

<p>Article 174.1 of the Criminal Code of the Russian Federation, "Laundering Money or Other Property Acquired by a Person by Committing a Crime"</p> <p>Large scale financial and other transactions with money or other property acquired by committing a crime (other than the crimes specified by articles 193, 194, 198, 199, 199.1 and 199.2 of this Code) in order to give a lawful appearance to the possession, use and disposal thereof.</p>	<p>Article 174.1 of the Criminal Code of the Russian Federation, "Laundering Money or Other Property Acquired by a Person by Committing a Crime"</p> <p>Performing financial and other transactions with money or other property acquired by committing a crime in order to give a lawful appearance to the possession, use and disposal thereof.</p>
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Legal practitioners seem to interpret the wording of the new law in a way that “the money laundering related articles now not only cover money obtained, but also cover money saved through crime”.<sup>69</sup>

The articles of the Criminal Code no longer being exempt from being predicate offences to ML are Art. 193 (Non-return of funds in foreign currency from abroad), Art. 194 (evasion of customs payments collected from organisations or natural persons), Art. 198 (evasion by a natural person of paying a tax and / or a fee), Art. 199 (evading payment of taxes and / or fees collectible from organisations), Art. 199.1 (a tax agent’s failure to discharge his / her duties), and Art. 199.2 (concealment of monetary funds or property of an organisation or individual businessman against which the recovery of taxes and / or fees is levied). Hence point 2 of the interpretive note to FATF recommendation 3 seems to be implemented.

Legal practitioners are expecting that “law enforcement authorities will attempt to initiate criminal cases under article 199 of the Russian Criminal Code, "Evasion of Taxes and/or Levies Due from an Organisation" at the same time as those under article 174.1 for performing transactions with cash funds saved through non-payment. It is impossible to differentiate between legal money and money which has been saved through crime as it appears on an organisation's disbursement account. As a result of this, any business operation – even including the purchases of paper clips for office use – may be suspected to be money laundering. (...)”.<sup>70</sup>

The conditions of the definition according to Art. 3 point (4) (f) of the 4<sup>th</sup> AMLD are irrelevant for Russia, since it is not a member to the EEA.

As a result for Russia, point 2 of the interpretive note to FATF recommendation 3 seems to be met. No analysis could be undertaken relating to the implementation of point 5 of the interpretive note to FATF recommendation 3 due to the language barrier.

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<sup>69</sup> See the legal update No. 425, dated August 29, 2013, published by Goltsblat BLP, available from <http://gblplaw.com/news/legal/75122/>, accessed on April 10, 2016.

<sup>70</sup> See Goltsblat BLP, in Footnote 68.