

NATIONAL STRATEGY

**FOR COMBATING MONEY LAUNDERING
AND TERRORIST FINANCING**

2025–2027



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LIST OF ABBREVIATIONS USED

AML Act	Act No. 253/2008 Coll., on certain measures against money laundering and terrorist financing
AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
AML/CFT Strategy	National Strategy for Combating Money Laundering and Terrorist Financing
AML Decree	Decree No. 67/2018 Coll. on certain requirements for a system of internal policies, procedures, and control measures against money laundering and terrorist financing
AML Directive	Directive (EU) 2024/1640 of the European Parliament and of the Council of May 31, 2024 on mechanisms to be implemented by Member States to prevent the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937 and amending and repealing Directive (EU) 2015/849
AML Package	AML Regulation 6 th AML Directive AMLA Regulation
AML Regulation	Regulation (EU) 2024/1624 of the European Parliament and of the Council of May 31, 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing
AMLA	Authority for Anti-Money Laundering and Countering the Financing of Terrorism
AMLA Regulation	Regulation (EU) No. 2024/1620 of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010
ARO	Asset Recovery Office
CNB	Czech National Bank
CTIA	Czech Trade Inspection Authority
CZE	Czech Republic
Directive No. 1673	Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law
Directive on Asset Recovery and Confiscation	Directive (EU) 2024/1260 of the European Parliament and of the Council of 24 April 2024 on asset recovery and confiscation
EBA	European Banking Authority

EU	European Union
FATF	Financial Action Task Force
FAU	Financial Analytical Office
Financial Market Digitalisation Act	Act No. 31/2025 Coll., on the implementation of European Union regulations in the area of financial market digitization
GFD	General Financial Directorate
GDC	General Directorate of Customs
ICG AML/CFT	Interdepartmental Coordination Group for Combating Money Laundering and Terrorist Financing
LEA	Law enforcement authorities
MF	Ministry of Finance
MFA	Ministry of Foreign Affairs
MiCA Regulation	Regulation (EU) 2023/1114 of the European Parliament and of the Council of May 31 2023 on markets in crypto-assets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937
MIT	Ministry of Industry and Trade
ML	Money Laundering
ML/TF NRA II.	Report on the second round of the national assessment of money laundering and terrorist financing risks approved by Government Resolution No. 616 of July 12, 2021
MONEYVAL	Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
MONEYVAL Rules of Procedure	Rules of Procedure for the 6 th Round of Mutual Evaluations adopted at the 66 th Plenary Meeting of MONEYVAL
MoI	Ministry of the Interior
MoJ	Ministry of Justice
MoU	Memorandum of Understanding
MRD	Ministry of Regional Development
NCOZ	National Organized Crime Agency
NGO	Non-governmental non-profit organization(s)

NRA	National Risk Assessment
PAB	Public administration bodies
PCR	Police of the Czech Republic
PF	Proliferation Financing
PF NRA	(future) Report on the first round of the national proliferation financing risk assessment process
PF NRA Subgroup	ICG AML/CFT Subgroup for the Coordination of the Proliferation Financing Risk Assessment Process
RBA	Risk-based approach
RBO	Register of beneficial owners
Regulation No. 833	Council Regulation (EU) No. 833/2014 of July 31, 2014, concerning restrictive measures in view of Russia's actions destabilizing the situation in Ukraine
SC	Supreme Court
SPPO	Supreme Public Prosecutor's Office
STATISTICS AND DATA AML/CFT Subgroup	ICG AML/CFT Subgroup for the maintenance of comprehensive statistics and data on matters relating to the effectiveness of the anti-money laundering and counter-terrorist financing system
STR	Suspicious Transaction Report
STRATEGY AML/CFT Subgroup	ICG AML/CFT Subgroup for the Development of Strategies to Combat Money Laundering and Terrorist Financing
SUPERVISION AML/CFT Subgroup	ICG AML/CFT Subgroup for the Coordination of Supervision in the Area of Anti-Money Laundering and Counter-Terrorist Financing
TF	Terrorist Financing
TFS	Targeted Financial Sanctions
Trade Licensing Act	Act No. 455/1991 Coll., on Trade Licensing
UN	United Nations
VASP	Virtual Asset Service Provider

INTRODUCTION

The AML/CFT Strategy is the first strategic document of its kind focused on combating money laundering and terrorist financing, including proliferation financing, in the Czech Republic. The purpose of this document is to formulate leading priorities that will contribute to the effectiveness of the national AML/CFT system in the medium term, as well as to initiate a systematic process of strategic planning in this area. Together with reports on the national assessment of money laundering and terrorist financing risks, the assessment of proliferation financing risks, and follow-up action plans, the AML/CFT Strategy is one of the Czech Republic's key documents in the fight against these threats.

In general terms, the process of developing an AML/CFT strategy should serve relevant representatives of the public and private sectors to clearly define a long-term vision (based on their practice, experience, and the development of international standards) leading to the maintenance and improvement of an effective national AML/CFT system, including the path to achieving it. In other words, the strategy should identify key areas to focus on and propose specific measures necessary to strengthen the integrity and stability of both the Czech and, ultimately, the international financial system and confidence in it.

It should be added that the process described will be of a more long-term nature than the current strategic outlook for 2025 to 2027. However, given circumstances such as the effectiveness of the AML Package and the impact of the 6th round of MONEYVAL evaluations, which will fundamentally change the existing AML/CFT system in the Czech Republic, it is optimal for the first AML/CFT Strategy to be set for a shorter time frame. This will allow these circumstances to be fully taken into account in the follow-up strategy.

The ICG AML/CFT structure, which is the main coordination platform for all relevant components of the national AML/CFT system, was used to develop the AML/CFT Strategy. Based on Resolution No. 2 of the ICG AML/CFT Committee of November 1, 2024, the STRATEGY AML/CFT Subgroup was tasked with preparing this material. This Subgroup drafted the AML/CFT Strategy between November 2024 and April 2025, which was submitted to the ICG AML/CFT Committee for approval on April 30, 2025, in accordance with the aforementioned resolution. The final version of the AML/CFT Strategy was subsequently adopted by the ICG AML/CFT Committee on the basis of Resolution No. 1 of May 28, 2025, which also tasked the FAU with submitting this strategic document to the government for approval. The AML/CFT Strategy was subsequently approved by Government Resolution No. 542 of July 16, 2025.

The text of the AML/CFT Strategy itself is then divided into the following five parts:

Basic principles of the AML/CFT Strategy. The first part of the document includes four chapters devoted to the definition and description of the national AML/CFT system, the reasons for developing the AML/CFT Strategy, inputs to the AML/CFT Strategy, and the methods used to set its objectives.

Strategic and specific objectives of the AML/CFT Strategy. The second part of the document comprises seven chapters, each of which presents one strategic objective aimed at improving the effectiveness of the national AML/CFT system. Each chapter contains an introductory passage with the context and significance of the strategic objective in terms of the national AML/CFT system, followed by a list of specific objectives that constitute the content of the

strategic objective in question. At the end, there is always a summary table listing the specific objectives and related measures.

Measures to achieve the set objectives. The third part of the document elaborates on the second part and is therefore also divided into seven chapters. Each chapter presents one strategic objective, further broken down into specific objectives, which include the corresponding measures to achieve them.

Risks threatening the fulfilment of the AML/CFT Strategy objectives. The fourth part of the document focuses on identifying and quantifying risks that could threaten the fulfilment of the AML/CFT Strategy objectives.

Mechanism for evaluating the AML/CFT Strategy. The fifth and final part contains rules for ongoing monitoring and evaluation of the implementation of the AML/CFT Strategy, including a framework for developing a follow-up strategy.

This AML/CFT Strategy has been prepared in both Czech and English, and both versions will be published in full on the websites of the FAU and the MF. The AML/CFT Strategy therefore does not contain any non-public sections.

BASIC PRINCIPLES OF THE AML/CFT STRATEGY

The purpose of this section of the AML/CFT Strategy is to present the basic principles of this document. In particular, it describes the national AML/CFT system and its individual components, which form the core of this material. It also describes the reasons for developing the AML/CFT Strategy, the initial sources, and the manner in which its individual objectives were set.

1. National AML/CFT system

First and foremost, it is necessary to emphasize that the issue of combating money laundering, terrorist financing, and proliferation financing directly or indirectly affects a significant portion of entities in both the public and private sectors. The varying degrees of involvement of individual public authorities (e.g., supervisory authorities, law enforcement agencies, intelligence services, ministries, other central government bodies, or professional chambers) and legal entities or natural persons engaged in business (in particular, obliged entities under Section 2 of the AML Act) are entirely understandable in this context. However, it is essential that each of these entities has at least a basic understanding of how AML/CFT works and is aware of how and why AML/CFT affects them.

The aim of this chapter is therefore to clarify what the term "national AML/CFT system" encompasses, what its objectives are, what parts it consists of, and what role the individual components of this system play in it. For the sake of user-friendliness, this AML/CFT Strategy does not aim to describe in detail the powers and composition of individual public authorities or the categorization of obliged entities. Instead, it focuses on the meaning and purpose of the individual parts of this system.

1.1. National AML/CFT system: concept, objective, and division

In light of the above, it can be said that the sum of all public and private sector entities involved in AML/CFT in the Czech Republic, their activities, mutual links, and interactions can be described as the national AML/CFT system.

The aim of this system is to ensure the economic protection of the state against the threats of money laundering, terrorist financing, and proliferation financing. These threats can significantly jeopardize not only the stability of the domestic financial system, but also the security of the Czech Republic itself, and cause serious socioeconomic impacts.

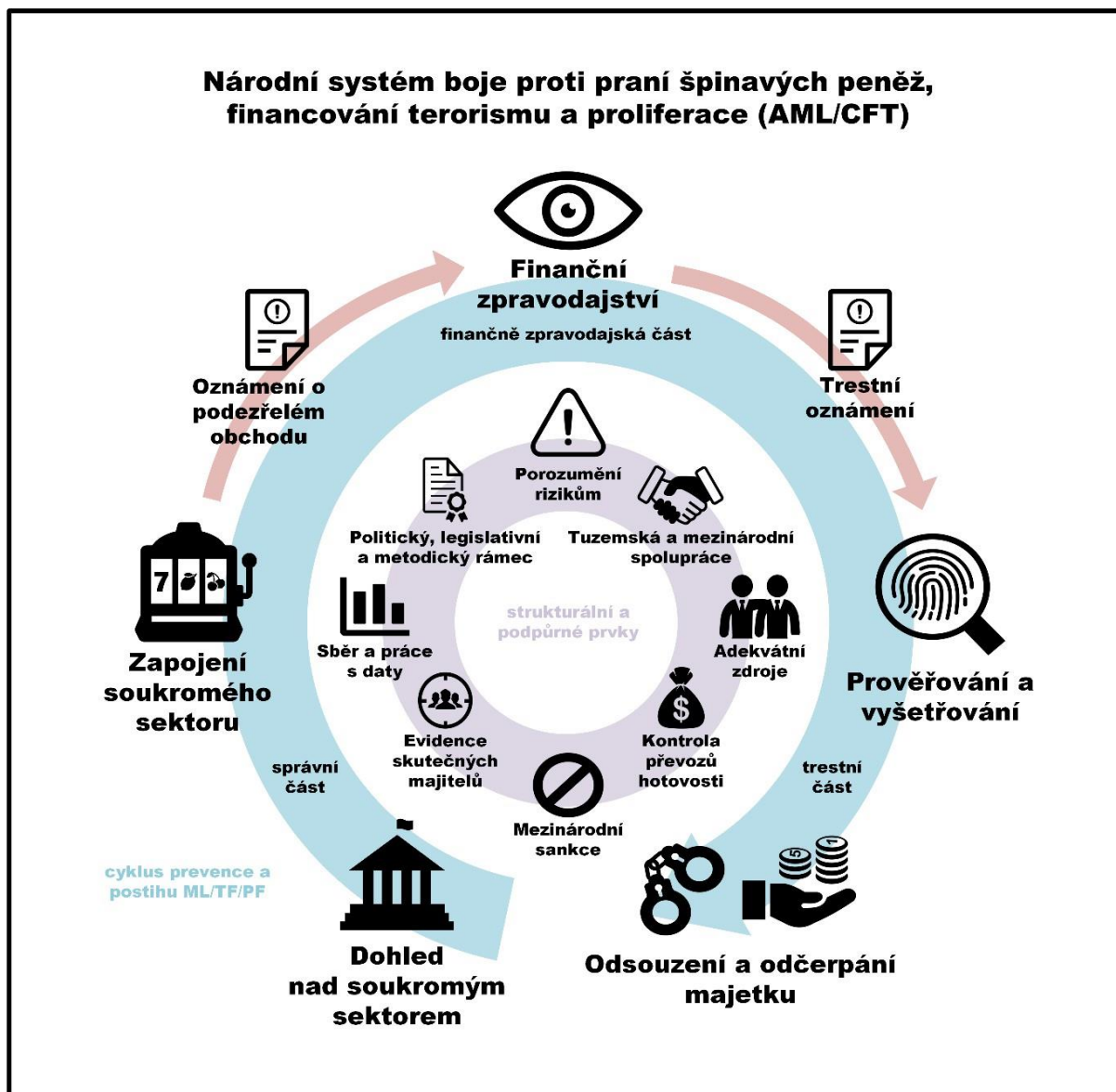
In general terms, the above objective is achieved by:

- All entities concerned are capable of mutual and qualified communication, coordination, and cooperation to mitigate ML/TF/PF risks, not only at the domestic but also at the international level;
- The state has preventive mechanisms in place to prevent the proceeds of crime and funds for the support of terrorism or proliferation from entering the financial system, and to ensure that such attempts are detected in a timely manner;
- The state has protective and repressive mechanisms in place that are capable of detecting and thwarting ML/TF/PF threats, sanctioning their perpetrators, and

depriving them of their unlawfully acquired economic benefits, funds, or other assets intended for terrorist financing.

An effective national AML/CFT system is therefore one that is capable of materially fulfilling the above.

The material below focuses on an analysis of key areas of the national AML/CFT system, which are illustrated in the following diagram:



The diagram shows that the national AML/CFT system consists of two interlinked segments:

- **The cycle of prevention and punishment of money laundering, terrorist financing, and proliferation financing**, which can be divided into administrative, financial intelligence, and criminal parts. It should be added that the issue of proliferation financing has certain specific features in this regard, which will be addressed in detail by the emerging PF NRA.
- **Structural and support elements**, which are in themselves, as well as in their entirety, a necessary prerequisite for the effective functioning of the cycle in question.

1.2.ML/TF/PF prevention and punishment cycle

Involvement of the private sector

The private sector plays an irreplaceable role in the national AML/CFT system, as it implements preventive measures and is usually at the very beginning of the entire cycle of prevention and punishment of money laundering, terrorist financing, and proliferation financing.

The private sector in this system is represented only by so-called obliged entities, which are exhaustively defined in Section 2 of the AML Act. These are key persons from the financial and non-financial sectors who may be exploited for money laundering, terrorist financing, or proliferation financing. The division of these sectors into individual categories of obliged entities is, of course, not arbitrary, but is primarily based on an international ML/TF/PF risk analysis based on practical experience (EU, FATF), which does not, however, preclude ML/TF/PF risk management at the national level and the related classification of the relevant risk category of entrepreneurs among obliged entities.

The national AML/CFT system is thus based on the principle of active participation by obliged entities, which, through their understanding of ML/TF risks TF/PF risks and established internal procedures, are able to properly apply preventive measures, i.e., in particular, to identify and verify clients, on the basis of which they are able to identify suspicious transactions within the scope of their activities, report them to the FAU, and provide adequate cooperation in their subsequent investigation, as well as to take other related measures. This principle is based on the assumption that it is precisely the obliged entities which, thanks to their knowledge of the relevant sector and the risks associated with it, the nature of their business activities and the behavior of their clients, are able to effectively and competently recognize irregularities and suspicious circumstances in the execution of one-off transactions or within the framework of business relationships.

As indicated above, the status of an obliged entity is inextricably linked to certain obligations imposed on such persons under the AML Act. These obligations, or measures, can be divided into two basic groups, namely:

- **Obligations related to the client and their transactions**
 - Client identification
 - Client verification
 - Failure to verify the client
 - Data retention
 - Continuous updating of client data
 - Failure to execute a transaction
 - Procedure for detecting irregularities
 - Reporting suspicious transactions
 - Postponement of client order execution
- **General obligations**
 - Development of a system of internal policies
 - Development of risk assessment
 - Appointment of a contact person
 - Authorization of a person
 - Employee training

- Duty to provide information
- Confidentiality obligation

Certain requirements for the system of internal policies, procedures, and control measures against money laundering and terrorist financing are also set out in the AML Decree, which applies to credit and financial institutions subject to supervision by the Czech National Bank.

The importance of the private sector is also reflected in its integration into the AML/CFT framework. In this regard, umbrella organizations (associations, chambers, etc.) bringing together members of individual categories of obliged entities play an important role. These umbrella organizations contribute significantly to strengthening and enhancing the effectiveness of cooperation between the public and private sectors.

Supervision of the private sector

Another component of the national AML/CFT system is public authorities whose powers include deciding on the granting of certain forms of public law authorisation to conduct business activities establishing the status of an obliged entity (known as *gatekeepers*), or supervising compliance with the obligations laid down by the AML Act (known as *supervisors*). In this regard, the Czech legal system essentially contains two modalities, whereby both of the above-described roles are performed by the same institution (typically the CNB in the area of credit and financial institutions or the relevant professional chambers in relation to their members), or are divided between two institutions (typically the FAU and the MIT for certain categories of obliged entities from the non-financial sector). The above-mentioned public authorities, together with the obliged entities, form the administrative part of the ML/TF/PF prevention and punishment cycle.

Gatekeeper. The essence of this role lies in regulating the entry of business entities into the Czech market and their continued presence on it through the existence of certain conditions for the performance of the business activity in question, which are intended, among other things, to prevent the abuse of these entities for ML/TF/PF (e.g., integrity of the beneficial owner, transparent ownership structure, credibility and competence of persons in the applicant's organizational structure). If these conditions are met, the applicant is granted the appropriate public law authorization to perform business activities. However, if the applicant ceases to meet these conditions or fails to comply with its public law obligations in an appropriate manner, the authorization in question may be revoked. In this regard, it is possible to distinguish whether a mere notification of this intention to the relevant public authority (so-called *registration*) is sufficient to carry out business activities, or whether it is necessary to obtain a legally binding decision on the granting of the relevant authorization (so-called *licensing*). In the case of obliged entities from the financial sector, this role is primarily fulfilled by the CNB, now also in relation to VASPs within the meaning of the MiCA Regulation, and to a lesser extent by the MIT and trade licensing offices. In the case of obliged entities from the non-financial sector, the key role is played primarily by the MIT and trade licensing offices, followed by the MF (in relation to gambling operators), the Ministry of Justice (in relation to insolvency administrators), individual professional chambers (in relation to their members), and, newly, the Financial Intelligence Unit (in relation to the remaining category of VASPs not covered by the MiCA Regulation, i.e., services related to, for example, *non-fungible tokens*).

Supervisor. The essence of this role is to supervise the compliance of obliged entities with AML/CFT requirements, particularly in the form of compliance with the above-mentioned

obligations arising from the AML Act. This creates a preventive mechanism that prevents the abuse of the financial and non-financial sectors for money laundering, terrorist financing, or proliferation financing. Supervisory authorities use various forms of controls or other supervisory activities to determine the extent to which the obligations set out in the AML Act are being fulfilled or not. These results may lead to the imposition of corrective measures, as well as the imposition of liability for offenses and the imposition of appropriate sanctions, including a ban on the performance of activities.

The FAU currently plays a central role in the exercise of administrative supervision in the area of AML/CFT, as it is the supervisory authority for all obliged entities. In some areas, however, the principle of shared supervision is applied, whereby supervisory activities in the area of AML/CFT are also carried out by the CNB, customs authorities, the CTIA, and the MoJ. In the case of members of professional chambers (lawyers, notaries, bailiffs, auditors, and tax advisors), administrative supervision is entrusted to the relevant professional chambers.

Of course, for the effective functioning of the national AML/CFT system, it is not only communication between the private and public sectors that is important, but also intensive and high-quality interaction between individual public authorities, both at the operational, methodological, and strategic levels. The structure of the ICG AML/CFT and the formalized rules of cooperation enshrined in individual MoUs also play an important role in this area.

Financial intelligence

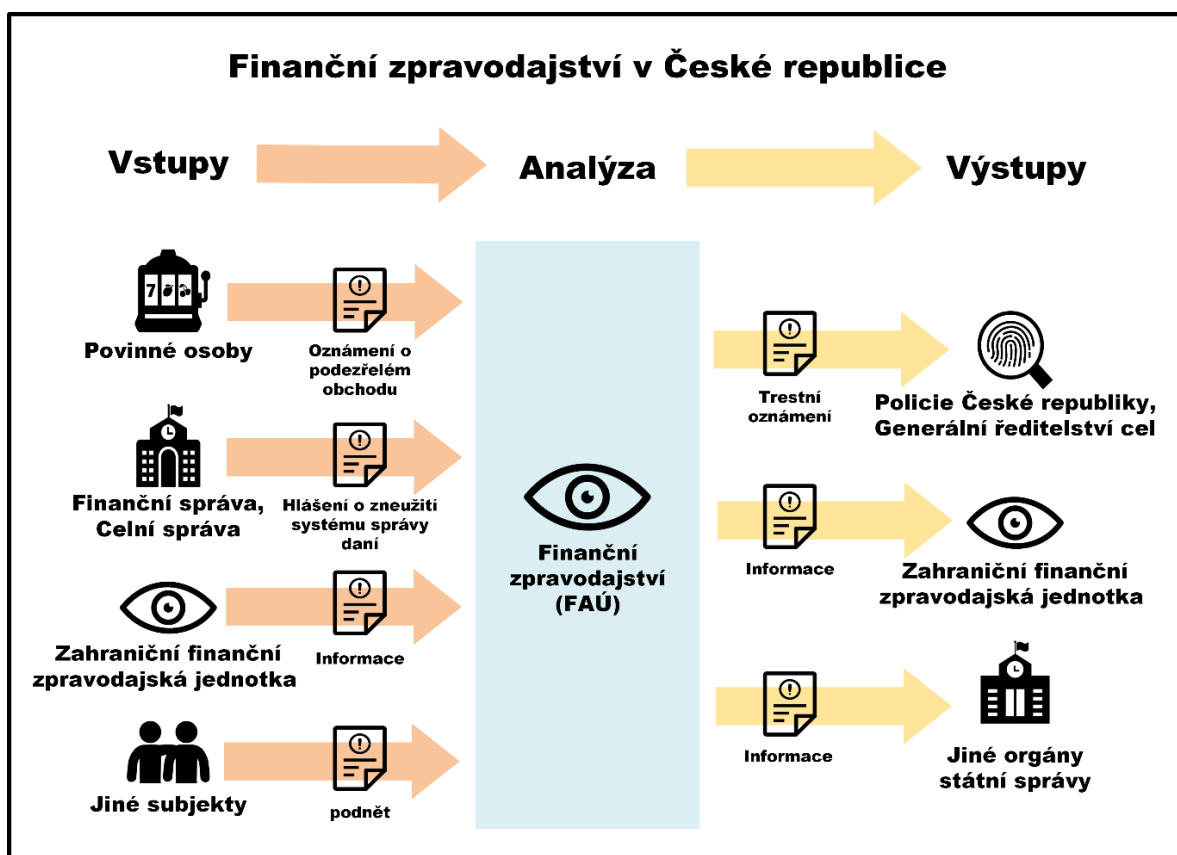
The FAU also acts as a financial intelligence unit in the Czech AML/CFT system, serving as a center for receiving, collecting, and evaluating STRs and other relevant reports from financial and customs authorities, intelligence services, and foreign financial intelligence units. The quality of STRs plays a key role; it includes, in particular, thorough identification of all persons concerned by the report, a clear and detailed description of the essential circumstances of the suspicious transaction, as well as supporting relevant documents, evidence, and records mentioned in the STR. Equally important is the quantity of STR, i.e., the frequency with which individual categories of obligated persons report suspicious transactions.

Based on this input, as well as information obtained during its own activities, the FAU then performs operational and strategic financial analysis. While operational financial analysis consists primarily of investigating STR, strategic financial analysis focuses on ML/TF/PF trends and typologies. These analyses are based on obtaining all necessary information, whether in cooperation with public authorities at the national level, foreign partners, or from obliged entities based on their reporting obligations. If there is a risk of thwarting or jeopardizing the investigation of a suspicious transaction, the FAU may issue an instruction not to check the client, not to apply the procedure for detecting irregularities, or to postpone the fulfillment of the client's order.

Depending on the nature and seriousness of the conclusions of the operational financial analysis, the FAU will then decide whether to:

- close the case,
- file a criminal complaint,
- provide relevant information to the competent public authorities or foreign partners.

These procedures are illustrated in the following diagram:



The above confirms the irreplaceable role of the private sector within the entire national AML/CFT system. The more accurate and frequent the information provided by individual categories of obliged entities to the financial intelligence unit, the more effectively the FAU will be able to ensure the economic protection of the state in this role. Similarly, the better equipped the supervisory authorities are in terms of material, personnel, and technical resources, the more effectively they can detect and sanction non-compliance with the relevant AML/CFT obligations by obliged entities related to the detection and reporting of suspicious transactions.

Verification and investigation

The focus of the criminal part of the cycle in question is the preparatory proceedings, in which the police authorities (in particular the individual departments of the Police of the Czech Republic and the General Police Directorate) and the public prosecutor's office play a key role. Their task is to ascertain all the relevant circumstances of the case, including obtaining and securing the relevant evidence necessary to assess whether a criminal offense of legalization of proceeds from criminal activity (whether intentional or negligent), financing of terrorism, or violation of international sanctions has been committed, and whether it is therefore possible to bring charges before a court. The investigation and examination of money laundering is then closely linked to proving the predicate offense, i.e., the activity from which the illegal proceeds originate.

Since the crimes in question consist of the unlawful handling of certain property or concealing its origin, in addition to identifying the perpetrator, locating and securing the property in question also plays a key role in the preliminary proceedings. Securing the property, as a

temporary restriction on the disposal of the property in question, is an important prerequisite for the subsequent confiscation of that property.

In the context of the interconnection between the individual parts of the described cycle of ML/TF/PF prevention and punishment, we also find overlap with:

- **The involvement of the private sector and supervision over it.** In addition to the proper and timely reporting of suspicious transactions, which can help detect criminal activity, it is also important that the obliged entity consistently complies with and monitors data retention. Among other things, fulfilling this obligation leads to the detection of traces of asset transfers or other services provided to clients, which can then be used by law enforcement authorities in determining the facts of the case in criminal proceedings.
- **Financial intelligence.** Criminal reports filed with the FAU, as well as other information obtained by the FAU in the course of its operational financial analysis, are an important source of information for law enforcement authorities, on the basis of which criminal proceedings may be initiated. Beyond providing information to law enforcement authorities, the FAU is also authorized under the AML Act to secure suspicious assets as part of its investigation of suspicious transactions, which can then be seized by law enforcement authorities for the purposes of criminal proceedings.

However, it should be noted that criminal proceedings with an AML/CFT overlap are not initiated solely on the basis of criminal complaints and information from the FAU. Law enforcement authorities also investigate and prosecute the crimes in question on the basis of criminal complaints and reports from other entities, as well as from their own operational investigations.

An important factor in the effectiveness of the national AML/CFT system is also high-quality operational cooperation between LEA and financial administration authorities, customs authorities, the Financial Intelligence Unit, and intelligence services, whether in the form of rapid information exchange, the creation of joint teams, or coordination platforms. Given the international dimension of AML/CFT, an adequate level of cooperation with foreign partners (e.g., international police cooperation, international judicial cooperation in criminal matters) is also important.

Conviction and asset recovery

Last but not least, the cycle described above also includes a system of criminal courts, which interpret general legal norms within the framework of their jurisprudence and decide on the guilt and punishment of persons accused not only of source criminal activity, but in particular of criminal activities such as the legalization of proceeds from criminal activity, the legalization of proceeds from criminal activity through negligence, the financing of terrorism, or the violation of international sanctions.

The purpose of this phase of the cycle described, as well as the basic prerequisite for an effective AML/CFT system, is not only to punish the perpetrator, but also to enable the system to effectively seize illegally obtained assets. Since the confiscation of property constitutes a fundamental interference with property rights, decisions on the confiscation of property are entrusted to the courts.

Based on a conviction for the crime in question, courts may confiscate the instruments of crime (i.e., property used to finance terrorism or proliferation, as well as property related to violations of international sanctions) or the proceeds of crime through certain penalties or protective measures.

If the legal conditions are met, instruments or proceeds may be confiscated in the form of protective measures even from persons other than the perpetrators of the crime (e.g., when the perpetrator transfers the proceeds to another person), or to persons who are perpetrators but who, for various reasons specified by law, cannot be convicted in criminal proceedings (e.g., the perpetrator died before conviction).

In the event of the conviction of a perpetrator for any of the crimes specified by law, the courts may, in the form of protective measures, seize part of the perpetrator's property or other persons may also confiscate property which they consider to be the proceeds of crime, without having to prove the specific crime from which the confiscated property originates, or without having to prove that it is the proceeds of a specific criminal offense. In light of international standards and based on European legislation, specifically the Directive on Asset Recovery and Confiscation, courts should be allowed to confiscate assets that, in the court's opinion, originate from criminal activity, but not necessarily from a specific proven crime, even without a conviction of the perpetrator (e.g., in the case of large-scale organized crime).

1.3. Structural and support elements

Political, legislative, and methodological framework

The national AML/CFT system is, of course, not only made up of obliged entities and public authorities that are part of the ML/TF/PF prevention and punishment cycle, but also other entities that support and complement the functioning of this system. In this regard, these are mainly (other) central government authorities that provide legislative and methodological support for the above-described ML/TF/PF prevention and punishment cycle and its individual components. In this regard, the Ministry of Finance, the Ministry of Justice, the Ministry of the Interior, and the Ministry of Industry and Trade are particularly noteworthy.

Last but not least, the adequate involvement of the top representatives of all the above-mentioned public authorities, including political representatives, is also key to the conceptual and strategic dimension of the national AML/CFT system.

Understanding the risks of ML/TF/PF

Proper identification, assessment, and understanding of the risks associated with money laundering, terrorist financing, and proliferation financing to which a particular country, sector, or obliged entity is exposed are a key element of any AML/CFT system. Based on the risk assessment, resources can be allocated effectively and measures taken to mitigate the identified ML/TF/PF risks. Risk assessment takes place at several interrelated levels:

- **Supranational** risk assessment. For the Czech Republic, the risk assessment carried out by the European Commission is essential. The latest report on the risks associated with money laundering and terrorist financing affecting the internal market and cross-border activities dates from 2022. The fourth round of supranational risk assessment is currently underway.

- **National** risk assessment. The national risk assessment process in the Czech Republic is coordinated by the FAU with broad involvement of the public and private sectors within the ICG AML/CFT structure. Two rounds of ML/TF risk assessments have already been conducted in the Czech Republic, with the third round currently in progress. The FAU is also conducting the first ever round of national PF risk assessment.
- **Sectoral** risk assessment. This risk assessment is intended not only for supervisory authorities and focuses on the specifics of individual categories of obliged entities. The AML Act directly provides for risk assessments to be carried out by the relevant professional chambers.
- **Individual** risk assessment. Pursuant to the AML Act, obliged entities are required to perform the relevant risk assessments as part of their activities. Risk assessments associated with individual supervised entities should also be performed by all supervisory authorities as part of a risk-based approach.

Domestic and international cooperation

As outlined in the introduction to this chapter, communication, coordination, and cooperation between the individual components of the national AML/CFT system are essential prerequisites for its effectiveness, ultimately leading to the mitigation of ML/TF/PF risks. The common denominator of these activities is the proper and timely exchange of information, on the basis of which it is possible to process the relevant outputs, make informed decisions, or choose appropriate procedures. In terms of its purpose, a distinction can be made between conceptual-strategic cooperation, which is primarily focused on the AML/CFT system as a whole and in which the ICG AML/CFT plays an important role, and operational cooperation, which is primarily focused on specific cases and information flows between the executive components of the AML/CFT system.

Given the cross-border nature of AML/CFT, proper and timely international cooperation is also crucial, alongside effective domestic cooperation. In this regard, this mainly concerns international judicial cooperation in criminal matters or other forms of international cooperation, whether at the level of police authorities, financial intelligence units, supervisory authorities, or central banks. The exchange of information through international platforms and projects (EU, FATF, MONEYVAL, the Economic Crime and Cooperation Division of the Council of Europe, Europol Financial Intelligence Public-Private Partnership) also plays an important role.

Register of Beneficial Owners

The effective functioning of the national AML/CFT system also depends on the proper registration of legal entities, legal arrangements, and their beneficial owners. The main objective of the RBO is to provide the private and public sectors with up-to-date and detailed information on the ownership and management structure of individual entities, thereby ensuring a sufficient level of transparency.

The RBO is a tool both for the fulfilment of obligations related to clients and their transactions by obliged entities and for the exercise of administrative supervision by supervisory authorities (CNB, FAU, customs authorities, CTIA, professional chambers) or during preliminary proceedings by law enforcement authorities.

The central role in the functioning of the RBO is entrusted to the MoJ, which administers the relevant register. Registry courts and notaries, who can make entries in this register, also play a key role.

Control of cash transfers

Currency, negotiable bearer instruments, commodities used as highly liquid stores of value, and prepaid cards (collectively referred to as cash) are easily transportable, allow for the accumulation of high value, and can conceal the true identity of the holders. These characteristics make them particularly vulnerable to abuse for money laundering and terrorist financing, especially through the use of *cash couriers*.

For this reason, the national AML/CFT system may also include the control of cash transport at the external and internal borders of the EU carried out on the territory of the Czech Republic by the customs authorities, which cooperate with the FAU in this area.

International sanctions

International sanctions are restrictive measures adopted by international communities (EU, UN) for the purpose of maintaining or restoring international peace and security (connection with PF), protecting fundamental human rights, and combating terrorism (connection with TF). International sanctions are divided into several types according to the areas they affect. These include, in particular, travel restrictions, restrictions on trade in selected types of goods and services, and targeted financial sanctions. From the perspective of FATF international standards, targeted financial sanctions relating to terrorism and its financing and targeted financial sanctions relating to proliferation are essential. These sanctions consist of the obligation to freeze all funds and economic resources owned, held, or controlled by a designated natural or legal person who has been included on the sanctions list, and a prohibition on making any funds or economic resources available to such a person, either directly or indirectly.

From the perspective of the described functioning of the national AML/CFT system, the obligation of obliged entities to submit a so-called sanction STR within the meaning of Section 6(2) in conjunction with Section 18(1) and (5) of the AML Act is important in relation to the implementation of international sanctions. However, the freezing of assets is no longer governed by the AML Act, but by Act No. 69/2006 Coll. on the implementation of international sanctions.

The FAU plays a central role in the implementation of international sanctions as the national coordinator, and the MFA not only participates in the political negotiation of international sanctions and coordinates the Czech Republic's position on them, but is also responsible for national sanctions and maintaining the national sanctions list. The coordination of the implementation of international sanctions does not fall within the remit of the ICG AML/CFT, but for this purpose there is an Interdepartmental Coordination Group for the Implementation of International Sanctions in the Czech Republic.

Data collection and processing

An integral part of the activities of individual public authorities within the national AML/CFT system is the systematic collection, processing, and interpretation of data. This conceptual work with data is a key foundation for most current processes and activities in the fight against money

laundering and terrorist financing. This involves not only the practical aspects of data use, for example to evaluate and increase the effectiveness of their activities, but also its strategic and conceptual significance, which enables the public authorities concerned to monitor trends, identify risks, and target specific mitigating measures more effectively.

Adequate human, financial, and technical resources

None of the above areas could then be fully functional if the public authorities concerned did not have the appropriate human, financial, and technical resources to effectively exercise their powers and responsibilities. In other words, one of the cornerstones of an effective national AML/CFT system is well-staffed and adequately equipped institutions that are capable of ensuring the economic protection of the state to the full extent of their tasks.

2. Reasons for developing the AML/CFT Strategy

The first reason for developing this AML/CFT Strategy is purely practical. As explained in the previous subchapter, the national AML/CFT system is a complex structure encompassing various fields and involving a wide range of public authorities, legal entities, and natural persons engaged in business, with the primary objective of protecting the state economically. In order for this system to fulfil its purpose and not become obsolete, it must be continuously calibrated, especially in view of the dynamic nature of ML/TF/PF risks. However, such calibration often requires the coordinated efforts of several components of the national AML/CFT system over a longer period of time. For this reason, it is essential that the Czech Republic has a clear strategic vision that will determine the future direction of the national AML/CFT system, in line with other related strategic documents.

The second reason for developing this AML/CFT Strategy is the completion of the second round of national ML/TF risk assessments. This process, together with the resulting report (i.e., ML/TF NRA II), was intended to serve as the basis for the creation of a national strategy in the area of AML/CFT.

The third and final reason is to ensure compliance with FATF international standards. These standards envisage the existence of certain objectives and priorities set out in a strategic framework that respond appropriately to the identified ML/TF/PF risks and with which all relevant components of the AML/CFT system are duly familiar and reflect in their activities.

3. Inputs to the AML/CFT Strategy

The individual inputs to the AML/CFT Strategy essentially reflect the reasons for its development. In this respect, they can be divided into domestic and international inputs.

In terms of domestic contributions to the AML/CFT Strategy, ML/TF NRA II occupies a leading position, forming the basic framework of this strategic document. ML/TF NRA II not only contains a comprehensive process for assessing the riskiness of individual categories of obliged entities (cf. the high riskiness of selected categories of obliged entities from the non-financial sector), but also addresses in detail the fundamental vulnerabilities of the national AML/CFT system (i.e., the effectiveness of ML/TF prosecution, the seizure and confiscation of proceeds of crime, and the issue of statistical reporting for AML/CFT purposes). In this respect, these are the basic principles of the AML/CFT Strategy, which contribute to the

effective allocation of financial and human resources, as well as to the application of a risk-based approach.

At the same time, however, it also represents a certain element of strategic continuity. Following on from ML/TF NRA II, an Action Plan was drawn up, setting out the Czech Republic's priorities in the area of AML/CFT for the period 2022–2024 and formulating the Czech Republic's risk-oriented policy on preventing and combating money laundering and terrorist financing. This AML policy had three main lines: targeted strengthening of the risk-oriented approach, expansion of AML prevention, and AML fight. Individual measures were subsequently grouped under these lines, which were successfully implemented by the extended deadline (i.e., September 30, 2024). The AML/CFT strategy thus not only continues the established trend of setting priorities, but also takes into account the individual lines of AML policy for the purposes of the next period.

Based on ML/TF NRA II and the related Action Plan, practical knowledge gained from the activities of the members of the STRATEGY AML/CFT Subgroup, as well as their analytical outputs to date (e.g., in the form of an Analysis of the Quality of Beneficial Owner Records), were then a key source for the AML/CFT Strategy. An important aspect of the preparation of the AML/CFT Strategy was its integration into the existing framework of conceptual and strategic documents developed by the public administration bodies involved in its creation. The aim was to prevent unsystematic interventions or duplication in the strategic planning process. In this regard, particular consideration was given to the Concept for Combating Organized Crime until 2023, as well as the Concept for Combating Organized Crime until 2030, which is currently being prepared, the FAU Supervision Strategy, the CNB Long-Term Supervision Strategy, and the Financial Market Supervision Section's Supervision Strategy in the area of AML/CFT for 2023–2026. Last but not least, the AML/CFT Strategy reflects the updated Methodology for the Preparation of Public Strategies of the MRD.

In terms of international inputs, the AML/CFT Strategy was inspired primarily by FATF international standards, both in terms of technical compliance assessment and effectiveness assessment. A comparative analysis of the approaches of Germany, the Netherlands, Luxembourg, and France to the issue of AML/CFT strategy was a significant source of knowledge. These countries were selected because of their EU membership and their status as independent members of the FATF, with their *Mutual Evaluation Reports* published in 2022 and 2023.

4. Method of setting AML/CFT strategy objectives

First, it should be noted that the starting point for the strategic and specific objectives (see the second part of the AML/CFT Strategy) and the individual measures for achieving the set objectives (see the third part of the AML/CFT Strategy) was the formulation of the global objective of this AML/CFT Strategy, which to a certain extent stems from the Czech Republic's membership in MONEYVAL and other international and European commitments. This global objective is to ensure, through the effective functioning of all components of the national AML/CFT system, a situation in which the domestic and international financial systems, the economy, society, and the state are protected from the threats of money laundering, terrorist financing, and proliferation financing.

In light of the above, a process was then initiated to develop several basic theses, the implementation of which would, in aggregate, increase the effectiveness of the national AML/CFT system and provide a framework for remedying some of the shortcomings of this system at the institutional, legislative, methodological, and operational levels. The initial set of six theses was proposed by the FAU, as an institution with a comprehensive overview of the functioning and various aspects of the national AML/CFT system. This overview is based on the FAU's role as a financial intelligence unit, national coordinator for the implementation of international sanctions, chief supervisory authority in the area of AML/CFT, and head of the Czech delegation to MONEYVAL. These theses were developed not only on the basis of the conclusions of ML/TF NRA II and the related AML policy, but also on the basis of practical knowledge gained in the course of the FAU's activities and a comparative analysis of foreign approaches to AML/CFT strategy.

At the suggestion of the FAU, an item was added to the agenda of the ICG AML/CFT Committee meeting concerning the approval of a strategy for combating money laundering and terrorist financing based on the six theses in question and the delegation of its preparation to the STRATEGY AML/CFT Subgroup. The ICG AML/CFT Committee discussed the item at its meeting on November 1, 2024, and approved it in its entirety. The focus of the work then shifted to the STRATEGY AML/CFT Subgroup. Through mutual interaction between the FAU and other members of the STRATEGY AML/CFT Subgroup, seven strategic objectives were created on the basis of the theses approved by the Committee. Each of these strategic objectives was assigned a set of specific objectives that not only contribute to its fulfillment, but also specify its content and focus. Finally, measurable measures were identified and described, each of which relates to a specific objective. The final version of the AML/CFT Strategy was then discussed by the STRATEGY AML/CFT Subgroup on April 23, 2025, and subsequently submitted through the secretary of the ICG AML/CFT Committee.

STRATEGIC AND SPECIFIC OBJECTIVES OF THE AML/CFT STRATEGY

This section of the AML/CFT Strategy describes the following seven strategic objectives:

1. **Strengthening communication, cooperation and coordination among relevant public authorities, as well as between public and private sectors, within the national AML/CFT system;**
2. **Deepening the understanding of specific risks, methods and trends related to ML/TF/PF, including the circumvention of TFS;**
3. **Enhancing administrative supervision in the non-financial sector, with a particular focus on RBA;**
4. **Expanding financial intelligence structures and strengthening prioritization of financial intelligence information;**
5. **Implementing additional measures to increase the effectiveness and efficiency of prosecuting ML/TF/PF offences and preventing the circumvention of TFS, including the confiscation of criminal proceeds and the monitoring of cash transfers;**
6. **Further development of comprehensive AML/CFT statistics in particular to strengthen the effectiveness of the national AML/CFT system and ensure compliance with international and European requirements;**
7. **Emphasizing a deeper and more systematic harmonization of AML/CFT supervision over financial institutions within European and international institutions leading to a more robust implementation of preventive measures by obliged entities.**

In terms of structure, each chapter is dedicated to a specific strategic objective and is divided into three parts:

- **Introduction**, which places the strategic objective in the context of the national AML/CFT system and describes its significance and the challenges it faces;
- **Individual specific objectives** that not only contribute to the fulfillment of the overall strategic objective, but also specify its content and focus;
- **Overview table** listing specific objectives and related measures, which are then addressed in the third part of the AML/CFT Strategy.

1. Strengthening communication, cooperation and coordination among relevant public authorities, as well as between public and private sectors, within the national AML/CFT system

Within the national AML/CFT system, this strategic objective can be classified among the structural and supporting elements of the ML/TF/PF prevention and punishment cycle. It is important in one of the basic prerequisites for a functional national AML/CFT system, namely the continuous and qualified awareness of all its components about ongoing or planned projects, the main challenges facing the system, and current developments in the field of AML/CFT. Equally important is the existence of mechanisms that enable the active participation of the components concerned in the processes in question and tools for their effective coordination. Emphasis is placed on ensuring that each component is familiar with its position in the national AML/CFT system and can actively participate in the exchange of information, whether for the purposes of its own AML/CFT activities or for the fulfillment of specified tasks. In this context, the strategic objective takes into account not only the practical requirements of the public and private sectors, but also the challenges facing the national AML/CFT system. The objective also develops the requirements arising from the FATF international standards in the area of effective communication and coordination, as well as the relevant EU requirements.

The national AML/CFT system is currently undergoing a fundamental transformation caused by the implementation and adaptation of the AML Package into Czech law, the upcoming 6th round of MONEYVAL evaluations, and changes to national VASP regulations as a result of the MiCA regulation. Each of these areas has, or will have, far-reaching implications for the functioning of the national AML/CFT system. A key condition for successfully managing this transformation is effective cooperation and sharing of up-to-date information between the relevant components of this system, both for the purposes of their own activities and for the performance of their assigned tasks. In this regard, it is also essential to involve and inform the private and non-profit sectors, which will be affected by the results of this transformation of the national AML/CFT system. However, their role is not limited to passively receiving information, but also involves active partnership in the form of providing practical feedback. This feedback contributes to understanding the actual functioning of individual AML/CFT institutions and measures in practice.

In view of the above, it is clear that the specific objectives are primarily focused on activities and the development of coordination platforms, such as ICG AML/CFT, MF working groups focused on the implementation of the AML Package, or working groups on the risk of NGO abuse for terrorist financing. A key specific objective is to emphasize the importance of the Czech Republic's membership in MONEYVAL, not only in terms of preparations and allocation of resources for the 6th round of evaluation, but also in connection with the Czech Republic's active participation in international structures related to AML/CFT. This objective also includes efforts to raise awareness of the functioning and activities of MONEYVAL and FATF in the national AML/CFT system, including building institutional memory on this issue. The achievement of these specific objectives should ultimately contribute not only to increased communication, cooperation, and coordination between the various components of the national AML/CFT system, but also to the effectiveness of the national AML/CFT system as a whole.

1.1. Further development of the ICG AML/CFT

The ICG AML/CFT is one of the main pillars of the national AML/CFT system, whose purpose is to ensure coordination of activities and exchange of information between all public and private entities involved in the national AML/CFT system. The ICG AML/CFT was established by Government Resolution No. 681 of October 2, 2024 (the resolution also included the adoption of the statutes and rules of procedure) and has a three-tier organizational structure consisting of:

- **The Committee**, which represents the top management of the ICG AML/CFT and consists of the eight most important components of the national AML/CFT system (FAU, CNB, MF, MoI, PCR, SPPO, and SC) represented by persons in top positions. The Committee addresses and decides on key strategic issues in the area of AML/CFT.
- **The Working Group**, which is a platform bringing together all components of the national AML/CFT system across the public and private sectors. Among other things, this platform enables all representatives of these components to meet in person at least once a year.
- **Working subgroups** that form the core of the entire ICG AML/CFT's activities. Within these subgroups, factual outputs are created and individual members are continuously coordinated according to the type of working subgroup. There are currently seven such subgroups dedicated to MONEYVAL evaluation, the national ML/TF/PF risk assessment process, the development of AML/CFT strategies, the maintenance of comprehensive statistics and data on matters relating to the effectiveness of the AML/CFT system, data protection, and the coordination of AML/CFT supervision.

The essence of this specific objective is to gradually establish the ICG AML/CFT platform during the period of effect of the AML/CFT Strategy so that it becomes a common tool of the national AML/CFT system, which all components of this system are duly aware of and actively use in fulfilling their responsibilities and powers in the area of AML/CFT.

Last but not least, the establishment of the ICG AML/CFT provides an opportunity to deepen and strengthen cooperation between the private and public sectors, whether in the form of direct participation in the functioning of certain working subgroups or the Working Group itself. An important aspect is the possibility of communicating the regulator's expectations and gaining practical knowledge from the activities of obliged entities.

1.2. Implementation of the new AML/CFT legislation on the EU level (so called AML Package)

The implementation of the AML Package should result in a fundamental change to the entire national AML/CFT system, not only from a legislative perspective, but also in terms of substance and institutional structure. For example, there will be an expansion of the set of obliged entities, a reassessment of the scope of administrative supervision, adjustments to certain existing obligations, and an emphasis on statistics and data collection at the level of individual public authorities. In addition, part of the legislation will have a direct effect as a result of the adopted AML Regulation, for which implementing regulations will be issued in the form of *Regulatory Technical Standards* (RTS) and general guidelines by the newly

established European Anti-Money Laundering and Counter-Terrorist Financing Authority (AMLA). This authority will also be vested with coordination and supervisory powers in the area of AML/CFT.

Under the leadership of the Ministry of Finance, legislative work is currently underway in eleven working groups, consisting of the preparation of the Czech legislative framework for the impact of the AML Package. In particular, this involves the adaptation of the AML Regulation, the AMLA Regulation, and the transposition of the 6th AML Directive. In this regard, one of the main objectives of the national AML/CFT system is to ensure the proper and timely implementation and adaptation of the AML Package with the broadest possible contribution from relevant representatives of the public and private sectors, so that future legislation reflects, among other things, the requirements and needs of the public authorities concerned, as well as those of the obliged entities.

1.3. Czechia's membership in MONEYVAL

The Czech Republic's membership in the MONEYVAL Committee is currently primarily linked to the process of preparing for the 6th round of evaluation of the Czech Republic by this Council of Europe committee in 2026, which essentially involves an in-depth analysis of the implementation and effectiveness of measures to combat money laundering and terrorist financing by an international team of evaluators. This evaluation has a significant impact on both the public and private sectors, as well as on the Czech Republic as a whole. One of the main objectives of the national AML/CFT system is therefore to thoroughly prepare and allocate adequate resources to all stages of the MONEYVAL evaluation, which will culminate in a visit by an international team of evaluators to the Czech Republic in May 2026 and subsequently in the approval of the mutual evaluation report at the MONEYVAL plenary meeting in Strasbourg in December 2026. The coordination of preparations for the MONEYVAL evaluation falls within the remit of the FAU and takes place within the MONEYVAL Subgroup.

However, the Czech Republic's membership in the MONEYVAL Committee must be viewed in a broader context than just the preparation and conduct of MONEYVAL evaluations. This membership entails not only obligations (e.g. in the area of nominating evaluators for the Czech Republic, training them, and their subsequent active participation in mutual evaluations), but also opportunities that can benefit the entire national AML/CFT system (whether it be active participation in the activities of the MONEYVAL Secretariat or the opportunity to acquire know-how and valuable contacts within international projects). Last but not least, it is essential to create continuous awareness of the development of FATF international standards, as well as the functioning of FATF and MONEYVAL among all stakeholders, as this is a basic prerequisite for a sustainable and effective AML/CFT system.

1.4. Assessment of amendments to the legal regulation of VASPs

On December 30, 2024, the MiCA Regulation came into force, which is a European directly applicable sectoral regulation governing the provision of crypto-asset services and, among other things, sets out licensing requirements for entities operating in this sector. The MiCA Regulation was adapted into the Czech legal system by the Financial Market Digitization Act,

which designated the CNB as the competent authority in this area, both at the level of administrative supervision (the *supervisor*) and at the level of licensing (the *gatekeeper*).

According to Article 143 of the MiCA Regulation, providers of crypto-asset services who provided their services in accordance with the applicable legislation before December 30, 2024, may continue to provide these services until July 1, 2026, without being authorized under the MiCA Regulation, provided that the Member State does not shorten this transitional period. The Czech legislator has exercised this discretion. In the context of the Czech adaptation of MiCA, the following arrangement therefore applies:

- Entities that had a registered trade license in field of activity No. 81 – Provision of services related to virtual assets under the Trade Licensing Act before December 30, 2024, may continue to operate within the scope of the MiCA Regulation until July 31, 2025. If they apply to the CNB for a license under the MiCA Regulation within this period, they may continue to operate on the basis of their trade license until a decision on their application is made. If their application is rejected, their authorization to provide crypto-asset services will expire.
- On the other hand, entities that have not registered a trade license in the above-mentioned field of activity by December 30, 2024, must immediately apply for a license under MiCA and may only provide crypto-asset services after their application has been approved.

However, MiCA does not apply to all types of crypto assets that are relevant from an AML/CFT perspective. Crypto assets that are unique and not substitutable by other crypto assets, including those that can be used for payment or investment. For these purposes, the Czech legislator has established a separate licensing procedure conducted by the FAU. This licensing procedure is regulated in Sections 29ba to 29bj of the AML Act. The aspects of the transitional period for entities that had a registered trade license before December 30, 2024, are symmetrical with the regulation of cryptoassets falling under the MiCA Regulation.

Based on the above, it is clear that there will be a significant change in the Czech business environment in the area of cryptocurrencies during 2025. It is necessary to evaluate this change from an AML/CFT perspective with sufficient time and then discuss the conclusions within the ICG AML/CFT structure.

1.5. Enhancing Information Exchange and Collaboration Between Public Authorities and NGOs in CFT

Developing information exchange and cooperation between public authorities with supervisory powers is essential for sharing information on the risks faced by NGOs in terms of their misuse for terrorist financing. A key argument in favor of supporting this cooperation is the fact that there is no single main entity responsible for matters relating to the non-profit sector.

This specific objective is effectively fulfilled by the activities of the working group on the risk of non-governmental non-profit organizations being misused for terrorist financing, whose work is essential for the preparation of qualified outputs describing the risks of NGOs being misused for terrorist financing, mutual coordination in relation to MONEYVAL, and the dissemination of good practices among NGOs themselves as a key factor for effective prevention in this area.

Overview table

SPECIFIC OBJECTIVES AND TARGETED MEASURES

Further development of the ICG AML/CFT

- *Ensuring the continuous operation of all ICG AML/CFT structures*
- *Strengthening public-private sector cooperation through the ICG AML/CFT*

Implementation of the new AML/CFT legislation on the EU level (so called AML Package)

- *Timely and proper implementation of the AML legislative package with the involvement of relevant public and private sector stakeholders*

Czechia's membership in MONEYVAL

- *Preparation and allocation of resources for the upcoming mutual evaluation*
- *Ensuring ongoing information support for components of the national AML/CFT system*
- *Active participation of Czechia in MONEYVAL structures*

Assessment of amendments to the legal regulation of VASPs

- *Impact analysis of the MiCA Regulation on the VASP sector*

Enhancing Information Exchange and Collaboration Between Public Authorities and NGOs in CFT

- *Continued active engagement of the working group on the risk of NGO misuse for TF*

2. Deepening the understanding of specific risks, methods and trends related to ML/TF/PF, including the circumvention of TFS

Within the national AML/CFT system, this strategic objective can be classified among the structural and supporting elements of the ML/TF/PF prevention and punishment cycle. Its importance lies in the fact that it is not possible to properly set up mitigating measures without qualified knowledge of the nature of the individual categories of obliged entities and how they operate, the threats they most often face, their most significant vulnerabilities, and how these evolve over time. Equally important is the ongoing analysis of the effectiveness and quality of existing AML/CFT tools and the possibilities for their further development. The emphasis is then placed on data collection and processing. In this context, the strategic objective takes into account not only the challenges facing the national AML/CFT system, but also the requirements arising from the FATF international standards in the area of understanding risks and adopting appropriate measures to mitigate them, which it further develops.

One of the main challenges facing the national AML/CFT system lies primarily in the limited human, material, and technical resources of the public authorities concerned. In this regard, it is therefore necessary to ensure that a risk-based approach is consistently applied and that these limited resources are allocated to areas where the highest and most serious risks to the national AML/CFT system exist. An equally important aspect is the selection of appropriate tools and procedures that will enable not only the effective acquisition of the necessary knowledge about individual sectors, but also the sharing of this knowledge across the relevant components of the national AML/CFT system.

In view of the above, it is clear that the specific objectives are focused on identifying and deepening understanding of risks, methods, and trends across the entire national AML/CFT system. Beyond deepening knowledge in selected, and usually the most risky, categories of obliged entities, attention should also be focused on the specific area of NGOs and the possibility of their misuse for terrorist financing, or the relatively new issue of proliferation financing. An essential tool for achieving the essence of the set goal is also the effective use of data on beneficial owners, whether for the purposes of reporting to international organizations, risk analysis related to foreign beneficial owners, or further development of the RBO. Achieving these specific objectives should ultimately contribute not only to a deeper understanding of the specific risks, methods, and trends related to ML/TF/PF, but also to increasing the effectiveness of the national AML/CFT system as a whole.

2.1. Deepening understanding of risks, methods and trends associated with selected categories of obliged entities in the non-financial sector

The business activities of obliged entities, their scope of activity in the relevant market, and the threats and vulnerabilities they face are highly diverse. Although certain common features can be identified in general terms, it is essential for the effective functioning of the national AML/CFT system that supervisory authorities are able to take into account the specific characteristics of individual categories of obliged entities. Proper mapping of these categories of obliged entities and consideration of specific risks, methods, and trends in the exercise of administrative supervision is therefore a prerequisite for effective management of the risks associated with their activities.

An important source of information for these sectoral analyses and risk assessments is, among other things, direct interaction between the supervisory authority and the obliged entities concerned. This interaction allows the supervisory authority to obtain practical feedback from the addressees of the AML/CFT obligations, on the basis of which it can assess the functioning of selected AML/CFT institutions, create a comprehensive picture of the functioning of the sector in question, and identify the challenges facing that sector. Based on these findings, it is possible to target related methodological and educational activities towards the sector in question.

The most appropriate tool for achieving this specific objective is questionnaire surveys targeting a representative sample of obliged entities, inspired by foreign practice and corresponding to the growing FATF requirements for obtaining data from individual categories of obliged entities, or regular reporting. Related surveys will take into account not only the degree of risk of the categories concerned, but also the personnel and technical capacities of the FAU and the appropriate level of administrative burden on obliged entities. An important role in this process will be played by umbrella organizations in the sector (associations, chambers, etc.) that bring together members of individual categories of obliged entities. The supervisory authority will seek to establish cooperation with these organizations, which are usually part of the ICG AML/CFT structure, with the aim, among other things, of ensuring the maximum effectiveness of the questionnaire survey for a specific sector (e.g., using strategic communication through the organization in question, identifying suitable respondents for the survey).

2.2. Deepening understanding of risks, methods and trends associated with the misuse of the non-profit sector for TF

Communicating information about the risks of the non-profit sector being exploited for terrorist financing is crucial not only for prevention purposes, but also for the proper establishment of a risk-based approach to administrative supervision by the relevant public authorities. At the same time, the availability of this information is a prerequisite for high-quality awareness-raising activities targeting the non-profit sector. These awareness-raising activities will be based on materials developed by a working group dealing with the risk of non-governmental non-profit organizations being misused for terrorist financing.

2.3. Deepening understanding of risks, methods and trends associated with PF and emphasizing them in the national AML/CFT system

The main source of information for identifying and understanding the risks associated with proliferation financing in the Czech context will be the PF NRA, which will be submitted to the government for approval in 2025. This government document will be the result of a national proliferation financing risk assessment process that has been underway in the Czech Republic since 2022 under the leadership of the FAU, in accordance with the Council of Europe methodology.

Like ML/TF, PF is a constantly evolving phenomenon. It is therefore not possible to rely solely on the output of the document, which is static in nature and, during its period of validity, would not take into account changes and developments in methods, trends, or typologies in the field. For this reason, the (specific) objective after the publication of the PF NRA is to introduce a dynamic process that will enable continuous work with identified threats, vulnerabilities, and their consequences. This approach will involve not only public authorities but also the private sector (especially credit institutions) in order to strengthen overall prevention and raise awareness of the risks associated with proliferation financing. The above objective will be achieved not only through the analytical activities of the FAU and its outputs, but also through the ICG AML/CFT platform, in particular the PF NRA Subgroup.

2.4. Mapping risks associated with legal entities directly or indirectly owned by foreign persons

One of the key institutions of the national AML/CFT system is the issue of identifying and registering beneficial owners, as evidenced by developments in European and international AML/CFT standards. These standards are based on the fact that the state is able to access a wide range of data through the RBO, and therefore formulate their requirements with an emphasis on actively working with this data. Given the potential security and geopolitical risk, the issue of foreign beneficial owners, whether foreign nationals or individuals residing abroad, now plays a central role in these requirements. In line with the effective allocation of resources and a risk-oriented approach, the activity of collecting and evaluating the data in question should be the starting point not only for fulfilling international obligations towards the EU or MONEYVAL, but also for identifying specific risks in this area and adopting measures to mitigate these risks in an appropriate manner.

The Czech Republic currently has an analysis of the risks associated with legal forms of legal entities prepared by the Ministry of Justice, which is part of ML/TF NRA II. However, there is no similar analysis that would address the risks associated with legal forms of foreign legal entities or foreign beneficial owners.

In view of the requirements for statistical surveys for the purposes of the European Commission and the MONEYVAL evaluation, the designation of the Russian Federation as a high-risk third country by the Czech Republic (following the resolution of the Chamber of Deputies of the Parliament of the Czech Republic of November 15, 2022, and the resolution of the European Parliament of November 23, 2022) and in the context of the Czech Republic's image in the public sphere, the issue of Article 5r(1) and (2) of Regulation No. 833 comes to the fore. In this regard, there is a clear public interest in determining the extent to which the reporting obligation

enshrined in the relevant article of Regulation No. 833 is being fulfilled. The collection and analysis of relevant data can be used synergistically to assess the riskiness of the legal entities concerned and to formulate follow-up measures that will enable the effective management of identified risks. This activity will bring benefits not only in the area of ML/TF/PF, but also in particular in the implementation of international sanctions and their circumvention or violation.

2.5. Exploring further effective use of the RBO to deepen understanding in the AML/CFT domain

The current use of RBO does not match its potential as an effective tool in the fight against money laundering and terrorist financing. The current approach lacks a conceptual framework, tools for data analysis, and more sophisticated methods of working with data, including comparing it with other sources of relevant information. Although the RBO contains a significant amount of structured data, its systematic analysis is practically non-existent. This problem is caused both by the unavailability of appropriate tools and the absence of a clearly defined authority responsible for this area.

The current perception of the RBO as primarily a record-keeping authority requires a fundamental review. The new 6th AML Directive and the FATF recommendations show a clear trend towards transforming the RBO into an active entity that approaches the issue from an AML perspective. The RBO should thus act as the competent authority in the fight against money laundering and terrorist financing.

Overview table

SPECIFIC OBJECTIVES AND TARGETED MEASURES

Deepening understanding of risks, methods and trends associated with selected categories of obliged entities in the non-financial sector

- *Data collection through questionnaire surveys from a representative sample of obliged entities from selected categories of obliged entities from the non-financial sector*

Deepening understanding of risks, methods and trends associated with the misuse of the non-profit sector for TF

- *Presentation of the conclusions of the Analysis of the Czechia's Non-Profit Sector in terms of TF risks to NGO representatives*
- *Update of the material entitled "Risk of Abuse of NGOs for the Purposes of Terrorism Financing" and its subsequent dissemination*

Deepening understanding of risks, methods and trends associated with PF and emphasizing them in the national AML/CFT system

- *Continuous monitoring of PF risks and their development, including communication of outputs with relevant components of the AML/CFT system in connection with the PF NRA*

Mapping risks associated with legal entities directly or indirectly owned by foreign persons

- *Data collection and preparation of follow-up outputs for the European Commission and MONEYVAL*

Exploring further effective use of the RBO to deepen understanding in the AML/CFT domain

- *Analysis of further use of the RBO and its possible development*
- *Data analysis of the content of the RBO and the prior creation of a so-called data warehouse*
- *Clarify the approach to international cooperation and information exchange with third countries*

3. Enhancing administrative supervision in the non-financial sector, with a particular focus on RBA

Within the national AML/CFT system, this strategic objective can be classified as part of the administrative section of the ML/TF/PF prevention and punishment cycle. Its significance lies primarily in emphasizing compliance with the obligations set out in the AML Act so that, to the maximum extent possible, attempts at money laundering and terrorist financing through the non-financial sector are prevented or detected in a timely manner. The main emphasis is thus placed on risk-oriented administrative supervision consisting in the effective allocation of limited supervisory capacities based on identified risks. In this context, the strategic objective partly builds on one of the main lines of AML policy, namely the targeted strengthening of the risk-based approach, but also takes into account the recommendations resulting from the 5th round of MONEYVAL evaluations, which it further modifies and elaborates on.

The non-financial sector, which includes obliged entities within the meaning of Section 2(1)(c) to (n) of the AML Act, represents a diverse and numerous set of legal entities and natural persons engaged in business activities, which will continue to expand as a result of the implementation of the AML Package. In general, it can be said that the non-financial sector shows lower awareness of AML/CFT requirements, which is also supported by the long-term lower number of STRs filed. Compared to the financial sector, it is the rule rather than the exception that the roles of gatekeeper and supervisor are performed by various public authorities. The regulation of the entry of business entities into the market and their continued presence there is highly diverse, and in some cases lacks sufficient safeguards against the misuse of the sectors concerned for ML/TF. Administrative supervision in this area is carried out by several supervisory authorities with different personnel, material, and technical capacities. Moreover, the effectiveness of administrative supervision of the non-financial sector is becoming the subject of increased international attention, particularly in view of growing international requirements (EU, FATF).

In view of the above, it is clear that strengthening administrative supervision in the non-financial sector cannot be seen merely as an increase in the number of inspections or individual supervisory activities, but must be understood in a broader context. The essence of this strategic objective is primarily to strengthen several key areas, from intensifying cooperation between public authorities to introducing international standards into supervisory practice and addressing the issue of gatekeeping. The achievement of these specific objectives should ultimately contribute not only to increasing the effectiveness of administrative supervision of the non-financial sector, but also to the effectiveness of the national AML/CFT system as a whole.

3.1. Strengthening cooperation and coordination in the area of administrative supervision over selected categories of obliged entities from the non-financial sector

The mutual exchange of information and knowledge, as well as the possible coordination of supervisory activities, is a fundamental prerequisite for the effective supervision of compliance with legal obligations. This principle is particularly important in cases where there is shared or subsidiary supervision of certain categories of obliged entities in the non-financial sector. In the

Czech context, the FAU plays a central role in the exercise of administrative supervision in the area of AML/CFT, as it is the supervisory authority for all obliged entities under the AML Act. Shared administrative supervision within the non-financial sector is subsequently applied to gambling operators (where it is shared between the FAU and the customs authorities), obliged entities under the provisions of Section 2(1)(i) and (j) of the AML Act (where it is shared between the FAU and the CTIA), and insolvency and restructuring administrators (where it is shared between the FAU and the Ministry of Justice). In the case of lawyers, notaries, bailiffs, auditors, and tax advisors, administrative supervision is entrusted to the relevant professional chambers, with the FAU exercising administrative supervision only on a subsidiary basis. Although communication platforms and regular coordination meetings exist between the FAU and the above-mentioned supervisory authorities, it is necessary to formalize the relevant framework in the form of relevant MoUs, or to update existing MoUs to reflect current requirements and needs.

Cooperation and coordination are crucial not only between supervisory authorities in the area of AML/CFT, but also in relation to other public authorities. In the course of administrative supervision by the FAU, facts may be uncovered that are relevant, for example, to tax administration, the legitimacy of providing investment services, the maintenance of commercial register documents, or the area of trade licensing. These are typically cases where obliged entities posing an increased ML/TF risk are being investigated, or where significant irregularities or other non-standard practices have been identified. Sharing this information can thus contribute significantly to the protection of the public interest. Given the cross-border nature of AML/CFT, it is also necessary to strengthen international cooperation capacities in the area of administrative supervision.

3.2. Aligning administrative supervision with current international trends and standards

The core of international standards in the area of AML/CFT is the consistent implementation of a risk-based approach. In the case of supervisory authorities, this approach is reflected primarily in the preparation of inspection plans, at two levels:

- **Sectoral level**, which involves the priority selection of riskier or more vulnerable categories of obliged entities.
- **Individual level**, which consists of selecting specific obliged entities with higher risk from these risky or vulnerable categories.

For the proper implementation of this approach, it is essential not only to have a risk assessment of individual categories of obliged entities that maps the given areas in detail and identifies their specific risks, but also to use an individual risk assessment mechanism. This continuously updated mechanism, based on predefined criteria, allows the obliged entity to be classified into one of the predefined risk profiles, thereby determining the further course of supervisory activities. The existence of a sectoral risk assessment also allows for better targeting of methodological and educational activities towards a given sector.

Last but not least, the risk-based approach also includes the division of supervisory activities into *on-site* and *off-site* supervision. If certain categories of obliged entities from the non-financial sector do not fulfil their basic AML/CFT obligations (e.g., reporting a contact person or sending a written system of internal principles, including risk assessment), the violation of

which does not require an on-site inspection, off-site supervisory activities are prioritized in these cases (given supervisory capacities). This approach ensures that a larger number of obliged entities comply with basic AML/CFT obligations and also strengthens the sector's awareness of the obligations arising from the AML Act.

Given the ratio of the FAU's supervisory capacities to the size and riskiness of individual categories of obliged entities from the non-financial sector, further targeted development of risk-oriented supervisory activities is absolutely essential.

3.3. Revision of the conditions for market entry for selected categories of obliged entities from the non-financial sector

One of the vulnerabilities of the national AML/CFT system is the existence of weak market entry regulations for selected risk categories of obliged entities from the non-financial sector. In this regard, this mainly concerns obliged entities whose business activities are linked to a simple notification of a free trade to the trade licensing office within the meaning of the Trade Licensing Act. In this way, a large number of entities enter the Czech market which, from an AML/CFT perspective, already pose an increased risk in the process of their establishment. These are often purpose-built companies with minimal personnel and capital resources, which subsequently fail to fulfil their basic public law obligations, including those arising from the AML Act. This phenomenon is further accelerated by the existence of intermediaries who specialize in establishing this type of obliged entity.

In line with a risk-oriented approach, it is therefore necessary to take appropriate steps to minimize this vulnerability, whether in the form of educational, supervisory, or legislative measures.

Overview table

SPECIFIC OBJECTIVES AND TARGETED MEASURES

Strengthening cooperation and coordination in the area of administrative supervision over selected categories of obliged entities from the non-financial sector

- *Finalization or updating of the MoU between the FAU and other supervisory authorities*
- *Enhancing the dissemination of insights gained from administrative supervision*
- *Strengthening international cooperation in relevant cases in the performance of administrative supervision*

Aligning administrative supervision with current international trends and standards

- *Creation of separate sectoral risk assessments for selected categories of obliged entities from the non-financial sector*
- *Updating the individual risk assessment system*
- *Expanding the scope and frequency of off-site supervisory activities*

Revision of the conditions for market entry for selected categories of obliged entities from the non-financial sector

- *Assessment of market entry condition for selected categories of obliged entities from non-financial sector*

4. Expanding financial intelligence structures and strengthening prioritization of financial intelligence information

Within the national AML/CFT system, this strategic objective can be included in the financial intelligence part of the ML/TF/PF prevention and punishment cycle. Its significance lies in strengthening financial intelligence by targeting improvements in the quality and quantity of STRs among categories of obliged entities reporting increased ML/TF/PF risk. At the same time, it includes the application of a risk-based approach to the prioritization of STRs, which leads to an increase in the effectiveness of the FAU's financial intelligence activities. The main emphasis is thus placed on the analytical and educational activities of the FAU. In this context, the strategic objective takes into account not only the practical requirements of the FAU and obliged entities, but also the recommendations resulting from the 5th round of MONEYVAL evaluations, which it further modifies and elaborates.

As indicated in the introductory description of the national AML/CFT system, the STR is usually the initial source of suspicion that triggers the ML/TF/PF prevention and punishment cycle. The quality and scope of STRs fundamentally influence the personnel and time resources that the FAU must invest in assessing the appropriateness of initiating an investigation of a given case, as well as in the investigation itself. The better the STR is prepared, containing clear and relevant information set in the context of AML/CFT (i.e., characteristics, indicators, and techniques of ML/TF/PF) and supporting evidence, the more the FAU can focus on the added value of its operational financial analysis and, if necessary, create comprehensive documentation for the police, including securing the assets in question.

In addition to the quality of STRs, the quantity of STRs from different categories of obliged entities is also a key factor. Under the principle of active involvement of obliged entities, on which the national AML/CFT system is based, insufficient numbers of STRs in certain categories of obliged entities may not only weaken the overall effectiveness of the AML/CFT system, but also prevent the FAU from performing adequate strategic financial analysis. At the same time, this places an unreasonable burden on other categories of obliged entities, such as credit institutions, which detect these suspicious transactions secondarily.

In view of the above, it is clear that the common denominator of the individual specific objectives is the development and expansion of capacities in the area of STR, primarily in terms of increasing their quality and number in individual sectors, which will be matched by intensified methodological and awareness-raising activities by the FAU. In this context, it is also crucial to modify the standard form for reporting suspicious transactions with an emphasis on its clarity and usability, as well as to introduce automated and risk-oriented processes for prioritizing the processing of incoming STRs. These processes will serve not only to effectively address the current agenda, but also to receive new reports generated as a result of the FAU's educational activities. The achievement of these specific objectives should ultimately contribute not only to the expansion of financial intelligence structures and the strengthening of the prioritization of financial intelligence information, but also to increasing the effectiveness of the national AML/CFT system as a whole.

4.1. Enhancing feedback mechanism and awareness among obliged entities

The feedback provided by the FAU, as a financial intelligence unit, to obliged entities can be viewed on two levels: the evaluation of the quality of submitted STRs and the transfer of AML/CFT-relevant information. Currently, the FAU already provides some form of feedback to obliged entities in both areas, and the specific objective is to further develop and expand these feedback mechanisms.

In the case of assessing the quality of a submitted STR, individual feedback is provided to each STR submitter. This feedback consists of the reporting entity receiving feedback after the investigation has been completed, which includes the manner in which the case was closed, as well as the identified characteristics, indicators, or techniques of ML/TF/PF. If an in-depth analytical investigation is conducted, the reporting person will also receive an assessment of the quality of the submitted STR with a rating of 1 to 3, where in the case of ratings 2 or 3, the reporting person will also receive a list of deficiencies detected in the STR. This individual feedback mechanism should be followed by a new collective feedback process. This would consist of a comprehensive evaluation of the number and quality of STRs submitted, on the basis of which examples of the most common deficiencies in these STRs would be compiled and subsequently shared with all obliged entities.

In addition to eliminating the most common shortcomings of STR, it is equally important that obliged entities are able to identify, at least in general terms, the basic characteristics, indicators, and techniques of ML/TF/PF. This information can be obtained in part from the conclusions of ML/TF NRA II or from the FAU's annual activity reports, but these sources are not always able to adequately reflect the dynamics of ML/TF/PF. For this reason, it is necessary to provide a regular information service for all obliged entities, which will give them the necessary overview of typologies, main signs of suspicion, as well as trends in the area of AML/CFT and related statistics. The purpose of this activity is to raise awareness of the issue among obliged entities, thereby increasing the likelihood of detecting and reporting suspicious transactions.

4.2. Increase in suspicious transaction reporting for high-risk categories of obliged entities

In general, it can be said that categories of obliged entities reporting a higher level of risk according to ML/TF NRA II usually submit fewer STRs. However, this does not mean that suspicious transactions do not occur in their activities. These transactions are usually simply not reported, and the FAU only learns about them retrospectively, for example through another obliged entity that has come into contact with the transaction in question.

This situation is undesirable for several reasons. First and foremost, it complicates the effective securing of proceeds from criminal activity and at the same time prevents the creation of strategic financial analyses due to a lack of data and knowledge about the approach and behaviour of the given category of obliged entities towards suspicious transactions. The essence of this specific objective is therefore to identify, taking into account the number and quality of submitted STRs and the level of risk, the categories of obliged entities on which targeted educational activities will focus. These activities should include awareness-raising, particularly in the area of reporting obligations, STR requirements, and the identification of key indicators of suspicious activity characteristic of the given category of obliged entities.

4.3. Prioritization of STRs based on a risk-based approach and FAU's personnel, technical and time capacities

In addition to enhanced awareness-raising activities focused on compliance with reporting obligations, another important tool for increasing the usability of STR is the appropriate modification of the tool used to submit STR, i.e., the interactive form for reporting suspicious transactions. One aspect of this specific objective is therefore to modify the form so that it guides the obligated person through the process of reporting a suspicious transaction in an interactive manner and at the same time requires feedback from them that will provide sufficient basis for follow-up operational, or even strategic, financial analysis without the need to allocate additional resources to ascertain the basic facts and related evidence.

In light of the above, it is essential to update the rules governing the prioritization of STRs and to take into account a risk-based approach. In other words, based on structured inputs from the expanded unified interactive form for reporting suspicious transactions, there should be automated prioritization of submitted STRs. This process minimizes the need to allocate FAU resources to defensive, low-quality, or uninformative submissions and ultimately allows primary attention to be focused on cases presenting increased risk.

Overview table

SPECIFIC OBJECTIVES AND TARGETED MEASURES

Enhancing feedback mechanism and awareness among obliged entities

- *Comprehensive evaluation of the number and quality of submitted STRs*
- *Regular information sharing with obliged entities*

Increase in suspicious transaction reporting for high-risk categories of obliged entities

- *Educational activities*

Prioritization of STRs based on a risk-based approach and FAU's personnel, technical and time capacities

- *Enhancing and expanding the unified interactive STR reporting form*
- *Implementation of automated STR prioritization and processing*

5. Implementing additional measures to increase the effectiveness and efficiency of prosecuting ML/TF/PF offences and preventing the circumvention of TFS, including the confiscation of criminal proceeds and the monitoring of cash transfers

Within the national AML/CFT system, this strategic objective can be included in the criminal part of the ML/TF/PF prevention and punishment cycle, while also touching on certain structural and supporting elements (cash transport controls). Its significance lies primarily in the proper setting of the Czech Republic's criminal law and policy, as well as the powers and procedures of law enforcement authorities, so that crimes involving the legalization of proceeds from crime, terrorist financing, or violations of international sanctions, as well as other related crimes, are detected to the maximum extent possible and their perpetrators are duly prosecuted, convicted, and punished with appropriate sanctions. Since the criminal activity in question consists of the unlawful handling of property, another important aspect is the effective seizure of such property, i.e., the confiscation of proceeds from crime or property used to finance terrorism or proliferation, as well as property related to the violation of international sanctions. In this context, the strategic objective not only partly follows one of the main lines of AML policy dedicated to combating ML, but also takes into account the recommendations resulting from the 5th round of MONEYVAL evaluations and the development of FATF international standards.

The crimes of laundering the proceeds of crime (whether intentional or negligent), terrorist financing and violation of international sanctions, as well as other related crimes, cover a wide range of diverse and sophisticated types of illegal activity, often of a cross-border nature. Given the nature of this conduct, it is essential that the law enforcement authorities responsible for combating these crimes have sufficient powers and expertise to enable them to detect such conduct. Another equally important aspect that can significantly contribute to increasing the effectiveness of ML/TF prosecution is a functional framework for sharing knowledge, typologies, and examples of good practice among the relevant law enforcement authorities.

The key issue at international, European, and national level in this area is the problem of the recovery of proceeds of crime and other related assets. The powers of the LEA in the area of tracing, securing, and confiscating assets, as well as the effectiveness of these procedures, are proving to be insufficient across the legal systems of individual countries. Based on these findings, FATF international standards have been tightened and broader harmonization has been achieved at the EU level, in particular through the Directive on Asset Recovery and Confiscation, which represents a key milestone in this area. In addition to foreign impetus for further development, this area is also emphasized by domestic practice, particularly with regard to the inadequate tools for combating the legalization of proceeds of crime originating abroad through so-called flow-through accounts.

As can be seen from the above, a key aspect of this strategic objective is to strengthen asset recovery mechanisms through the proper and timely implementation of the Directive on Asset Recovery and Confiscation. This implementation will significantly strengthen this area both at the conceptual-strategic level and at the operational level. At the same time, it is necessary to ensure the strengthening of the control powers of the Police of the Czech Republic in relation

to cash transports and to support the sharing of information and best practices within the LEA. These specific objectives should then lead to a significant strengthening not only of the criminal part of the ML/TF/PF prevention and punishment cycle, but also of the entire national AML/CFT system.

5.1. Proper implementation of EU Directive on Asset Recovery and Confiscation

The first and key specific objective in this area is the proper implementation of the Directive on Asset Recovery and Confiscation. In order to enhance the effectiveness of the national AML/CFT system, proper implementation is necessary in three areas in particular: expanding non-conviction-based confiscation tools, strengthening the powers of the Police of the Czech Republic in relation to the search for and seizure of assets, and creating a national strategy for the recovery of criminal assets.

The provisions of Article 16 of the Directive on Asset Recovery and Confiscation regulate the confiscation of unexplained wealth related to criminal activity, which is a type of confiscation that is not yet recognized by Czech law. Put simply, this provision requires Member States to allow the confiscation of property identified in criminal proceedings for certain serious crimes, even in cases where it cannot be confiscated under other provisions of the Directive on Asset Recovery and Confiscation, regardless of whether the person has been convicted and provided that the court concludes that such property is the proceeds of crime.

The Czech Republic should implement this new confiscation tool through a law on asset stripping. This law would allow courts to decide, in cases defined by law, to strip assets whose legal origin has not been credibly proven, based on evidence of suspicious circumstances (e.g., a gross disproportion between the total value of a person's assets and their legal income, suspicious transactions under the AML Act, links to the criminal environment), which, taken together, would justify the court's decision to strip the assets. This would be a proceeding in rem, not a proceeding against a person. No specific criminal offense would need to be proven in order to decide on the stripping of assets. A special standard of proof would apply, which is already used today when deciding on protective measures to seize part of the assets.

The Directive on Asset Recovery and Confiscation also significantly strengthens the powers of the ARO, as it extends its jurisdiction to the national level. While today the role of the ARO is performed only by the NCOZ, there are plans to strengthen the position of financial investigation specialists at the level of regional directorates, the National Drug Squad, and the National Center Against Terrorism, Extremism, and Cybercrime of the Police of the Czech Republic. The successful implementation of this part of the directive requires the active participation and expertise of representatives of the PCR so that the resulting implementation not only meets European requirements but also effectively corresponds to the structure and practical needs of the PCR.

Beyond ensuring the above-described expansion of the powers of LEA, it is necessary to adopt an adequate strategic framework in this area, which sets out common visions and objectives and further deepens cooperation between the individual authorities involved in the recovery of criminal assets, in the form of a national strategy for the recovery of criminal assets. For the avoidance of doubt, it should be noted that this specific objective is also reflected in the Action Plan to Combat Organized Crime for 2025 and 2026. Given the fundamental importance of the

National Strategy for the Recovery of Criminal Assets, not only in the fight against organized crime but also in the fight against money laundering and terrorist financing, it is entirely appropriate for this specific objective to be included in both strategic documents.

5.2. Enhancing oversight capabilities of LEAs in relation to cash controls

The control of cash transfers, i.e., currency or similar instruments enabling easy transport and accumulation of large amounts, is one of the essential structural and supporting elements of the national AML/CFT system. Following the 5th round of MONEYVAL evaluations, the powers of the Customs Administration in the Czech Republic in the area of control of intra-EU cash transfers were extended through new Sections 41a to 42b of the AML Act, effective from December 30, 2024.

The control powers described above should also be extended to the Police of the Czech Republic, which will significantly strengthen the enforceability of the relevant obligations and increase the effectiveness of controls on cash transported within the EU. This extension of powers should take place as a part of the implementation of the AML Package, with the active participation and expertise of representatives of the PCR, so that the resulting legislation corresponds to the structure and practical needs of the PCR.

5.3. Guidance and support of LEA's enforcement practise in the AML domain

Beyond legislative changes, the expansion of powers, and the creation of a strategic framework, it is essential in the area of AML/CFT to continuously share information and best practices, both within the structures of individual public authorities and between them. An important part of this is also the harmonization of interpretation and application practices, the promotion of cooperation and its regulation, which is usually the task of the senior representatives of these authorities.

In connection with preparations for the 6th round of MONEYVAL evaluations, a large amount of statistical data and case studies are being collected and analysed across LEA and other PAB. This collected information should be used not only for the evaluation itself, but also to deepen professional expertise within the national AML/CFT system. Based on this data and case studies, internal documents summarizing key findings, best practices, and relevant cases, supplemented by statistical data, should be created. These documents should serve as support for the application practices of LEA and can be used not only for operational activities but also as a basis for strategic or legislative steps.

Overview table

SPECIFIC OBJECTIVES AND TARGETED MEASURES

Proper implementation of EU Directive on Asset Recovery and Confiscation

- *Submission of draft legislation on asset recovery to implement Article 16 of the EU Directive on Asset Recovery and Confiscation*
- *Active engagement of Czechia's Police in implementing the EU Directive on Asset Recovery and Confiscation with emphasis to strengthening competences of ARO*
- *Development and approval of the National Strategy for Criminal Asset Recovery*

Enhancing oversight capabilities of LEAs in relation to cash controls

- *Active engagement of Czechia's Police in implementing the new AML/CFT regulation on EU level (AML Package) with emphasis on potential expansion of oversight powers in intra-EU cash transfers*

Guidance and support of LEA's enforcement practise in the AML domain

- *Development of a casebook of best practices*

6. Further development of comprehensive AML/CFT statistics in particular to strengthen the effectiveness of the national AML/CFT system and ensure compliance with international and European requirements

Data collection and processing is one of the fundamental structural and supporting elements of the national AML/CFT system. Proper maintenance and reporting of statistical data is one of the key prerequisites for assessing the effectiveness of individual public authorities, monitoring certain trends, and identifying potential structural deficiencies. Statistical data are therefore a key basis for any changes to the national AML/CFT system, whether legislative, methodological, or operational. The importance of proper data management and reporting is also emphasized by international standards and European legislation. In this context, the strategic objective is based in particular on the requirements of European legislation, the recommendations resulting from the 5th round of MONEYVAL evaluations, and the requirements for reporting statistical data for the purposes of the 6th round of these evaluations. Last but not least, it also responds to the domestic need to improve the maintenance, reporting, and sharing of statistics in the area of AML/CFT.

In connection with the implementation of the AML Package, the scope of statistical data that public authorities will have to collect and share with European institutions will expand for the Czech Republic. While in some cases the Czech Republic already records the required data, in other cases it will be necessary to adjust or expand the currently monitored parameters and, in many cases, to adapt the technical solution for the collection of such data. In addition, the FATF is continuously expanding its standards for statistical data reporting, both in terms of quality and quantity. Beyond the requirements of the EU and the FATF, it is also necessary to increase the efficiency of the use of available data by individual public authorities and to strengthen cooperation in this area across the national AML/CFT system so that the global objective of this AML/CFT Strategy is effectively achieved.

In view of the above, in order to achieve the strategic objective, it is necessary to ensure consistency in the maintenance and reporting of statistics across the entire national AML/CFT system in light of the implementation of the AML Package, particularly at the level of judicial statistics. At the same time, the scope and accessibility of statistical data related to the RBO should be adjusted to meet both European requirements and national needs. Beyond these specific objectives, it is necessary to initiate systematic coordination of the management, reporting, and sharing of statistical data within the national AML/CFT system. This coordination should be carried out through the STATISTICS AND DATA AML/CFT Subgroup, in particular to enhance the efficiency of data collection and processing, as well as compliance with international requirements. These specific objectives should then ensure the management of adequately comprehensive and detailed statistical data that can serve as a tool for examining, deepening, and reporting on the effectiveness of the entire national AML/CFT system.

6.1. Harmonization of AML/CFT data collection and reporting in line with EU legal requirements

As already mentioned, the implementation of the AML Package represents one of the most significant changes in the area of AML/CFT, which will affect the entire national system. As part of the implementation, Member States must also ensure the continuous collection and reporting of statistical data in accordance with Article 9 of the AML Directive. This cross-sectional data reflects the activities and functioning of the individual components of the national AML/CFT system.

One of the key areas for expanding data collection is judicial statistics, which are maintained by the Ministry of Justice. The priority is, in particular, to link judicial statistics more closely with Police of the Czech Republic statistics and to expand data collection in the areas of international judicial cooperation and asset recovery. In this context, it is necessary to thoroughly analyze the requirements of the AML Package and plan specific steps for their effective implementation.

In addition to improving judicial statistics, the AML Package also requires the collection and reporting of data in other areas of the national AML/CFT system. Working groups led by the Ministry of Finance responsible for implementing the AML Package should thoroughly assess the extent to which the current situation complies with European requirements and where data collection needs to be expanded. At the same time, it is necessary to adopt legislative and operational measures to ensure the proper and timely implementation of these requirements.

6.2. Expansion of Statistics Related to RBO

High-quality, continuous, and conceptual maintenance of statistics on beneficial owners is key to the proper functioning of the entire system of transparency of legal entities and legal arrangements, to the identification of risk factors, as well as to the prevention of violations of international sanctions and other tasks of the national AML/CFT system.

Although a variety of statistical data are currently available, these data are collected rather sporadically and in connection with specific reporting requirements. Many areas and issues in this field are not monitored on a continuous basis. In view of the above, a conceptual assessment should be carried out in the area of RBO to determine which statistical data should be collected on an ongoing basis in order to enhance the effectiveness of the national AML/CFT system and to ensure adequate access to this data, enabling the relevant authorities to work with it further.

6.3. Advancing the management and reporting of statistics in alignment with international standards and national priorities

The development of statistics management and reporting is driven not only by the practical needs of the public authorities concerned, but also by requirements formulated at European and international level. These requirements are then reflected in transnational questionnaire surveys or mandatory reporting to certain international institutions. The main challenges in the area of statistics management and reporting include their interdepartmental nature, the correct setting of monitored parameters, and the interconnection of individual data collection and evaluation processes. Given the nature of these challenges, it is clear that they often cannot be addressed through bilateral negotiations between public authorities. Instead, a continuously functioning

platform is needed to enable structured discussion with broad representation of public authorities. The ICG AML/CFT structure, specifically the STATISTICS AND DATA AML/CFT Subgroup, can be considered the most suitable tool for achieving this specific objective. It is therefore essential that this Subgroup commence its activities as soon as possible and become an established communication and coordination platform within the national AML/CFT system.

In order to properly determine the next steps in the development of management and reporting of statistics, the Subgroup should first analyse what data the CZE currently has available in the area of AML/CFT. It should then identify areas where data needs to be expanded in line with international standards and domestic needs. This assessment should take into account both the implementation of the AML Package and the requirements of the upcoming 6th round of MONEYVAL evaluations.

Overview table

SPECIFIC OBJECTIVES AND TARGETED MEASURES

Harmonization of AML/CFT data collection and reporting in line with EU legal requirements

- *Analysis of opportunities for further development of judicial statistics*
- *Ensuring alignment of statistics management with the AML Package*

Expansion of Statistics Related to RBO

- *Comprehensive plan for the statistics management related to RBO*

Advancing the management and reporting of statistics in alignment with international standards and national priorities

- *Initiation of the AML/CFT STATISTICS AND DATA subgroup's work to enhance the management and reporting of AML/CFT-related statistics*
- *Evaluation of the alignment of current statistics management and reporting practises with the FATF requirements*

7. Emphasizing a deeper and more systematic harmonization of AML/CFT supervision over financial institutions within European and international institutions leading to a more robust implementation of preventive measures by obliged entities

This strategic objective can be classified within the national AML/CFT system as part of the administrative cycle of ML/TF/PF prevention and punishment. Harmonization and, ultimately, simplification of the regulatory environment in the area of AML/CFT measures across the EU is a key aspect on which the AML Package is based. The main coordinator and driving force behind this harmonization is to be the newly established European AMLA. The harmonization and simplification of existing AML systems must be based on a common understanding, adjustment, and application of newly established measures. More intensive international cooperation and information exchange is therefore a necessity and key to effective supervision and enforcement. In the area of financial market supervision, where many institutions operate in several jurisdictions, a common approach is indispensable.

The significance of this objective therefore lies primarily in ensuring that the responsible supervisory authorities make full use of newly emerging platforms (such as the AMLA working groups) but also existing platforms, where some of their tasks will be transferred to the AMLA (such as the EBA AMLSC) and some others will play a key role in setting trends and standards that the AMLA itself will continue to follow (such as the FATF and relevant FSRBs). Deeper involvement has several positive aspects. Firstly, it will allow Czech specifics and experience to be taken into account in the preparation of documents with European or international impact. Secondly, it will lead to an increase in the expertise and know-how of the experts who will be working in the working groups. Finally, it will allow for better incorporation of the developed regulations into Czech methodological procedures and ensure that the expectations of the AMLA or the MONEYVAL Committee are met.

The AMLA working groups will discuss most of the regulatory technical standards and general guidelines anticipated by the AML Package, which will play a key role in some areas in determining what the AML/CFT measures will look like in practice. With regard to these standards, it is necessary to capture the preparation of some of them on the existing EBA AMLSC platform, as it can reasonably be assumed that the AMLA will adopt them. However, European authorities do not stand alone on the issue of regulating AML/CFT systems and must take sufficient account of international standards and actively participate in their preparation. It is therefore essential that deeper systematization be built on foundations that go hand in hand with international trends, as set out primarily by the FATF.

The format of cooperation itself must focus on both the exchange of information and the creation of common positions with national and foreign supervisory authorities. However, intensive cooperation with specific financial institutions that apply the new regulations will also be necessary. For this form of cooperation, it will continue to be necessary to ensure the active involvement of existing AML colleges, which will be transferred to the AMLA or, where appropriate, newly established by the AMLA.

Part of this objective is also the incorporation of procedures agreed at European or international level into national methodological procedures so that the supervision of financial institutions in

the Czech Republic complies with the standards set within the EU. It can be expected that greater unification of supervisory procedures in the EU will also lead to better cooperation between supervisory authorities over financial institutions due to greater standardization of supervisory procedures, e.g., risk assessment of entities.

Last but not least, it can be expected that the unification of procedures across the EU will help to ensure a level playing field for financial institutions across Europe and will lead to a simplification of the regulatory environment for cross-border entities and make it easier for them to navigate the requirements for AML systems. The achievement of these specific objectives should ultimately contribute not only to an overall increase in the effectiveness of preventive measures in the Czech Republic in line with European and international best practices, but also to the effectiveness of the national AML/CFT system as a whole, as preventive measures are a fundamental element of this system.

7.1. Continuous incorporation of new European legislation, including the Guidelines and Regulatory Technical Standards, as well as international FATF standards

With the establishment of AMLA and its active involvement in EU supervisory authorities (as well as financial intelligence units), a whole range of technical documents and methodologies have been created that have a fundamental impact on the implementation of AML/CFT measures in the market and the monitoring of compliance with these measures. It is necessary not only to closely monitor the creation of these documents, but also to actively participate in it and incorporate them into the methodologies of supervisory authorities in a timely manner to ensure a uniform approach with other supervisory authorities in the European market. It can be assumed that the preparation will take place within four working groups to be established by AMLA in the near future. These are groups focused on risks, obligations, cooperation, and supervision in the AML area. The groups will work on the planned sixty regulatory technical standards and general guidelines anticipated by the AML Package, with forty of these standards to be developed by mid-2026.

7.2. Exchange of information with foreign supervisory authorities

With the establishment of the AMLA and the transfer of activities from other platforms (primarily the Standing Committee on AML/CFT within the EBA) to its jurisdiction, it is necessary to ensure that cooperation with foreign partner supervisory authorities remains active and that the transition to a different organization does not adversely affect it. Similarly, the active approach to existing AML colleges, which the AMLA will also take over and whose platform will be maintained under the AMLA, must be maintained during the transition so that national supervisory authorities do not lose valuable information from foreign partners.

7.3. Active participation in European and international activities aimed at strengthening preventive measures

With the AMLA becoming increasingly involved in the preparation of methodological materials, it is necessary to actively participate in their preparation and thus ensure that Czech positions are reflected in these materials. Active cooperation and involvement is necessary at

the expert level within the AMLA working groups, which will be established in the second quarter of 2025. The responsible supervisory authorities must therefore consider, taking into account available capacities, their involvement in working groups on risks, obligations, cooperation, and supervision in the AML area so that they have an overview of the development of technical and methodological documents and can actively participate in their preparation in areas they consider key. Similarly, it is necessary to ensure the correct implementation of standards in practice by supervised entities (especially those of significant importance to the market and with cross-border operations). Furthermore, more active participation in projects related to the preventive measures of the MONEYVAL or FATF Committees is also necessary. This participation will not only lead to the possibility of contributing Czech knowledge and experience, but will also ensure better sharing of know-how with experts from other countries and inspiration from their *best practices*.

Overview table

SPECIFIC OBJECTIVES AND TARGETED MEASURES

Continuous incorporation of new European legislation, including the Guidelines and Regulatory Technical Standards, as well as international FATF standards

- *Continuous enhancement of the supervisory procedures of the CNB and the FAU in accordance with the new European legislation and international standards*

Exchange of information with foreign supervisory authorities

- *Active cooperation with foreign supervisory authorities*

Active participation in European and international activities aimed at strengthening preventive measures

- *Active participation of the CNB in the preparation of methodological procedures regulating both the correct setting of preventive measures by supervised entities and the setting of supervisory procedures over these preventive measures*

MEASURES TO ACHIEVE THE SET OBJECTIVES

As is clear from the previous section of this document, each of the strategic objectives contains a specific set of targets. The AML/CFT Strategy is based on the assumption that the achievement of the specific targets will lead to the fulfilment of the strategic objectives. For this reason, individual measures have been defined to achieve the specific targets.

This part of the AML/CFT Strategy is divided into a total of seven chapters, which correspond to the relevant strategic objectives. These chapters are then divided into subchapters according to the relevant specific objectives. Each specific objective then contains individual measures. For greater clarity, these measures are recorded in a uniform form, which consists of the following criteria:

- **Main manager;**
- **Secondary manager;**
- **Method of implementation;**
- **Benefit;**
- **Date of completion;**
- **Performance indicator;**
- **Method of financing.**

No specific funds have been allocated at this time to finance individual measures to achieve specific objectives. In general, financing is expected to come from the budgets of the individual administrators, as most of the proposed measures do not entail significant costs beyond the work of the public authorities concerned and the exercise of their statutory powers. If the measure in question requires funding beyond the normal budget of the responsible authority, this funding will be requested in the standard manner during the preparation of the state budget for the following years, or in the form of funds released from budget reserves. Funding from extra-budgetary sources (EU funds, EEA and Norway funds, Swiss funds) is also not ruled out.

1. Strengthening communication, cooperation and coordination among relevant public authorities, as well as between public and private sectors, within the national AML/CFT system

1.1. Further development of the ICG AML/CFT

1.1.1. Ensuring the continuous operation of all ICG AML/CFT structures

MAIN MANAGER:	FAU, MF
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	Through their leading positions within the organizational structure of the ICG AML/CFT, the FAU and MF will ensure that the meetings of the Working Group, Committee, and all working subgroups are held in accordance with the relevant statutes and rules of procedure, while fulfilling their meaning and purpose.
BENEFIT:	Establishment of ICG AML/CFT as the main coordination and communication platform in the field of AML/CFT.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Minutes from the Working Group, Committee, and relevant working subgroups of the ICG AML/CFT.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

1.1.2. Strengthening public-private sector cooperation through the ICG AML/CFT

MAIN MANAGER:	FAU
SECONDARY MANAGER:	CNB, GDC, MoJ
METHOD OF IMPLEMENTATION:	<p>Inclusion of representatives of all relevant private sector industries in the activities of the ICG AML/CFT and its selected working subgroups.</p> <p>Introduction of regular consultations with selected categories of obliged entities within the SUPERVISION AML/CFT Subgroup.</p> <p>Further development of the format of the ICG AML/CFT Working Group meetings with a view to sharing relevant information and communicating the main challenges facing the national AML/CFT system.</p>
BENEFIT:	<p>Active involvement of private market representatives in AML/CFT issues beyond ensuring compliance with their basic obligations under the AML Act, while deepening their knowledge of the current state and developments in this area.</p> <p>Obtaining feedback from the private sector, which can be effectively taken into account in the activities of public authorities.</p>
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Minutes from the Working Group and relevant sub-groups of the ICG AML/CFT.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

1.2. Implementation of the new AML/CFT legislation on the EU level (so called AML Package)

1.2.1. Timely and proper implementation of the AML legislative package with the involvement of relevant public and private sector stakeholders

MAIN MANAGER:	MF, FAU
SECONDARY MANAGER:	MoJ
METHOD OF IMPLEMENTATION:	Legislative activity led by the MF through eleven working groups composed of key representatives of the public and private sectors. This activity includes not only the preparation of the necessary legislative proposals implementing the AML Package, but also subsequent monitoring and related activities associated with the legislative process.
BENEFIT:	Fulfilment of the Czech Republic's obligations arising from its membership in the European Union. Participation of a wide range of components of the national AML/CFT system in the implementation process, which makes it possible to influence the final form of the proposals submitted to the legislative process.
DATE OF COMPLETION:	06/2027
PERFORMANCE INDICATOR:	Minutes from working groups led by the Ministry of Finance containing information on the progress of legislative work. Interim reports on the status of implementation between the FAU and the MF.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

1.3. Czechia's membership in MONEYVAL

1.3.1. Preparation and allocation of resources for the upcoming mutual evaluation

MAIN MANAGER:	FAU
SECONDARY MANAGER:	CNB, GFD, GDC, MF, MIT, MoJ, MoI, SC, SPPO, PCR
METHOD OF IMPLEMENTATION:	Preparation for the MONEYVAL evaluation is coordinated by the FAU within the structure of the ICG AML/CFT. Preparation is primarily carried out through the MONEYVAL Subgroup and in the form of an information service to the Committee and the ICG AML/CFT Working Group. The main tasks are to collect information, data, and case studies, as well as to develop related arguments, in order to properly complete questionnaires focused on assessing technical compliance and effectiveness. Subsequently, preparations will focus on the visit of the international team of evaluators, which is planned for May 2026, and on the process of approving the <i>Mutual Evaluation Report</i> and related documents in December 2026.
BENEFIT:	Comprehensive involvement of all relevant components of the national AML/CFT system in the international evaluation process. In-depth analysis of the national AML/CFT system with opportunities for further improvement.
DATE OF COMPLETION:	12/2026
PERFORMANCE INDICATOR:	Submission of questionnaires related to the assessment of technical compliance and effectiveness. Preparation for and implementation of an on-site visit by an international evaluation team to the Czech Republic. Active participation in the consultation process on the draft <i>Mutual Evaluation Report</i> and <i>Key Recommended Actions</i> . Adoption of the <i>Mutual Evaluation Report</i> and the <i>Key Recommended Actions Roadmap</i> at the MONEYVAL plenary meeting.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

1.3.2. Ensuring ongoing information support for components of the national AML/CFT system

MAIN MANAGER:	FAU
SECONDARY MANAGER:	MoJ, CNB
METHOD OF IMPLEMENTATION:	<p>The chair and vice-chair of the MONEYVAL Subgroup, together with members of the Czech delegation to MONEYVAL, will ensure that members of the MONEYVAL Subgroup, members of the ICG AML/CFT Working Group, and members of the ICG AML/CFT Committee are regularly informed about current developments and news in FATF international standards and the functioning of MONEYVAL.</p> <p>In the case of the MONEYVAL Subgroup, this will involve presenting the key outcomes of the previous plenary meeting of the MONEYVAL Committee, either in the form of a presentation at a Subgroup meeting or a written report containing information on current developments and news in FATF international standards and the functioning of MONEYVAL.</p> <p>In the case of the ICG AML/CFT Working Group, this will be a mandatory item on the agenda as part of the presentation of the MONEYVAL Subgroup's activities for the past year at the annual meeting of the ICG AML/CFT Working Group.</p> <p>In the case of the ICG AML/CFT Committee, this will involve the preparation of a report containing information on current developments and news in FATF international standards and the functioning of MONEYVAL. This report will be presented at each meeting of the ICG AML/CFT Committee.</p>
BENEFIT:	All components of the national AML/CFT system will have access to up-to-date information on the FATF and MONEYVAL through the ICG AML/CFT, which they will be able to use effectively in their activities. Ultimately, this will strengthen awareness of the FATF and MONEYVAL across the entire system.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	<p>Minutes of MONEYVAL Subgroup meetings, or written reports, containing information on current developments and news in FATF international standards and the functioning of MONEYVAL.</p> <p>Minutes of ICG AML/CFT Working Group meetings containing information on current developments and news in FATF international standards and the functioning of MONEYVAL.</p> <p>Reports submitted to the AML/CFT Committee containing information on current developments and news in FATF international standards and the functioning of MONEYVAL.</p>

**METHOD OF
FINANCING:**

The measures will be implemented within the budget of the participating PAB.

1.3.3. Active participation of Czechia in MONEYVAL structures

MAIN MANAGER:	FAU
SECONDARY MANAGER:	CNB, MoJ
METHOD OF IMPLEMENTATION:	<p>Members of the Czech delegation to MONEYVAL will ensure, through the ICG AML/CFT structure, in particular through the MONEYVAL Subgroup and the ICG AML/CFT Committee, that the Czech Republic:</p> <ul style="list-style-type: none"> - Has at least one trained evaluator from each required area, i.e., from the areas of law, finance, and law enforcement; - Ensures adequate cooperation with MONEYVAL, in particular in the nomination process for <i>mutual evaluation reviewers</i>; and <i>follow-up rapporteurs</i>; - It actively participated in international projects organized by MONEYVAL and FATF.
BENEFIT:	The Czech Republic will not only fulfil its obligations arising from its membership in MONEYVAL, but will also have the opportunity to participate in the formation of soft law in the area of AML/CFT, as well as gain valuable knowledge and experience in this area at the international level through its experts.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	<p>Minutes of MONEYVAL Subgroup meetings containing information on the number of evaluators trained for the purposes of the 6th round of MONEYVAL evaluations, including persons nominated for evaluator training, the participation of these evaluators in mutual evaluations, the number of persons nominated for the role of <i>mutual evaluation reviewers</i> or <i>follow-up rapporteurs</i>, as well as a list of MONEYVAL and FATF projects in which the Czech Republic participates.</p> <p>Reports submitted to the ICG AML/CFT Committee containing information on the number of evaluators trained for the purposes of the 6th round of MONEYVAL evaluations, including persons nominated for evaluator training, the participation of these evaluators in mutual evaluations, the number of persons nominated for the role of <i>mutual evaluation reviewers</i> or <i>follow-up rapporteurs</i>, as well as a list of MONEYVAL and FATF projects in which the Czech Republic participates.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

1.4. Assessment of amendments to the legal regulation of VASPs

1.4.1. Impact analysis of the MiCA Regulation on the VASP sector

MAIN MANAGER:	CNB, FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	In cooperation with the CNB, the FAU will prepare an assessment of the impact of the MiCA regulation on the VASP sector in the Czech Republic during 2026, including the development of this sector over the given period. The results of this analytical activity will then be presented to the ICG AML/CFT Working Group.
BENEFIT:	Mapping the current state of the VASP sector in light of key legislative changes.
DATE OF COMPLETION:	12/2026
PERFORMANCE INDICATOR:	Analysis of the impact of the MiCA Regulation on the VASP sector. Minutes from the MSK AML/CFT Working Group.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

1.5. Enhancing Information Exchange and Collaboration Between Public Authorities and NGOs in CFT

1.5.1. Continued active engagement of the working group on the risk of NGO misuse for TF

MAIN MANAGER:	MoI
SECONDARY MANAGER:	Members of the working group on the risk of NGO abuse for terrorist financing
METHOD OF IMPLEMENTATION:	Continuation of the active work of the working group on the risk of NGO abuse for terrorist financing led by the Ministry of the Interior, whose activities will take into account current needs in this area. The working group will be managed in such a way as to achieve maximum results without burdening its members or leaders with excessive administration. Working group members will have the opportunity to propose their own topics and influence the future direction of the group. Active cooperation with representatives of the non-profit sector will also take place through the Government Council for Non-Governmental Non-Profit Organizations.
BENEFIT:	<p>All entities involved will have an overview of current activities related to the risk of terrorist financing by NGOs. Materials produced in this area will be sufficiently consulted and all relevant entities will be involved in their preparation. A single point of contact will be available to the non-profit sector for consultations in this area. The outputs of the group's activities will also be presented to the non-profit sector, which will lead to the dissemination of good practice and reduce the possibility of the Czech non-profit sector being misused for terrorist financing. Cooperation between state entities and the non-profit sector will lead to deeper trust and cooperation between these segments.</p> <p>Last but not least, the above activities will contribute to the preparation for the MONEYVAL evaluation, particularly in relation to FATF Recommendation No. 8.</p>
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	<p>Number of working group meetings.</p> <p>Number of working group outputs.</p> <p>Active involvement of the working group in the MONEYVAL evaluation process.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

2. Deepening the understanding of specific risks, methods and trends related to ML/TF/PF, including the circumvention of TFS

2.1. Deepening understanding of risks, methods and trends associated with selected categories of obliged entities in the non-financial sector

2.1.1. Data collection through questionnaire surveys from a representative sample of obliged entities from selected categories of obliged entities from the non-financial sector

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	Data collection through a questionnaire survey from a representative sample of obliged entities from selected categories obliged entities from the non-financial sector, which will usually be preceded by the establishment of closer cooperation with interest groups of these obliged entities for the purpose of strategic communication on the matter. These categories of obliged entities will be selected primarily, but not exclusively, with regard to their level of risk as determined by ML/TF NRA II.
BENEFIT:	A better understanding of the individual categories of obliged entities will enable more effective allocation of FAU resources, targeting awareness-raising and methodological activities to the individual categories of obliged entities, and deepening work on sector-specific risks.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Questionnaires sent out. Sectoral analyses and methodological guidelines based on data collected through the questionnaire survey.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

2.2. Deepening understanding of risks, methods and trends associated with the misuse of the non-profit sector for TF

2.2.1. Presentation of the conclusions of the Analysis of the Czechia's Non-Profit Sector in terms of TF risks to NGO representatives

MAIN MANAGER:	MoI
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>The aim of the document <i>Analysis of the Czech non-profit sector from the perspective of terrorist financing risks</i> is to evaluate the available information on the non-profit sector in the Czech Republic in terms of the risk of its misuse for terrorist financing. This document has already been completed and will be presented to representatives of the non-profit sector. The appropriate form of presentation will be chosen in cooperation with the Government Council for Non-Governmental Non-Profit Organizations. The material will then be published on the Ministry of the Interior's website. At the same time, it will be sent to all involved entities and further distributed among non-profit organizations. The material in question will then also have an English version, which will be distributed in the same way.</p>
BENEFIT:	<p>The wide distribution of this material will contribute to raising awareness among representatives of the non-profit sector themselves about the risks of the non-profit sector being misused for terrorist financing. At the same time, it will promote the dissemination of good practice and strengthen the resilience of NGOs themselves. Given that the material will be published on the website, the public will also be informed about these risks in a transparent manner. Sharing the material with the non-profit sector will also be another opportunity to develop cooperation between public administration and the non-profit sector.</p>
DATE OF COMPLETION:	12/2025
PERFORMANCE INDICATOR:	<p>Presentation of the material to selected representatives of the non-profit sector.</p> <p>Publication of the material on the Ministry of the Interior website.</p> <p>Distribution of the material to participating entities and non-profit organizations.</p> <p>Creation of an English version of the material and its distribution.</p>
METHOD OF FINANCING:	<p>The measures will be implemented within the budget of the participating PAB.</p>

2.2.2. Update of the material entitled "Risk of Abuse of NGOs for the Purposes of Terrorism Financing" and its subsequent dissemination

MAIN MANAGER:	MoI
SECONDARY MANAGER:	Members of the working group on the risk of misuse of NGOs for terrorist financing
METHOD OF IMPLEMENTATION:	<p>A document entitled <i>Risk of non-governmental non-profit organizations being misused for terrorist financing</i> was prepared in 2020. As part of the activities of the working group on the risk of misuse of the non-profit sector for terrorist financing, this document will be updated to reflect the current situation.</p> <p>Once completed, the material will be presented to representatives of the non-profit sector. The appropriate form of presentation will be chosen in cooperation with the Government Council for Non-Governmental Non-Profit Organizations. The completed material will then be published on the Ministry of the Interior's website. At the same time, it will be sent to all involved entities and further distributed among non-profit organizations. The material in question will then also have an English version, which will be distributed in the same way.</p> <p>Updating the material in question will provide a more accurate overview of the risks of abuse of non-profit organizations, both among public administration entities and among non-profit organizations themselves. The material will also serve as a basis for selecting entities for inspection as part of risk-oriented supervision by control authorities.</p>
BENEFIT:	Wide distribution of this material will contribute to raising awareness of the risks of misuse of the non-profit sector for terrorist financing among representatives of the non-profit sector themselves. At the same time, it will promote the dissemination of good practice and strengthen the resilience of non-profit organizations themselves. Given that the material will be published on websites, the public will also be informed about these risks in a transparent manner. Sharing the material with the non-profit sector will also be another opportunity to develop cooperation between public administration and the non-profit sector.
DATE OF COMPLETION:	12/2025
PERFORMANCE INDICATOR:	<p>Completion of the new version of the material.</p> <p>Presentation of the material to selected representatives of the non-profit sector.</p> <p>Distribution of the material to participating entities and non-profit organizations. Creation of an English version of the material and its distribution.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

2.3. Deepening understanding of risks, methods and trends associated with PF and emphasizing them in the national AML/CFT system

2.3.1. Continuous monitoring of PF risks and their development, including communication of outputs with relevant components of the AML/CFT system in connection with the PF NRA

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>Following the government's approval of the PF NRA, ongoing monitoring of proliferation financing risks will take place, in addition to the FAU's normal operational activities, primarily within the PF NRA Subgroup. This group will serve not only as a platform for the mutual exchange of information enabling the assessment of risk developments, but also for the initiation of mitigating measures.</p> <p>At the same time, it will provide a space for communication on trends, typologies, and key findings related to proliferation financing across the various components of the national AML/CFT system, which will ultimately lead to broader discussion of proliferation financing within the national AML/CFT system.</p>
BENEFIT:	<p>Effective risk management and the possibility of targeted modification or creation of mitigating measures according to current needs or international trends.</p> <p>Deepening the private sector's knowledge of the risks associated with proliferation financing.</p>
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	<p>Descriptive analyses prepared.</p> <p>Minutes of PF NRA Subgroup meetings containing information on ongoing monitoring and developments in proliferation financing risks.</p> <p>Educational materials for relevant segments of the private sector.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

2.4. Mapping risks associated with legal entities directly or indirectly owned by foreign persons

2.4.1. Data collection and preparation of follow-up outputs for the European Commission and MONEYVAL

MAIN MANAGER:	FAU
SECONDARY MANAGER:	MoJ
METHOD OF IMPLEMENTATION:	<p>In connection with the collection of data on legal entities and legal arrangements for the purposes of the MONEYVAL evaluation, the FAU will, among other things, focus on the degree of compliance with the reporting obligation within the meaning of Article 5r(1) and (2) of Regulation No. 833.</p> <p>Based on the findings, an assessment report will be prepared on the degree of compliance with the reporting obligation in question for the purposes of reporting to the European Commission and risk analysis, which, depending on the nature and severity of the risks identified, will also include proposals for specific measures to mitigate them.</p>
BENEFIT:	<p>Preparation for the MONEYVAL evaluation.</p> <p>Strengthening the risk-based approach in the area of legal entities and legal arrangements.</p> <p>Strengthening preventive mechanisms aimed at controlling the circumvention of international sanctions.</p>
DATE OF COMPLETION:	12/2025
PERFORMANCE INDICATOR:	<p>Data collected for the purposes of the MONEYVAL evaluation.</p> <p>Evaluation report on the degree of compliance with the reporting obligation under Article 5r of Regulation No. 833.</p> <p>Risk analysis prepared.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

2.5. Exploring further effective use of the RBO to deepen understanding in the AML/CFT domain

2.5.1. Analysis of further use of the RBO and its possible development

MAIN MANAGER:	MoJ
SECONDARY MANAGER:	FAU, MF, MIT
METHOD OF IMPLEMENTATION:	<p>In order to make effective use of the RBO, it is necessary to analyze how the RBO and its contents can be further utilized and how to work with it. This topic is partially addressed in the existing document Analysis of the Functioning of the Register of Beneficial Owners from 2024.</p> <p>In this regard, the factual, technical, and legal requirements for the further use of the RBO should be identified and evaluated. This goal can be achieved not only through separate analytical material, but also within the framework of related work, e.g., during amendment activities within the implementation of new EU AML legislation.</p>
BENEFIT:	<p>Following an analysis of possible uses, it will be possible to decide how and to what extent to develop the RBO. Realizing the potential of the RBO and using it in multiple related areas represents an effective use of public budgets. Ultimately, developing the register and its functionalities should also help to effectively combat money laundering and terrorist financing.</p> <p>In relation to the effective application of sanctions, it would be helpful if the data from the sanctions lists were linked to data on beneficial owners. A tool that would allow for the automated comparison of registered beneficial owners against the sanctions list or lists would also be beneficial.</p>
DATE OF COMPLETION:	12/2026
PERFORMANCE INDICATOR:	Identification of necessary new RBO functionalities and new areas of use.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

2.5.2. Data analysis of the content of the RBO and the prior creation of a so-called data warehouse

MAIN MANAGER:	MoJ
SECONDARY MANAGER:	FAU, MF, MIT
METHOD OF IMPLEMENTATION:	<p>An effective mechanism for actively ensuring data quality in the RBO on the part of the state is to perform data analysis (including data on the structure of relationships) with the aim of detecting suspicious or opaque structures and irregularities (so-called red-flagging). Sophisticated data analysis is an important tool that is currently lacking. Data analysis should not only focus on the content of the records, but also compare the recorded data with other domestic and foreign information sources.</p> <p>A prerequisite for data analysis is to define what is to be identified, or what is relevant and risky in terms of the purposes of the records. From the perspective of money laundering and terrorist financing, various foreign links or specific and complicated ownership structures may be risk factors, while other context in relation to the transaction carried out with the obligated person is also relevant.</p> <p>From a technical point of view, it is necessary for the data to be suitable for the relevant analysis. Data from the RBO should exist in the form of a data warehouse, i.e., the data could be analyzed externally on the basis of a virtually unlimited number of criteria.</p>
BENEFIT:	This measure, together with other changes, would contribute significantly to improving the quality and reliability of the RBO, particularly in relevant cases involving high-risk entities. The amount of data collected could be used effectively in the fight against money laundering and terrorist financing.
DATE OF COMPLETION:	06/2027
PERFORMANCE INDICATOR:	<p>Identification of authorities responsible for data analysis and determination of risk factors from an AML perspective.</p> <p>Creation and implementation of a technical solution.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

2.5.3. Clarify the approach to international cooperation and information exchange with third countries.

MAIN MANAGER:	FAU
SECONDARY MANAGER:	MoJ
METHOD OF IMPLEMENTATION:	<p>The existing possibilities for sharing information on beneficial owners with third countries (non-EU) should be mapped. This includes both the possibilities and methods of sharing information directly with third-country authorities and obtaining information through private or commercial providers. At the same time, it should be mapped out how the information is obtained by both public authorities and obliged entities, and whether improvements can be considered in this regard.</p>
BENEFIT:	<p>High-quality data on beneficial owners is key to combating money laundering and terrorist financing. Awareness of the methods and possibilities for exchanging information with third countries will enable this area to be developed and, where necessary, ineffective or dysfunctional procedures to be revised.</p>
DATE OF COMPLETION:	12/2026
PERFORMANCE INDICATOR:	Creation of an analytical or methodological material, or initiation of related legislative work.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

3. Enhancing administrative supervision in the non-financial sector, with a particular focus on RBA

3.1. Strengthening cooperation and coordination in the area of administrative supervision over selected categories of obliged entities from the non-financial sector

3.1.1. Finalization or updating of the MoU between the FAU and other supervisory authorities

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	The FAU will initiate negotiations with the relevant supervisory authorities with a view to formalizing mutual cooperation in the area of administrative supervision of compliance with the obligations laid down by the AML Act in the form of a MoU, or with a view to updating the existing MoU. Based on these negotiations, the FAU will then prepare the final versions of the MoU.
BENEFIT:	Establishment of formal rules for mutual cooperation and information exchange between the FAU and supervisory authorities in the exercise of their powers in the area of AML/CFT.
DATE OF COMPLETION:	03/2026
PERFORMANCE INDICATOR:	Drafting of the MoU between the FAU and the relevant supervisory authorities.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

3.1.2. Enhancing the dissemination of insights gained from administrative supervision

MAIN MANAGER:	FAU
SECONDARY MANAGER:	CNB, GFD, GDC, MIT, MoJ
METHOD OF IMPLEMENTATION:	<p>As part of its administrative supervision of compliance with the obligations laid down by the AML Act in the non-financial sector, the FAU will also focus on actively sharing information with other relevant public administration bodies about investigated obliged entities that present an increased risk or where significant irregularities have been identified.</p> <p>Strengthening information sharing will be further regulated in the FAU's supervisory strategy, including the related requirement for its annual evaluation.</p>
BENEFIT:	Increasing the effectiveness and complexity of supervisory activities and deepening cooperation between individual PAB.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Supervisory strategy and its annual evaluation.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

3.1.3. Strengthening international cooperation in relevant cases in the performance of administrative supervision

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>As part of its supervisory activities over the non-financial sector, the FAU will also focus on actively sharing information with foreign partners in cases where the entities under investigation have an international element, pose an increased risk, or have been found to have significant irregularities.</p> <p>Strengthening information sharing will be further regulated in the FAU's supervisory strategy, including the related requirement for its annual evaluation.</p>
BENEFIT:	Increasing the effectiveness and complexity of supervisory activities and developing international cooperation.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Supervisory strategy and its annual evaluation.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

3.2. Aligning administrative supervision with current international trends and standards

3.2.1. Creation of separate sectoral risk assessments for selected categories of obliged entities from the non-financial sector

MAIN MANAGER:	FAU
SECONDARY MANAGER:	GFD, GDC, MF, MIT, MoJ
METHOD OF IMPLEMENTATION:	Based on its findings and consultations with relevant public administration bodies and representatives of the private sector, the FAU will prepare separate sectoral risk assessments for selected categories of obliged entities from the non-financial sector, according to their nature and riskiness. The key outputs from these assessments will then be communicated to the relevant sector of obliged entities.
BENEFIT:	Strengthening a risk-oriented approach to administrative supervision. Deepening understanding of sector-specific risks and related awareness-raising among the relevant sector of obliged entities.
DATE OF COMPLETION:	01/2026
PERFORMANCE INDICATOR:	Sectoral risk assessments prepared.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

3.2.2. Updating the individual risk assessment system.

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	Based on its findings, developments in international standards, and the results of the EBA assessment in 2023, the FAU will update the individual risk assessment system.
BENEFIT:	Strengthening risk-oriented administrative supervision.
DATE OF COMPLETION:	12/2025
PERFORMANCE INDICATOR:	Updated individual risk assessment system.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

3.2.3. Expanding the scope and frequency of off-site supervisory activities

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>As part of its administrative supervision of compliance with the obligations laid down by the AML Act in the non-financial sector, the FAU will strengthen its off-site supervisory activities and increase their number.</p> <p>The strengthening of off-site supervisory activities will be further specified in the FAU's supervisory strategy, including the related requirement for its annual evaluation.</p>
BENEFIT:	Streamlining the performance of administrative supervision and allocation of FAU resources.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Supervisory strategy and its annual evaluation.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

3.3. Revision of the conditions for market entry for selected categories of obliged entities from the non-financial sector

3.3.1. Assessment of market entry condition for selected categories of obliged entities from non-financial sector

MAIN MANAGER:	FAU
SECONDARY MANAGER:	MIT
METHOD OF IMPLEMENTATION:	<p>The FAU will prepare a document assessing the conditions for market entry for selected categories of obliged entities from the non-financial sector falling under the Trade Licensing Act. This document will also include a proposal for possible procedures or measures to strengthen AML/CFT prevention tools.</p> <p>The output of this activity will subsequently represent the FAU's position in this area, which will be communicated within the MF working group dedicated to the issue of obliged entities for the purposes of implementing the AML Package.</p>
BENEFIT:	Strengthening AML/CFT prevention tools.
DATE OF COMPLETION:	10/2025
PERFORMANCE INDICATOR:	<p>Material prepared by the FAU.</p> <p>Minutes from the MF working group dedicated to the issue of obliged entities, containing information on the progress of the implementation of the AML Package.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

4. Expanding financial intelligence structures and strengthening prioritization of financial intelligence information

4.1. Enhancing feedback mechanism and awareness among obliged entities

4.1.1. Comprehensive evaluation of the number and quality of submitted STRs

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>The FAU will evaluate the number and quality of STR submitted by individual categories of obliged entities from the financial and non-financial sectors. Based on an analysis of the worst-rated STR, it will compile a list of the most common deficiencies identified in the STR received.</p> <p>The FAU will subsequently inform obliged entities of the results of the analysis via its website, quarterly analyses, and methodological documents, as well as within the framework of its educational and supervisory activities.</p>
BENEFIT:	By providing information on the most common shortcomings, the quality of the STR submitted will be improved.
DATE OF COMPLETION:	11/2025
PERFORMANCE INDICATOR:	List of the most common shortcomings in received STR published on the FAU website.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

4.1.2. Regular information sharing with obliged entities

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	The FAU will extend its existing regular sharing of information on typologies and indicators of suspicious activity arising from received STRs, as well as trends and statistics, to all obliged entities. The FAU will regularly prepare and send quarterly analyses to all obliged entities under the AML Act.
BENEFIT:	The quarterly analyses will serve as a valuable source of information for obliged entities, deepening their understanding of ML/TF/PF risks in individual sectors.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Regular quarterly analyses.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

4.2. Increase in suspicious transaction reporting for high-risk categories of obliged entities

4.2.1. Educational activities

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>Based on an assessment of the number and quality of STRs received, as well as other available information, the FAU identifies categories of obliged entities that should be the primary target of educational activities aimed at increasing the reporting of suspicious transactions.</p> <p>The FAU will then prepare clear material for each of these categories, which will contain a brief introduction to the issue of submitting STR and the identification of significant signs of suspicion associated with the given category. The material in question will then be communicated to representatives of the relevant category of obliged entities.</p>
BENEFIT:	These educational activities should lead to an increase in the reporting of suspicious transactions in the identified risk sectors.
DATE OF COMPLETION:	12/2025
PERFORMANCE INDICATOR:	Informative material and its subsequent communication to representatives of the relevant category of obliged entities.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

4.3. Prioritization of STRs based on a risk-based approach and FAU's personnel, technical and time capacities

4.3.1. Enhancing and expanding the unified interactive STR reporting form

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	The FAU will expand the unified interactive form for reporting suspicious transactions, which is available on the FAU website.
BENEFIT:	By submitting an STR via the expanded FAU form, the FAU will gather all the necessary information for subsequent prioritization and proper evaluation of the STR.
DATE OF COMPLETION:	12/2025
PERFORMANCE INDICATOR:	Extended form available on the FAU website.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

4.3.2. Implementation of automated STR prioritization and processing

MAIN MANAGER:	FAU
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	The FAU updates its internal regulations and procedures concerning the prioritization of received STR. It then ensures the technical implementation of automated prioritization based on relevant characteristics contained in the extended form.
BENEFIT:	Effective allocation of analytical capacities through the prioritization of STR associated with higher ML/TF/PF risk.
DATE OF COMPLETION:	3/2026
PERFORMANCE INDICATOR:	Internal prioritization system.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

5. Implementing additional measures to increase the effectiveness and efficiency of prosecuting ML/TF/PF offences and preventing the circumvention of TFS, including the confiscation of criminal proceeds and the monitoring of cash transfers

5.1. Proper implementation of EU Directive on Asset Recovery and Confiscation

5.1.1. Submission of draft legislation on asset recovery to implement Article 16 of the EU Directive on Asset Recovery and Confiscation

MAIN MANAGER:	MoJ
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>The Ministry of Justice will submit to the government a draft law on asset recovery implementing Article 16 of the Directive on Asset Recovery and Confiscation, which was sent for inter-ministerial consultation on January 28, 2025, and will advocate for the bill to be submitted in a form that, under certain conditions, will allow for the confiscation of assets without the conviction of the perpetrator, also in connection with criminal proceedings in serious cases of money laundering and violations of international sanctions.</p>
BENEFIT:	<p>Expansion of the possibilities for confiscating assets identified and seized in criminal proceedings. Such assets will now be confiscated, subject to certain conditions, in special proceedings following the conclusion of criminal proceedings in which suspicious assets were seized but could not be confiscated in the criminal proceedings themselves.</p>
DATE OF COMPLETION:	10/2025
PERFORMANCE INDICATOR:	Sending the proposal to the Prime Minister via the electronic library of the Office of the Government (eKLEP).
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

5.1.2. Active engagement of Czechia's Police in implementing the EU Directive on Asset Recovery and Confiscation with emphasis to strengthening competences of ARO

MAIN MANAGER:	PCR
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>Representatives of the PCR will actively participate in the implementation of the Directive on Asset Recovery and Confiscation in order to ensure the proper extension of the ARO's powers in accordance with the Directive.</p> <p>The implementation of the Directive should provide the ARO with new powers in the form of access to information deemed necessary for tracing and identifying proceeds, instruments, and property.</p> <p>As part of the implementation, cooperation between the ARO and the European Public Prosecutor's Office should also be deepened and the so-called preliminary seizure of assets for the ARO for up to seven days should be enshrined in Czech law.</p> <p>These changes should lead to more effective financial investigations, including the seizure phase, as well as strengthening mutual cooperation between individual ARO offices.</p>
BENEFIT:	
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Report on the involvement of PCR representatives in implementation work.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

5.1.3. Development and approval of the National Strategy for Criminal Asset Recovery

MAIN MANAGER:	MoI
SECONDARY MANAGER:	Cooperating entities listed in the <i>Action Plan for the Fight against Organized Crime for 2025 and 2026</i>
METHOD OF IMPLEMENTATION:	For the purposes of preparing a national strategy for the recovery of criminal assets, a special working group will be set up, composed of all relevant public administration bodies and led by the Ministry of the Interior. This group will prepare a draft strategy in accordance with the requirements of Article 25 of the Directive on Asset Recovery and Confiscation. The working group will also take into account the FATF methodology currently being prepared on changes to international standards in the area of asset recovery and confiscation.
BENEFIT:	In addition to fulfilling the obligation imposed on the Czech Republic by the Directive on Asset Recovery and Confiscation, the preparation of this strategy will lead to a new and conceptual approach to this issue, further streamlining of related processes, and the development of cooperation between the entities involved.
DATE OF COMPLETION:	5/2027
PERFORMANCE INDICATOR:	Establishment of a working group to prepare a national strategy for the recovery of criminal assets. National Strategy for the Recovery of Criminal Assets developed.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

5.2. Enhancing oversight capabilities of LEAs in relation to cash controls

5.2.1. Active engagement of Czechia's Police in implementing the new AML/CFT regulation on EU level (AML Package) with emphasis on potential expansion of oversight powers in intra-EU cash transfers

MAIN MANAGER:	PCR
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	Representatives of the Police of the Czech Republic will actively participate in the activities of the Ministry of Finance working groups on the implementation of the AML Package, in particular with a view to ensuring the extension of the Police of the Czech Republic's control powers in relation to the intra-EU transport of cash, following the example of the current control powers of customs authorities enshrined in the AML Act.
BENEFIT:	The Act will give the Police of the Czech Republic new powers in relation to the control of cash transported within the European Union.
DATE OF COMPLETION:	10/2025
PERFORMANCE INDICATOR:	Minutes from the Ministry of Finance working group containing information on the progress of the implementation of the AML Package.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

5.3. Guidance and support of LEA's enforcement practise in the AML domain

5.3.1. Development of a casebook of best practices

MAIN MANAGER:	SPPO
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>Based on special questionnaires, the SPPO will collect input data for the identification of criminal cases of interest from all levels of the public prosecutor's office system covering the crime of legalization of proceeds from crime in both intentional and negligent forms.</p> <p>After analyzing the obtained materials, a selection will be made of those that reflect the proper procedure of law enforcement authorities in investigating both intentional and negligent forms of legalization of proceeds from crime, or related predicate offenses in their widest possible variety (including cases of so-called self-laundering). The decisions and procedural steps presented may be supplemented with notes and partial commentary explaining certain selected application issues.</p> <p>Once finalized, the material will be published on the Public Prosecutor's Office website (Extranet PPO), accessible to all public prosecutors. It will also be made available for use by police authorities and criminal courts.</p>
BENEFIT:	<p>Law enforcement authorities (in particular public prosecutors at all levels of the public prosecutor's office) will have at their disposal methodological material providing possible guidance for application practice at all stages of criminal proceedings, while also highlighting possible pitfalls and problematic issues related to the criminal prosecution of the legalization of proceeds from crime.</p> <p>Examples of good practice will also provide a suitable basis for discussion among law enforcement authorities on the practical application of criminal law sanctions for the legalization of proceeds from crime.</p>
DATE OF COMPLETION:	06/2027
PERFORMANCE INDICATOR:	<p>Preparation of a Casebook and its publication on the Public Prosecutor's Office Extranet.</p> <p>Presentation of the material and the possibilities of its further use in specialized consultations, training sessions, methodological events, or seminars.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

6. Further development of comprehensive AML/CFT statistics in particular to strengthen the effectiveness of the national AML/CFT system and ensure compliance with international and European requirements

6.1. Harmonization of AML/CFT data collection and reporting in line with EU legal requirements

6.1.1. Analysis of opportunities for further development of judicial statistics

MAIN MANAGER:	MoJ
SECONDARY MANAGER:	FAU, PCR, SPPO, SC
METHOD OF IMPLEMENTATION:	<p>The Ministry of Justice will prepare an analysis of options for further development of judicial statistics so that their management complies with the requirements of the AML Package. The analysis will focus in particular on:</p> <ul style="list-style-type: none"> - Assessment of the possibility of providing data on further procedural developments in cases in which the FAU forwarded information based on STR in the form of a criminal complaint to the police. - Assessment of the need to amend the current categorization of predictive crimes in light of EU law. - Assessment of the expansion of data collection on international judicial cooperation in the area of AML/CFT.
BENEFIT:	The analysis will identify individual steps to modify and expand judicial statistics to meet European requirements, as well as identify individual public authorities whose cooperation will be required as part of the expansion.
DATE OF COMPLETION:	10/2025
PERFORMANCE INDICATOR:	Analysis of possibilities for further development of judicial statistics.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

6.1.2. Ensuring alignment of statistics management with the AML Package

MAIN MANAGER:	MF
SECONDARY MANAGER:	CNB, FAU, GFD, GDC, MIT, MoJ, MoI, SPPO, PCR
METHOD OF IMPLEMENTATION:	The MF working group on the implementation of the AML Package will take into account all requirements for the management and reporting of statistical data under EU law.
BENEFIT:	Fulfilment of the Czech Republic's obligations arising from its membership of the European Union.
DATE OF COMPLETION:	06/2027
PERFORMANCE INDICATOR:	Minutes from the working group led by the MF containing information on the progress of legislative work. Interim reports on the status of implementation between the FAU and the MF.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

6.2. Expansion of Statistics Related to RBO

6.2.1. Comprehensive plan for the statistics management related to RBO

MAIN MANAGER:	MoJ
SECONDARY MANAGER:	FAU
METHOD OF IMPLEMENTATION:	<p>The availability of data is a prerequisite for a continuous and conceptual approach to statistics. Data from the RBO should be available in the form of a data warehouse so that it can be analyzed and sorted according to variable criteria (which may change over time).</p> <p>There should be a concept of what needs to be monitored in the records, what is important from an AML (or other) perspective. Statistics should be processed periodically and interpreted by the relevant authorities and users.</p> <p>It is essential that the importance of keeping statistics is emphasized already during the preparation of new legislation or when modifying the information system. The requirements for the records should be formulated and set in such a way that the results can subsequently be captured statistically.</p>
BENEFIT:	An overview of the content of the RBO, and above all the perception of information in context, will enable greater use of existing data and further development of the RBO, which will ultimately lead to increased transparency of legal entities and legal arrangements, as well as better targeting of new AML/CFT measures and procedures.
DATE OF COMPLETION:	06/2027
PERFORMANCE INDICATOR:	<p>Creation of a data warehouse within the RBO information system.</p> <p>Periodic compilation of statistics on key indicators related to the RBO and their interpretation.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

6.3. Advancing the management and reporting of statistics in alignment with international standards and national priorities

6.3.1. Initiation of the AML/CFT STATISTICS AND DATA subgroup's work to enhance the management and reporting of AML/CFT-related statistics

MAIN MANAGER:	FAU, MF
SECONDARY MANAGER:	x
METHOD OF IMPLEMENTATION:	<p>The FAU and MF will ensure the launch of the STATISTICS AND DATA AML/CFT Subgroup with the aim of developing the management and reporting of statistics related to AML/CFT, taking into account international and domestic requirements. The ICG AML/CFT Committee will be regularly informed about the progress and results of the Subgroup's activities.</p> <p>One of the first outputs of this Subgroup should be a comprehensive assessment of the state of statistics management and reporting within the national AML/CFT system.</p>
BENEFIT:	<p>Establishment of a permanent coordination platform focused on the management and reporting of statistics related to AML/CFT issues.</p> <p>Initiation of steps to improve the management and reporting of statistics related to AML/CFT.</p>
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	<p>Launch of the STATISTICS AND AML/CFT DATA Subgroup.</p> <p>Minutes from the activities of the STATISTICS AND DATA AML/CFT Subgroup and the ICG AML/CFT Committee.</p> <p>Outputs from the activities of the STATISTICS AND AML/CFT DATA Subgroup.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

6.3.2. Evaluation of the alignment of current statistics management and reporting practises with the FATF requirements

MAIN MANAGER:	FAU
SECONDARY MANAGER:	MoJ, MF, PCR, SPPO
METHOD OF IMPLEMENTATION:	<p>The FAU will prepare a document summarizing the requirements for maintaining and reporting statistics related to AML/CFT based on FATF international standards. One of the objectives of this document will be to create a basis for improving FATF Recommendation No. 33 and demonstrating the effectiveness of the national AML/CFT system from the perspective of statistical surveys.</p> <p>The FAU will then present the conclusions of this document within the STATISTICS AND AML/CFT DATA Subgroup.</p>
BENEFIT:	<p>Clear formulation of international requirements for the management and reporting of statistics related to AML/CFT.</p> <p>Initiation of steps to implement these requirements within the national AML/CFT system.</p>
DATE OF COMPLETION:	12/2025
PERFORMANCE INDICATOR:	<p>Document summarizing international requirements for maintaining and reporting statistics related to AML/CFT.</p> <p>Minutes from the STATISTICS AND DATA AML/CFT Subgroup.</p>
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

7. Emphasizing a deeper and more systematic harmonization of AML/CFT supervision over financial institutions within European and international institutions leading to a more robust implementation of preventive measures by obliged entities

7.1. Continuous incorporation of new European legislation, including the Guidelines and Regulatory Technical Standards, as well as international FATF standards

7.1.1. Continuous enhancement of the supervisory procedures of the CNB and the FAU in accordance with the new European legislation and international standards

MAIN MANAGER:	CNB
SECONDARY MANAGER:	FAU
METHOD OF IMPLEMENTATION:	The CNB and FAU will share information on the adoption of new Regulatory Technical Standards and their reflection in the internal regulations of supervisory authorities at mutual meetings within the SUPERVISION AML/CFT Subgroup. The information obtained will serve as a basis for updating and modifying internal supervisory methodologies.
BENEFIT:	Harmonization of the approach to administrative supervision across the EU and harmonization of the approach to new developments in AML regulation at the national level.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Modification of methodologies and supporting documents for risk scoring in line with new methodological materials.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

7.2. Exchange of information with foreign supervisory authorities

7.2.1. Active cooperation with foreign supervisory authorities

MAIN MANAGER:	CNB
SECONDARY MANAGER:	FAU
METHOD OF IMPLEMENTATION:	Representatives of relevant supervisory authorities will actively participate in the activities of AML colleges and ad hoc groups, as well as in the exchange of supervisory information and supervisory know-how to ensure the effective functioning of preventive measures at supervised entities operating not only in the Czech Republic.
BENEFIT:	Deepening information sharing with foreign partners.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Report on participation in AML collegiums and ad hoc groups.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

7.3. Active participation in European and international activities aimed at strengthening preventive measures

7.3.1. Active participation of the CNB in the preparation of methodological procedures regulating both the correct setting of preventive measures by supervised entities and the setting of supervisory procedures over these preventive measures

MAIN MANAGER:	CNB
SECONDARY MANAGER:	FAU
METHOD OF IMPLEMENTATION:	<p>Active participation in the preparation of methodological materials at the international level. Representatives of relevant supervisory authorities will actively participate in the activities of AML/CFT relevant groups and platforms, as well as in the exchange of supervisory information and supervisory know-how to ensure the effective functioning of preventive measures at supervised entities operating not only in the Czech Republic.</p> <p>The information obtained will be further reflected in the procedures for performing on-site and off-site supervisory activities.</p>
BENEFIT:	Unification and standardization of AML/CFT procedures and measures across the EU.
DATE OF COMPLETION:	Ongoing until the end of the strategy's period of effect (06/2027)
PERFORMANCE INDICATOR:	Minutes of the SUPERVISION AML/CFT Subgroup meetings summarizing the information obtained and developments from selected international and European working groups and platforms.
METHOD OF FINANCING:	The measures will be implemented within the budget of the participating PAB.

RISKS THREATENING THE ACHIEVEMENT OF THE AML/CFT STRATEGY OBJECTIVES

Successful implementation of the national AML/CFT Strategy requires consistent management of the risks associated with its implementation. When identifying risks, consideration was given to the risks defined in similar strategic documents, in particular the Concept for Combating Organized Crime. Subsequently, individual risks were assessed in terms of their significance, taking into account the severity of the potential impact and the likelihood of that impact occurring.

The severity of the impact was assessed on a five-point scale: 1 – very low, 2 – low, 3 – medium, 4 – significant and 5 – very significant. Probability was also rated on a scale of 1 to 5, with 1 indicating a rare probability, 2 – unlikely, 3 – moderate, 4 – likely, and 5 – almost certain. The significance of individual risks is determined as the product of the severity of the impact and the probability.

Based on the identification and assessment of individual risks, measures were subsequently adopted to mitigate them adequately. An overview of individual risks, their description, assessment, and proposed mitigation measures are presented in the tables below.

Disagreement among participating institutions on specific objectives or measures and the way how to achieve them

RISK DESCRIPTION	Disagreement among the institutions involved on specific objectives or measures within their remit may lead to insufficient support for their implementation and thus jeopardize the achievement of the set objectives.		
RISK ASSESSMENT	<i>Severity of impact</i>	<i>Probability</i>	<i>Significance</i>
	4	3	12
MITIGATING MEASURES	<p>The strategy was prepared within the framework of the ICG AML/CFT, in particular in the STRATEGY AML/CFT Subgroup, with the active participation of all key public administration bodies, which were represented by officially nominated representatives. Specific objectives and measures were incorporated into the strategy primarily on the basis of proposals from public administration bodies directly affected by the measures in question. All changes or additions to the proposals submitted were always consulted with the institutions concerned.</p> <p>The final draft of the AML/CFT Strategy was discussed with all participating public administration bodies and subsequently approved by the ICG AML/CFT Committee, composed of senior representatives of the most involved institutions.</p>		

Lack of human and financial resources

RISK DESCRIPTION	A lack of financial resources or human resources may jeopardize the ability of the institution concerned to implement individual measures.		
RISK ASSESSMENT	<i>Severity of impact</i>	<i>Probability</i>	<i>Significance</i>
	4	4	16
MITIGATING MEASURES	Given the nature, the time horizon, and the overall context of this AML/CFT Strategy, only those measures not requiring additional personal or financial resources were included, and their realization can be covered by the current capacities of the PAB.		

Failure to comply with the implementation schedule

RISK DESCRIPTION	Failure to comply with the implementation schedule by some of the institutions concerned may result in a delay in achieving the specific objectives set.		
RISK ASSESSMENT	<i>Severity of impact</i>	<i>Probability</i>	<i>Significance</i>
	3	4	12
MITIGATING MEASURES	For each measure, the date of completion was set based on consultations with the relevant PAB in a way that gives the PAB enough time for its completion. At the same time, an unequivocal mechanism was set to evaluate the completion of each measure.		

Failure to comply with the measures by the institutions concerned

RISK DESCRIPTION	If the institutions concerned do not pay sufficient attention and priority to the implementation of individual measures, the achievement of jointly set objectives may be jeopardized.		
RISK ASSESSMENT	<i>Severity of impact</i>	<i>Probability</i>	<i>Significance</i>
	5	3	15
MITIGATING MEASURES	<p>The strategy was prepared within the framework of the ICG AML/CFT, in particular in the STRATEGY AML/CFT Subgroup, with the active participation of all key PAB, which were represented by officially nominated representatives. Specific objectives and measures were incorporated into the strategy primarily on the basis of proposals from public administration bodies directly affected by the measures in question. All changes or additions to the proposals submitted were always consulted with the institutions concerned.</p> <p>The final version of the draft AML/CFT Strategy was discussed with all participating PAB and subsequently approved by the ICG AML/CFT Committee, composed of senior representatives of the most involved institutions.</p>		

Failure to adopt legislative solutions related to the measures

RISK DESCRIPTION	The implementation of measures that consist of or are otherwise related to legislative solutions may be jeopardized if, beyond the institutions concerned, political representatives do not also agree with the measures and specific objectives in question.		
RISK ASSESSMENT	<i>Severity of impact</i>	<i>Probability</i>	<i>Significance</i>
	4	3	12
MITIGATING MEASURES	Given the nature, the time horizon, and the overall context of this AML/CFT Strategy, only those measures of non-legislative nature were primarily included. Measures of legislative nature or measures related to legislative solutions were included in the AML/CFT Strategy only if connected to the implementation of European legislation which the CZE must do, or if there is a broad consensus regarding these issues.		

MECHANISM FOR EVALUATING THE AML/CFT STRATEGY

As is clear from the previous sections of this document, the essence of the AML/CFT Strategy is, in the medium term, to deepen the effectiveness of the national AML/CFT system so that, ultimately, full protection of the domestic and international financial system, economy, society, and state against the threats of money laundering, terrorist financing, and proliferation financing. In this regard, it is important not only to correctly identify individual objectives and formulate related measures, but also to set up an appropriate mechanism for monitoring and evaluating their implementation. This mechanism includes:

- **Monitoring the implementation of individual measures** consisting of ongoing feedback between the public authorities concerned;
- **Exchange of information** on the implementation of individual measures between the various components of the national AML/CFT system, including the senior representatives of this system;
- **Ensuring the continuity of the strategic planning process in the area of AML/CFT** so that the AML/CFT Strategy is followed up after its expiration and evaluation by a new strategy for the next period.

As in the case of the creation of the AML/CFT Strategy, the mechanism described above will be implemented within the structure of the ICG AML/CFT, in particular with the contribution of the STRATEGY AML/CFT Subgroup, which is adapted for this purpose.

Primary responsibility for monitoring the implementation of individual measures to achieve specific objectives will be entrusted to the leadership of the STRATEGY AML/CFT Subgroup, i.e., the chair and vice-chair of the Subgroup. This monitoring will be based on regular feedback from Subgroup members who, in their role as managers, are responsible for individual measures. Information will be provided to the management of the STRATEGY AML/CFT Subgroup so that, during the period of effect of the AML/CFT Strategy, each meeting of the ICG AML/CFT Committee and the AML/CFT Working Group can include an item dedicated to the current status and manner of implementation of the AML/CFT Strategy.

Unless otherwise specified by generally binding regulations, the STRATEGY AML/CFT Subgroup shall, through its chair, submit a written evaluation of the AML/CFT Strategy to the ICG AML/CFT Committee no later than six months after its expiration. Together with the evaluation, the chair shall also submit a proposal for a new strategy for the next period.

The implementation of individual measures will be evaluated on a scale:

fulfilled – partially fulfilled – not fulfilled

If any measure is assessed as "partially fulfilled", the assessment will also include a brief description of the results achieved.

In light of the fulfilment of individual measures, the degree of fulfilment of each specific and strategic objective will then be evaluated. The ICG AML/CFT Committee will then decide on these documents in such a way that the new strategy for the next period is approved by a government resolution no later than one year after the end of the effect of the AML/CFT Strategy.

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