mechanism was set up: each county-level prosecutor's office had coordinating prosecutors who worked in close cooperation with the district prosecutors and dealt with day-to-day operational tasks, with the Unit's assistance where necessary.

This model also ensured closer interaction between the prosecutors in charge of the Unit and the prosecution units in the regions, enabling the strategic objectives of the prosecution service to be achieved while maintaining a connection with day-to-day practical work.

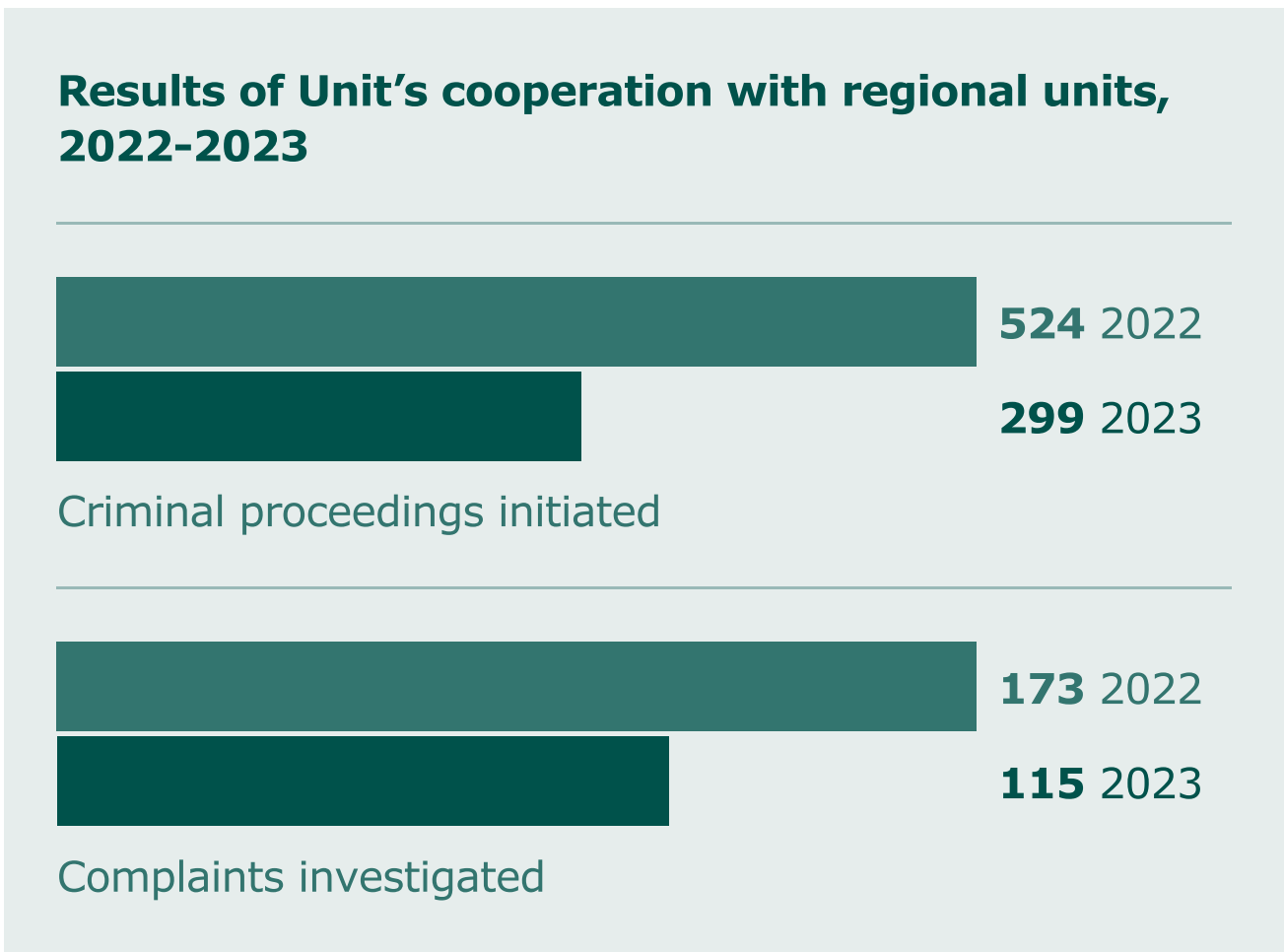
What were the key topics on the Unit's agenda?

In the beginning, the Unit's key focus was on improving the effectiveness of investigations and prosecutions, particularly in cases where stand-alone ML was investigated or prosecuted. It was important not only to increase the total number of cases but also to improve their overall quality.

There was a need to improve the understanding of how to collect, consolidate and evaluate evidence more effectively so that it is accepted by the court as relevant, admissible, reliable, and sufficient. Guidelines were also developed on the standards and criteria of evidence to be considered when cases are brought to court. Guidelines were also developed on the nature and level of penalties in ML cases.

Another topic was related to non-conviction-based confiscation. This was particularly relevant in cases of transactions with non-residents through Latvian banks. The focus here was on how to resolve such cases more effectively, including through the use of circumstantial evidence.

The third essential topic was related to the liability of legal persons. There were often cases where legal persons involved in criminal activities were liquidated before criminal proceedings were initiated. This made it difficult to apply coercive



“In the beginning, the Unit's key focus was on improving the effectiveness of investigations and prosecutions, particularly in cases where stand-alone ML was investigated or prosecuted.”

measures to them in criminal proceedings. It was, therefore, necessary to improve the mechanisms for bringing the offenders to justice in such cases.

What were – and what are – the biggest challenges in the Unit's work?

Preventing and combating ML is a dynamic field, with new challenges emerging all the time. One of them is how criminal activities are adjusting to new circumstances and are attempting to evade criminal liability. In other words, criminals are trying to find new ways to hide and disguise the origin of funds. This is done, for example, by using the latest technologies that help to move away from the traditional system of financial surveillance.

“The more effectively the state combats ML, the more actively criminals look for ways to escape the surveillance system, for example, by using cryptocurrencies and other payment forms.”

The more effectively the state combats these activities, the more actively criminals look for ways to escape the surveillance system, for example, by using cryptocurrencies and other payment forms. This trend is still ongoing and gaining momentum.

The second challenge is the geopolitical situation, which has disrupted the usual international cooperation channels. The Russian invasion of Ukraine created serious problems. Firstly, it is impossible to conduct legitimate investigations in the occupied territories. Secondly, cooperation with Russia and Belarus was difficult because we could not rely on the information received from these countries. These challenges affect not only Latvia but also Europe as a whole. It is, therefore, essential to find solutions to protect national and international cooperation from the threat of financial crime, including preventing sanctions circumvention and profiting from transactions with banned goods.

In response to these challenges, Latvia is increasingly using the indirect method of proof to investigate financial and economic crime. This method is particularly effective in removing criminal funds from the financial chain and seizing them, including in non-conviction-based confiscation proceedings. We have done a very good job in this area.

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Now let's talk about achievements – what can the Unit be proud of?

I think that achievements are best seen from the sidelines. But what I would like to underline is this: We can clearly see the statistical increase in the Unit's main areas of activity, which illustrates its effectiveness.

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Firstly, we see an increase in the effectiveness of prosecutions and in bringing cases to court, including in cases of stand-alone ML. Previously, Latvia had only secured one conviction for stand-alone ML.



Secondly, we see progress in the implementation of the confiscation mechanism, in particular, non-conviction-based confiscation. We now have an extensive body of case law, and the confiscation mechanism works effectively.



Overall, the Unit's focus has been on two things: preventing and combating ML and making confiscation more effective. Statistics show that in both of these aspects, the Unit has been successful.

These two aspects were also included in the MONEYVAL recommendations in 2018.

Yes, MONEYVAL made a number of recommendations in 2018 relating to the investigation and prosecution of ML, as well as to confiscation.

Implementing these recommendations was one of our objectives – but not an end in itself. When we started working on these issues, we did not know that in 2025, our country would be assessed on these aspects. These two focus areas were a logical consequence of previous criticisms and experiences.

For example, in the past, there had been few ML cases – and even fewer stand-alone ML cases. Also, non-conviction-based confiscation was not common enough to address the situation at the time. The introduction of the recommendations was intended to address these issues.

What reforms have been made to implement these MONEYVAL recommendations, and will this improve our evaluation?

The focus was on two key areas of action. The first relates to improving the effectiveness of the investigation, prosecution, and adjudication of ML cases, including cases of stand-alone ML. The second concerns improving the mechanism for confiscation of criminal assets, including in cases where assets can be confiscated without conviction.

Our statistics have improved considerably, but of course, we still have to wait for the MONEYVAL mutual evaluation to see how this work will be evaluated by foreign experts.

One important thing to bear in mind is that we can reduce the opportunities for domestic proceeds of crime, but crime will not withstand this. New ways are being sought to take the knowledge of ML outside Latvia and to make

greater use of new technologies. It will also try to take advantage of the current geopolitical situation. International cooperation will, therefore, become increasingly important.

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We have to wait and see how MONEYVAL assesses us. However, it is important to understand that not all pressing issues, which are particularly acute in certain regions, are always dealt with in the same way across the EU. Not all regions have the same experiences, political situations and external influences. Being closer to the current geopolitical processes, we are more aware of the need to seek more effective means and instruments to tackle ML than other countries that do not experience these processes as intensively.

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The use of informal solutions to deal with various issues among citizens and businesses is declining

The latest opinion poll by the Corruption Prevention and Combating Bureau (KNAB) shows a decrease in the reliance of individuals and businesses on informal solutions to address various issues.



17% of citizens

have used informal solutions within the last two years

LOWEST FIGURE SINCE 2021



7% of businesses

reported resorting to informal solutions in the last two years

SIGNIFICANT DECREASE COMPARED TO THE PREVIOUS YEAR

Most common situations where individuals use informal solutions

Accessing healthcare

Dealing with court cases

Securing employment in state or municipal institutions

Most common use of informal solutions by businesses

Dealing with construction-related issues

Most widely used type of informal solution by both individuals and businesses

Leveraging personal contacts, such as friends and acquaintances

What is needed to reduce corruption?

According to citizens



Greater information transparency regarding individuals who influence decision-making

Stricter control over procurements

According to businesses



Strict and realistic penalties for offenders

Greater openness and transparency

Survey data shows an increasing willingness to report corruption

63%

of the population are ready to report corruption

46%

of them would be willing to report anonymously

44%

would report possible corruption directly to KNAB

10%

increase in population willing to report directly to KNAB (since 2021)

Key takeaways



The trend of anonymous reporting is increasing yearly



The number of people who would not report corruption at all is decreasing



Public trust in KNAB is growing

Effective risk analysis ensures good customs control results in sanctions implementation

By Raimonds Zukuls, Deputy Director General of the State Revenue Service for Customs, Director of the National Customs Board



Raimonds Zukuls

Deputy Director General of the State Revenue Service for Customs, Director of the National Customs Board

Today, much more than before, global political and economic processes influence the priorities of institutions and services that implement state internal and external security and market protection functions. The customs service plays a significant role in protecting the European Union's (EU) external borders by ensuring supervision and control of goods movement. Given Latvia's geographical position and transport infrastructure, **customs has a significant responsibility and a heavy workload in controlling the flow of goods from the EU** to countries in the eastern direction and vice versa.

With changing geopolitical situations, customs service priorities have also changed, considering that our work takes place at the border with Russia and Belarus. Three and a half years ago, customs activities were mainly focused on promoting international trade by ensuring the fastest possible customs clearance process, protecting Latvia's and the EU's financial interests, and preventing smuggling.

Currently, public safety and security are a priority, thus, significantly more resources must be devoted to risk assessment and implementation of stricter customs control measures.

Enhanced controls require additional time, a broader involvement of other competent institutions, and a greater intensity of cooperation.

Customs must process a large flow of goods; therefore, **automated risk analysis is continuously being improved** at both EU and national levels. We receive data electronically on each cargo with goods intended for customs procedures, and risk analysis systems allow for quick determination of what control measures should be taken in each case. In-depth customs controls – both document-based and physical checks – are performed by customs officials whose professional experience, knowledge, and skills in using the appropriate technical tools are irreplaceable in detecting fraud and preventing violations.

Most of the control measures carried out by Latvian customs over the past three years were aimed at preventing violations of EU sanctions imposed against Russia and Belarus and preventing sanctions circumvention.

As a result of these control measures, Latvian customs have prevented more than 8,500 shipments of sanctioned goods from crossing the EU's external border. Last year alone, customs denied the continuation of customs procedures to 3,147 shipments, including 89% of cases, stopping goods from being exported from the EU, and in 11% of cases – imports into the EU.

As we can see, most violations are related to the export of goods. This allows us to conclude that sanctions are effective – Russia has difficulties obtaining necessary goods and is trying to import goods both directly and indirectly, including through third countries.

Analysing data on export shipments whose export was rejected last year, we conclude that nearly three-quarters of them started export procedures not in Latvia but in another EU member state. This fact demonstrates the extent to which **we work for the benefit of the entire EU, ensuring effective control at the external border.** The customs service control strategy, resource reallocation, and employee motivation have ensured effective identification and prevention of sanctions violations.

One of the crucial mechanisms provided by the sanctions regulation to prevent circumvention is the prohibition of transit through Russian territory of such EU-exported goods and technologies that could contribute to increasing Russia's military and technological capabilities. Also, an important step in preventing sanctions circumvention was last year's amendments to EU legislation, significantly aligning sanctions against Russia and Belarus. This significantly reduces the risks of circumventing sanctions imposed on Russia.

Since the introduction of sanctions, a trend has been observed: as soon as new restrictions on Russia come into force, the flows of respective goods to its neighbouring countries change.

Taking this into account, the Baltic states' customs services agreed at the beginning of last year on additional mechanisms to reduce the risks of circumventing sanctions imposed on Russia. The unified approach to enhanced control and information exchange was subsequently approved by the customs administrations of Finland, Poland, and Croatia.

Combating sanctions circumvention remains a major challenge. In 2023, there was a sharp increase in exports to Central Asian countries; last year, it decreased. On the one hand, the increase was caused by a reorientation to new markets, and customs' task is to promote and support the development of legal international trade. However, the increase is also related to sanctions circumvention, with some goods being delivered not to the destination country but to Russia. In this situation, customs services at the EU's external border continue to carry out enhanced controls and risk mitigation measures, including in relation to the final recipient of goods in third countries.

Latvian customs has expanded cooperation with Central Asian countries' customs administrations, which helps obtain necessary customs information and thus fight against violations.

Analysing trends, we see that violations are most often related to providing false information about the destination country or country of origin, using inappropriate EU Combined Nomenclature product codes, and choosing economically unjustified routes. Regular attempts to export cash in EU member state currency banknotes (e.g., euros) to Russia and Belarus have also been detected. Since this restriction came into force, **customs controls have stopped cash exports amounting to 18.9 million euros.**

When detecting a violation, customs officials stop further movement of goods and evaluate the specific case to determine whether there are signs of a criminal offence that requires investigation within criminal proceedings.

The regulatory framework in Latvia provides for criminal liability for violating international and national sanctions. Consequently, the State Revenue Service (SRS) Customs Administration transfers case materials to the Tax and Customs Police Administration for decision-making on initiating criminal proceedings.

For sanctions violations detected by customs officials from 2022 to the end of 2024, a total of 392 criminal proceedings have been initiated.

Investigation of criminal offences is complex, and it takes a relatively long time before a case reaches court and a penalty is imposed.

Holding persons accountable in shorter timeframes, consuming fewer state resources, will be possible when amendments to several legal acts come into force, which, among other things, provide that a person would be subject to administrative liability for certain sanction violations. In the opinion of the SRS Customs Administration, **these changes will not only allow the punishment of guilty persons but will also preventively promote compliance with sanctions.** Confiscation of sanctioned goods in administrative violation proceedings would be an additional means to deter persons from committing sanctions violations.

Effective implementation of sanctions, as they continue to expand, depends on cooperation with other institutions in Latvia and throughout Europe. We highly value the cooperation and support we receive from the Ministry of Foreign Affairs and the Financial Intelligence Service on issues related to sanctions implementation.

As I mentioned, we implement risk analysis-based controls and focus on controlling shipments and cargoes whose movement across the border is associated with the highest risks. However, this does not mean that any area is excluded from the control system.

We continuously continue to prevent the smuggling of cigarettes, alcohol, petroleum products, narcotic and psychotropic

substances and other goods, the illegal movement of cash, import of counterfeit goods, and other violations and criminal offences.

In the previous three years, customs detected more than 47 million smuggled cigarettes, almost 20 thousand litres of fuel, and approximately 4.48 million euros of undeclared cash. **The amount of undeclared cash decreases every year**, and this is the result of successful cooperation between all involved institutions.

The movement of criminally obtained money, including to and from third countries, is an integral part of money laundering schemes. Given the risks, customs continuously **continue to improve control methods and modernise technological solutions** that allow controlling the flow of goods across external borders.

Customs has also accomplished significant work in developing fiscal risk analysis. To facilitate and accelerate work for honest entrepreneurs, we have ensured the automation of goods in customs clearance processes. If risks are not identified as a result of risk analysis and the customs declaration is not directed for control, the declaration is processed automatically.

In 2024, approximately 64% of import customs declarations for the release of goods for free circulation and 87% of export declarations were processed automatically.

In recent years, customs work has been affected by serious changes caused by the United Kingdom's exit from the EU, the rapid development of e-commerce, the Covid-19 pandemic, and incomparably greater challenges created by Russia's full-scale invasion of Ukraine. However, Latvian customs have been able to successfully adapt to changes influenced by external circumstances. At the same time, we actively continue initiatives and projects that promote operational efficiency and service development, the reduction of administrative burden, and the improvement of services for clients.

The fight against transnational organised crime continues under Latvia's leadership

After successfully concluding the **FIDR** project, which was aimed at fighting organised crime, the State Police has launched **FIDR Advanced** – an ambitious continuation.

The goal of the **FIDR* project** was to strengthen the capacity of European countries to fight organised crime, such as drug trafficking and money laundering. The project introduced innovative methods and technical solutions to combat organised criminal groups effectively.

FIDR results, 2021-2024	
50+ cross-border operations	20+ international investigations - illicit money flows highlighted - criminal networks identified
72 individuals were taken into custody	8.2+ tonnes of drugs were confiscated

FIDR Advanced* has committed to combating transnational organised crime on a broader scale, including drug and arms trafficking, human trafficking, financial crimes, illicit cryptocurrency transactions, and fraud.

FIDR Advanced was launched at an international conference at Europol in The Hague. In her speech, the Director of Europol, Catherine de Bolle, said that Europol fully supports the project, as well as the efforts of European law enforcement authorities to ensure transnational operations and fight against transnational organised crime.



Chief of the National Police Armands Ruks and Executive Director of Europol Catherine De Bolle

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The results achieved by the [FIDR project] have clearly demonstrated that it was effective and had a real impact in the fight against complex organised crime networks. But we did not stop there – [...] I am convinced that with FIDR Advanced, we can fight organised crime faster, smarter, and more effectively. Criminals are becoming more sophisticated, but we will not let them win.

– Chief of the National Police Armands Ruks

FIDR Advanced	
Launched: 2025	Budget: EUR 2.3 million
Project duration: 2 years	Funded by: European Commission
Project leader: Latvia	Main partners: Lithuania, Estonia, and Europol

* Development and Application of Innovative and Proactive Tools, Fighting Top-Level Drug Trafficking Organisations in the EU
** Application of Innovative and Proactive Tools to Combat High-Level Serious and Organized Crime Groups and Money Laundering Networks in the EU

FIU Latvia organises the Financial and Cybercrime Analysis Tournament 2025

In February, FIU Latvia organised the Financial and Cybercrime Analysis Tournament with the aim of raising awareness of the threat of financial and cybercrime while improving the ability to detect such crimes.

The tournament employed the "Capture the Flag" concept – the competition included a variety of challenges in which participants, individually or in teams, had to find and exploit loopholes in the system to obtain the "flag" or information.

The challenges covered topics such as financial analysis, cryptocurrencies, OSINT, sanctions, and cybercrime and incorporated various ways criminals could cover their tracks or commit fraud by using unorthodox methods of encoding or transforming information. Participants had to use both analytical knowledge and creativity to solve these challenges.

Nauris Pauliņš, IT Advisor at FIU Latvia and organiser of the event, said that the tournament demonstrated the importance of mutual cooperation and continuous learning to effectively tackle the threat of financial and cybercrime.

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No one expert knows all the possible courses of action, but working together [...] we can reach results,

Pauliņš concluded.

Experts from the State Police Cybercrime Directorate, the State Police Economic Crime Directorate, KNAB, the Internal Security Bureau, and FIU Latvia took part in the tournament.



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No. 101021853.



Hackathons seek solutions to reduce corruption risks

In February and March, the Corruption Prevention and Combating Bureau (KNAB) organised hackathons in two areas exposed to high corruption risks – public procurement and defence.

In the first hackathon, experts examined how AI can mitigate corruption risks in public procurement, which can be affected by both human factors and the potential influence of officials on procedural matters.

The second hackathon explored how to mitigate corruption risks in the use of defence funding. This area has become particularly topical due to the geopolitical situation, and significant financial resources are being allocated to strengthening the country's defence capabilities.

Experts from Latvia, Norway, and Iceland from various fields and sectors participated in the hackathons. The working groups developed and presented solutions that could be applied in the work of law enforcement and monitoring institutions, as well as in ensuring public participation.

KNAB will evaluate all the prototype ideas developed during the hackathon, along with their feasibility and use in practice.

12 million euros in attempted financial fraud prevented in 2024

Fraud is on the rise in all developed countries, and Latvia is no exception. Data from the Financial Industry Association (FIA)* shows more than 10,000 cases of telephone fraud and 13,000 cases of investment fraud in 2024. Compared to 2022, the numbers have more than doubled.

As the scale of fraud increases, banks and other institutions are actively working to reduce the amount of money defrauded. Last year, banks prevented more than 12 million euros of telephone and investment fraud. However, despite the banks' proactive work, 15.5 million euros were defrauded from bank customers in self-certifying payments in 2024.

Financial fraud attempts prevented in 2024		
5161 cases of phone fraud amounting to 4.8 million euros	10,878 investment fraud cases amounting to 5.8 million euros	1,275 cases of other types of fraud amounting to 1.5 million euros

Given the high level of cyber threats in the country, mobile operators have been actively involved in preventing fraud attempts in the past year. Bite Latvija's free security solution **blocked around 270,000 fraud calls** on its network last year.

Data from the State Police (SP) also show a significant increase in fraud attempts. At the same time, the number of people reporting such cases is increasing. The SP has observed that young people are increasingly becoming victims of fraud and are involved in money laundering by becoming money mules.

In 2024, SP arrested more than 100 money mules.

Continuing to look for new ways to reduce financial fraud in the country, Latvijas Banka has developed guidelines that will clarify the principles of fraud risk mitigation for financial institutions and establish a common risk-based approach to fraud risk management.

A free tool – DNA ugunsmūris – has been developed to protect Latvian citizens from fraudulent websites.

* FNA data on fraud incidents from January to December 2024 at the four largest banks.

Latvia requires beneficial ownership disclosure for all real estate purchases

Disclosure of the beneficial owners in real estate acquisitions is essential for sanctions implementation. Therefore, disclosure requirements applying to all legal entities have been introduced as of 1 January 2025.

This means that before submitting a request for registration in the Land Register, any legal entity must disclose its beneficial owners to the Latvian Register of Companies (UR) or to the register of the Member State of the European Union in which the legal entity is registered.

The registry and monitoring mechanisms for registering beneficial owners are continuously improved by the UR to provide the accurate

information necessary to comply with sanctions and AML/CFT requirements. Cooperation with public and private sector institutions is also being developed. Registration and data verification processes are being improved for transparency of the financial system and to assess the use of legal persons for criminal purposes.

The UR has an Analytics Unit, which compares information published in international and national sanctions lists with data from the UR. Each identified connection to sanctioned entities is recorded, and the information is freely accessible to everyone, facilitating sanctions checks.

International conference discusses the fight against environmental crime causing billions of euros in losses



On March 24-25 in Riga, FIU Latvia organised an international conference titled “Clean Money, Clean Environment: Environmental Crime and Money Laundering.”

Opening the conference, **the Head of FIU Latvia, Toms Platacis**, emphasised that environmental crime is no longer just a niche problem.

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Illegal logging, waste management, trade in wild fauna and flora, and other environmental crimes are serious financial crimes. The illicit proceeds obtained contribute to corruption, organised crime, and money laundering on an international scale.

According to INTERPOL and the UN, the number of environmental crimes and the volume of related illicit proceeds are increasing by 5-7% annually – this is 2-3 times faster than the global economy. So far, only a small part of this multi-billion euro sector has been uncovered.

To combat environmental crimes, a proactive, intelligence-led approach is necessary. FIU Latvia must strengthen its efforts to trace illicit funds, involve private sector partners, and enhance cross-border cooperation to protect both the environment and the financial system. By combining resources, knowledge, and experience, it is possible to detect and prevent criminal financial activities more quickly.

Iceland
Liechtenstein
Norway grants



EEA Financial Mechanism 2014-2021 Programme "International Police Cooperation and Combating Crime" Fund for bilateral relations initiative
"Capacity building in the field of AML, including in the identification of environmental crime". Agreement No. EEZ/DSF/FID/2024/1.