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MONEY LAUNDERING, PREDICATE OFFENCES AND PROFESSIONAL MONEY LAUNDERING PERPETRATORS

Abstract

Money laundering is a serious offence mostly connected to organized crime that undermines financial integrity and markets, and erodes public trust in institutions. Money laundering is a process of converting or infiltrating the proceeds of illegal activities into legal businesses, without revealing their true source in order to obtain full legality of these proceeds at the end of this complex process. There are three basic phases (stages) of money laundering detected in the practice: placement, layering and integration. Namely, the illegally obtained money normally is a product of criminal offences known in the criminal law theory as predicate offences. These are the offences preceding the money laundering process. The issue of predicate offences is closely addressed in the 6th AML EU Directive elaborated in the article.

The relevant Macedonian anti money laundering (AML) legislation consists of many provisions of different laws, of which most important are the Criminal Code provision of Money Laundering and the Law on Prevention of Money Laundering and Financing of Terrorism.

However, the most recent practice turned the attention to specific category of perpetrators of money laundering, called professional money launderers (PMLs): attorneys, notaries, accountants etc. By misusing their powers they might assists the criminals in covering the origin of their assets or simply assisting by omission, by not reporting the suspicious cases and clients and by not check the origin of the assets when obliged by law.

Key words: money laundering, predicate offence, PMLs, attorney, notary, accountant.

I. INTRODUCTION

As one of the relatively new forms of criminal offences (in *stricto sensu*, formal meaning), money laundering has long been recognised as a core enabler of organised crime, undermining financial integrity, distorting markets, and eroding public trust in institutions. Money laundering is a process of converting or infiltrating the proceeds of illegal activities into legal businesses, without revealing their true source in order to obtain full legality of these proceeds at the end of this complex process.

There are three basic phases (stages) of money laundering detected in the practice: placement, layering and integration. In the placement phase the illegal assets are fused into the financial system, often through businesses, banks, casinos etc. In the next stage, layering, many financial transactions take place in order to hide the origin of those assets and to lose the trace and

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the road of the money making it difficult to investigate. In the integration phase the assets are reintroduced into the economy as "clean" money. These usually take form of investments or luxury goods purchase.

But the process of money laundering essentially represents a final phase of preceding criminal activities. Namely, the illegally obtained money, normally are a product of criminal offences known in the criminal law theory as predicate offences. These are the offences preceding the money laundering process.

This distinction of actions that constitute a complex activity reached a formal level by introduction of the "money laundering" as a separate criminal offence in the national legislation.

In criminal procedures the offence of money laundering exists regardless of whether the predicate offence was proved in a procedure in the judicial decision.[1] This is due to the fact that often the predicate offence cannot be fully proved in criminal procedure for reasons of amnesty or pardon, death of the perpetrator, statute of limitations etc.[2]

The perpetrators of the money laundering are usually the same perpetrators of the predicate offences or other people using their activities or legal entities to cover the origin of the illicit funds or assets for their own personal gain or simply being part of a same criminal group with the predicate offence perpetrators, thus dividing their roles in the complex organized crime activities.

However, the most recent practice turned the attention to other category of perpetrators of money laundering, professionals who assists the criminals in covering the origin of their assets or simply assisting by omission, do not report the suspicious cases and clients and do not check the origin of the assets when obliged by law.

These are known as professional money launderers (PMLs) and by profession are attorneys, notaries, accountants, auditors etc. They are individuals or networks that, without necessarily committing the predicate offence themselves, provide specialised expertise and services to disguise the illicit origins of criminal proceeds on behalf of offenders. According to the FATF[3] and Unger & van der Linde[4], PMLs function as intermediaries between criminals and the legitimate financial system, employing complex schemes, such as trade-based laundering, shell companies, and layered transactions, that are often beyond the capabilities of ordinary offenders.

II. RELEVANT NATIONAL LEGISLATION

The relevant Macedonian anti money laundering (AML) legislation consists of many provisions of different laws, of which most important are the Criminal Code provision of Money Laundering and the Law on Prevention of Money Laundering and Financing of Terrorism.

In the criminal legislation of the Republic of North Macedonia (hereinafter referred to as the RNM), money laundering is criminalized in Article 273 of the Criminal Code of the Republic

[1] Kambovski, V., Tupanceski, N. (2011). Criminal Law - Special Part, Fifth, amended and updated edition, Prosvetno delo, Skopje, p. 354.
[2] Deanoska – Trendafilova, A., The money laundering and the Predicate Offence, Book of Abstracts, Annual International Conference of the Faculty of Law, Skopje, 2024.
[3] FATF (2018). Professional Money Laundering. Paris: Financial Action Task Force.
[4] Unger, B., & van der Linde, D. (2013). Research Handbook on Money Laundering. Cheltenham: Edward Elgar.

of North Macedonia (hereinafter referred to as the CC),[5] consisting of 13 paragraphs.[6] The basic actions of money laundering consist of putting into circulation or trading, receiving, taking over, exchanging or disposing of money or other property that the perpetrator has obtained through a criminal offence or that he knows has been obtained through a criminal offence, or by converting, altering, transferring or otherwise concealing that it originates from such a source or concealing its location, movement or ownership.

[5] Criminal Code of the Republic of North Macedonia, Official Gazette of the Republic of Macedonia, No. 37/1996, 80/1999, 4/2002, 43/2003, 19/2004, 81/2005, 60/2006, 7/2008, 139/2008, 114/2009, 51/2011, 135/2011, 185/2011, 142/2012, 166/2012, 55/2013, 82/2013, 14/2014, 27/2014, 28/2014, 41/2014, 160/2014, 199/2014, 196/2015, 226/2015, 97/2017 and 248/2018 and Official Gazette of the Republic of North Macedonia, No. 36/23 and 188/23.

[6] Article 273, Money laundering and other proceeds of crime:

(1) Whoever puts into circulation or trades, receives, takes over, exchanges or disposes of money or other property that he has obtained through a criminal offence or that he knows has been obtained through a criminal offence, or by converting, altering, transferring or otherwise concealing that it originates from such a source or conceals its location, movement or ownership, shall be punished by imprisonment for one to ten years.

(2) The punishment referred to in paragraph (1) of this Article shall also apply to anyone who possesses or uses property or objects that he knows were obtained by committing a criminal offence or by forging documents, failing to report facts, or otherwise concealing that they originate from such a source, or concealing their location, movement, and ownership.

(3) If the offence referred to in paragraphs 1 and 2 is committed in banking, financial or other business operations or if by splitting the transaction the duty to report is avoided in the cases determined by law, the perpetrator shall be punished by imprisonment for at least three years.

(4) A person who commits the offence referred to in paragraphs 1, 2 and 3, and was obliged to know and could have known that the money, property and other proceeds of a criminal offence or objects were obtained through a criminal offence, shall be punished by a fine or imprisonment for up to three years.

(5) A person who commits the offence referred to in paragraphs 1, 2 and 3 as a member of a group or other association engaged in money laundering, unlawful acquisition of property or other proceeds of a criminal offence, or with the assistance of foreign banks, financial institutions or persons, shall be punished by imprisonment for at least five years.

(6) An official, a responsible person in a bank, insurance company, a company engaged in organizing games of chance, an exchange office, a stock exchange or other financial institution, an attorney, except when acting as a defence attorney, a notary or another person exercising public duties or performing tasks of public interest, who will enable or permit a transaction or business relationship contrary to his legal duty or will carry out a transaction contrary to the prohibition issued by a competent authority or an interim measure determined by a court or will not report the laundering of money, property or property benefit, of which he learned in the performance of his function or duty, shall be punished by imprisonment for at least five years.

(7) An official, responsible person in a bank or other financial institution, or a person performing activities of public interest, who is an authorized entity by law for the application of measures and actions for the prevention of money laundering and other proceeds of crime, who without authorization discloses to a client or an uninvited person data relating to the procedure for investigating suspicious transactions or the application of other measures and actions for the prevention of money laundering, shall be punished by imprisonment for a term of three months to five years.

(8) If the crime is committed for lucrative reasons or for the purpose of using data abroad, the perpetrator shall be punished with imprisonment for at least one year.

(9) If the offence referred to in paragraph (7) of this Article is committed by negligence, the perpetrator shall be punished with a fine or imprisonment for up to three years.

(10) If there are factual or legal obstacles for establishing the previous criminal offence and prosecuting its perpetrator, the existence of such an offence shall be determined based on the factual circumstances of the case and the existence of a reasonable suspicion that the property was acquired through such an offence.

(11) The perpetrator's knowledge, i.e. the duty and the ability to know that the property was obtained through a criminal offence, may be determined based on the objective factual circumstances of the case.

(12) If the offence under this Article is committed by a legal entity, it shall be punished with a fine.

(13) The proceeds of the criminal offence shall be confiscated, and if confiscation is not possible, other property corresponding to its value shall be confiscated from the perpetrator.

Considering the abovementioned provision (see the text in footnote), one can note that the law recognizes the role of attorneys, notaries, and other professionals performing tasks of public interest, and specifically in paragraphs 6 through 9, criminalizes their involvement in facilitating money laundering and other proceeds of crime.

Paragraphs 10 and 11 of art.237 CC clearly state that the predicate offence should not necessarily be established and its existence shall be determined based on the factual circumstances of the case.

The Law on Prevention of Money Laundering and Financing of Terrorism[7] (hereinafter referred to as LPMLFT) regulates the competences of several institutions in AML activities, the measures, actions and procedures that entities and competent authorities and bodies undertake to detect and prevent money laundering, related criminal offences and financing of terrorism, especially the competencies of the Financial Intelligence Office (hereinafter referred to as FIO).

A Council for Combating Money Laundering and Financing of Terrorism is established with this Law in order to promote inter-institutional cooperation in accordance with the objectives of the LPMLFT, coordinate activities for the implementation of a national risk assessment, and strengthen the overall system for combating money laundering and terrorist financing. The establishment of the Council is made upon the proposal of the Minister of Finance by the Government.[8] It coordinates the activities for implementing the national risk assessment in the RNM and prepares a national risk assessment report.[9] The national risk assessment report is prepared according to Art. 3, paragraph 1 of the LPMLFT, and aims to identify, assess, understand and mitigate the risk associated with money laundering, terrorist financing, financing of weapons of mass destruction and other related risks. This report is updated every four years.

The subjects who have the obligation to undertake measures and actions for detection and prevention of money laundering and financing of terrorism are listed in Art. 5. They are: 1. Financial institutions and subsidiaries, branches and business units of foreign financial institutions that, in accordance with the law, carry out activities in the RNM; 2. Legal entities and individuals who perform the following services as a business or professional activity: a) Mediation in real estate transactions, including and/or mediation in concluding real estate lease agreements only when the value of the monthly lease is 10,000 Euros or more in Denar equivalent according to the middle exchange rate of the National Bank of the Republic of North Macedonia (hereinafter referred to as NBRNM); b) Audit and accounting services; c) Providing tax advice or any form of assistance, support or advice, directly or through another person in the field of taxes; d) Providing services as an investment advisor and e) Providing services for organizing and conducting auctions; 3. Notaries, attorneys and attorneys' companies that perform public duties in accordance with the law; 4. Organizers of games of chance who, in accordance with the law, organize games of chance in the RNM; 5. Trust or entity service providers; 6. Central Securities Depository; 7. Legal entities that carry out the activity of accepting movable and immovable property as collateral (pawnshops); 8. Persons who trade or act as intermediaries in the trade of works of art, including when the activity is carried out by art galleries or auction houses, and where the value of the individual transaction or several related transactions amounts to 10,000 Euros in Denar equivalent or more according to the middle exchange rate of the NBRNM; 9. Persons who store, trade or act as intermediaries in the trade of artworks, when the activity takes place in free zones and where

[7] Law on Prevention of Money Laundering and Financing of Terrorism, Official Gazette of the Republic of North Macedonia, No. 151/ 20 22 and 208/2024.
[8] Ibid., Art. 140, paragraph 1.
[9] Ibid., Art. 3, paragraph 3.

the value of the individual transaction or several related transactions amounts to 10,000 Euros in Denar equivalent or more according to the middle exchange rate of the NBRNM and 10. Virtual asset related service providers.The law also provides for exceptions regarding legal entities and individuals that carry out financial activities on an occasional or limited basis.[10]

As one can note, the audit and accounting services, as well as notaries and attorneys are part of this list. Considering the stages of money laundering or terrorist financing, attorneys and notaries are exposed to various degrees of risk of involvement.

To effectively combat this type of crime, criminal law prohibitions alone are insufficient; therefore, the RNM has developed and continues to strengthen a system for preventing money laundering and terrorist financing, aligned with international standards, best practices, and the identified risks.

III. INTERNATIONAL ANTI-MONEY LAUNDERING INSTRUMENTS AND THE PREDICATE OFFENCES IN RNM

Predicate offences and international instruments

In pursuing the objective of combating money laundering, the RNM aligns its framework with key international standards, most notably the Financial Action Task Force (hereinafter referred to as FATF) Recommendations, the EU Anti-Money Laundering Directives (hereinafter referred to as AMLDs), and the Council of Europe's MONEYVAL evaluations, ensuring consistency with global and regional best practices.

The European Union has responded to the challenge of money laundering through a progressive series of AMLDs, each reflecting the evolving threat landscape and the need for deeper legal harmonisation across Member States.

The Sixth Anti-Money Laundering Directive (6AMLD), formally Directive (EU) 2018/1673, (hereinafter referred to as 6AMLD) adopted in October 2018 and implemented by December 2020, represents a significant leap forward in the EU's AML framework. Among its most notable features is the explicit listing of 22 categories of predicate offences that may give rise to money laundering. In doing so, the Directive aims not only to harmonise definitions across Member States but also to prevent the legal loopholes that criminals have historically exploited and ensure uniform prosecutorial standards throughout the Union.[11]

As a concept that is foundational to the criminalisation of money laundering, the term "predicate offence" refers to the underlying criminal activity that generates illegal proceeds which may subsequently be laundered into the legitimate economy.[12] Without a clear definition of such offences, the scope of AML measures remains ambiguous, potentially creating enforcement gaps.

Over the past three decades, the EU's understanding of what should count as a predicate offence has expanded considerably. The EU's first AML Directive (1991) was narrowly tailored to the laundering of proceeds from drug trafficking, echoing international concern at the time over the link between narcotics and illicit finance. Subsequent directives progressively broadened the scope, aligning with the recommendations of the FATF. The Fourth and Fifth AMLDs (2015 and 2018) placed a strong emphasis on preventive obligations for financial institutions and beneficial

[10] Ibid., Art. 6.

[11] Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law [2018] OJ L284/22.

[12] Unger, B., & van der Linde, D. (2013). Research Handbook on Money Laundering. Cheltenham: Edward Elgar.

ownership transparency but left considerable discretion to Member States regarding the definition of predicate offences.[13]

This discretion produced fragmentation. Some jurisdictions classified tax crimes or environmental crimes as predicate offences, while others did not. As a result, offenders could exploit jurisdictional differences, laundering illicit proceeds in states where specific underlying crimes were not recognised as predicate offences. The 6AMLD was designed to close these loopholes by providing an exhaustive and harmonised list.

Article 2 of the 6AMLD establishes 22 categories of predicate offences, which all Member States must criminalise as potential sources of laundered funds. These are:

1. Participation in an organised criminal group and racketeering,
2. Terrorism,
3. Trafficking in human beings and migrant smuggling,
4. Sexual exploitation, including of children,
5. Illicit trafficking in narcotic drugs and psychotropic substances,
6. Illicit arms trafficking,
7. Illicit trafficking in stolen and other goods,
8. Corruption,
9. Fraud,
10. Counterfeiting of currency,
11. Counterfeiting and piracy of products,
12. Environmental crime,
13. Murder and grievous bodily injury,
14. Kidnapping, illegal restraint, and hostage-taking,
15. Robbery or theft,
16. Smuggling,
17. Tax crimes relating to direct and indirect taxes,
18. Extortion,
19. Forgery,
20. Piracy,
21. Insider trading and market manipulation,
22. Cybercrime (Directive (EU) 2018/1673, Annex I).

By insisting on such breadth, the EU makes clear that money laundering is not simply a by-product of classic organised crime, but can stem from a wide variety of harmful conducts. The inclusion of "new generation" offences, such as environmental crime, cybercrime, and tax crimes, reflects the EU's recognition of emerging criminal markets and their financial dimensions. Environmental crimes, for example, are among the most profitable forms of organised crime globally, linked to illegal logging, wildlife trafficking, and pollution offences.[14] Similarly, cybercrime represents a rapidly expanding threat, exploiting digital platforms for fraud, ransomware, and illicit financial transfers, with a distinctly cross-border character. [15]

Tax offences also deserve emphasis. Their inclusion reflects not only economic considerations, such as the billions in lost revenues each year, but also political ones, given public

[13] European Parliament & Council (2015). Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing [2015] OJ L141/73.
[14] INTERPOL & UNEP (2016). The Rise of Environmental Crime: A Growing Threat to Natural Resources, Peace, Development and Security. Nairobi: UNEP.
[15] Europol (2020). Internet Organised Crime Threat Assessment (IOCTA) 2020. The Hague: Europol.

concern with fairness and fiscal justice. By elevating tax crimes to the same level as drug trafficking or terrorism, the Directive signals that financial integrity cannot be separated from the health of the public purse.

Discussion. Legal Harmonisation and its Implications.

The most immediate benefit of the Directive's approach is the removal of loopholes. By mandating that all Member States criminalise laundering linked to these 22 predicate offences, the 6AMLD closes gaps that previously existed in national frameworks. With the same list applying in every Member State, it is no longer possible for criminals to seek out jurisdictions where a particular offence is not considered a predicate. For example, prior to harmonisation, some states did not classify tax evasion or certain forms of corruption as predicate offences, allowing perpetrators to move illicit funds into jurisdictions with weaker standards.[16] This creates a more consistent baseline and helps dismantle the notion of "safe havens" within the Union.

Furthermore, a harmonised list provides clarity to both enforcement authorities and private-sector actors. As first line of defence in the AML regime, financial institutions, obliged under the AMLD framework to implement due diligence and reporting measures, now have a clearer understanding of the offences that may give rise to money laundering risks, improving both compliance and risk management.[17] For prosecutors and judges, the task of establishing whether laundering charges can be pursued becomes far less ambiguous, reducing interpretative divergence and facilitating consistent application of the law.

Perhaps most importantly, the Directive strengthens judicial cooperation. One of the persistent challenges in AML enforcement has been the difficulty of judicial cooperation in cross-border cases. Instruments such as the European Arrest Warrant (EAW) and Eurojust depend on a common understanding of offences. By standardising predicate offences, the 6AMLD strengthens the operational effectiveness of these instruments, making it easier to establish dual criminality and prosecute complex transnational laundering schemes. This facilitates joint investigations, smoother extradition processes, and a more credible deterrent effect.

While the Directive is a milestone, it is not without limitations. First, the 6AMLD establishes minimum rules, meaning that Member States retain some discretion in defining the scope or thresholds of offences. For example, what constitutes a "serious" environmental crime may vary nationally, potentially undermining full uniformity.[18]

Second, the expansion of predicate offences increases the compliance burden on financial institutions, especially smaller actors such as regional banks or non-financial obliged entities. The requirement to monitor for proceeds linked to a wider range of suspicious activities necessitates more sophisticated compliance systems and may generate disproportionate costs. For large international banks this may be manageable, but for smaller entities the compliance costs can be significant.

Finally, there is the question of resources. Harmonisation on paper does not guarantee enforcement in practice. Effective AML regimes require not only legal alignment but also sufficient resources for Financial Intelligence Units (FIUs), cross-border data sharing, and

[16] Savona, E. U., & Riccardi, M. (2019). Illicit Financial Flows and Money Laundering: Towards a Common European Framework. Milano: Transcrime.

[17] Zoppei, V. (2019). Anti-Money Laundering Law: Socio-Legal Perspectives on the Effectiveness of Rules and Compliance Strategies. Routledge.

[18] Vettori, B. (2020). "The Sixth EU Anti-Money Laundering Directive: Towards Full Harmonisation?" Journal of Money Laundering Control, 23(4), 789–801.

investigative capacity. Without such investment, the Directive's potential could remain underrealised.[19]

In conclusion, the **6AMLD** represents a decisive step in the EU's effort to create a coherent and effective legal framework against financial crime, contributing significantly to the EU's broader security and financial governance architecture. By explicitly listing 22 predicate offences, it harmonises definitions across Member States, closes jurisdictional loopholes, enhances legal certainty, and strengthens cross-border cooperation.

Importantly, the inclusion of modern offences such as cybercrime, environmental crime, and tax fraud demonstrates the EU's forward-looking approach, aligning with global FATF standards while addressing distinctly European priorities. However, challenges remain: definitional divergences, compliance burdens, and resource constraints all threaten to limit the Directive's effectiveness. Its success will depend less on the words of the Directive and more on the sustained commitment by Member States to not only transpose the Directive but also to invest in the institutions and mechanisms required to enforce it effectively. If those conditions are met, the Directive could prove a powerful tool in safeguarding Europe's financial system.

Assessed predicate offences in RNM

According to the last National Risk Assessment on Money Laundering and Terrorism Financing for Republic of North Macedonia (2020), the following are identified as potential predicate criminal offences (present in practice) and are categorized into high-, medium-, and low-risk categories for money laundering: Tax evasion, Abuse of official position and authority, Unauthorized production and distribution of narcotic drugs, Aggravated theft, Smuggling of migrants, Fraud, Illegal Deforestation**,** Usury, Embezzlement in office, Extortion, Robbery, Human trafficking, Concealment property or assets, Forgery of securities and Intentional bankruptcy.[20]

Noticeably, many of the abovementioned offences can be performed or spotted by the notaries, accountants, attorneys or auditors and therefore, significant money laundering cases could be prevented or detected if these professionals engage properly in AML activities performing their legal tasks and competences. Therefore, the analysis continues in respect of the PMLs.

IV. INVOLVEMENT OF PMLS IN MONEY LAUNDERING

Competent global institutions note that the involvement of PMLs in money laundering processes may be detected at all phases of money laundering. In the placement phase, their professional services can be used to establish legal entities and to manage bank accounts. In the layering phase, they assist in concealing illicit proceeds by disabling the traceability of the funds by applying certain mechanisms. Ultimately, they take place in the assets reinvestment into legitimate businesses.

According to the assessments of the vulnerability of certain non-financial professions, the risk of money laundering is generally assessed as medium–low for notaries and auditors, while for

[19] Levi, M., & Reuter, P. (2009). Money Laundering. Crime and Justice, 34(1), 289–375.
[20] National Risk Assesment for Money Laundering and Terrorist Financing (2020) available at: https://ufr.gov.mk/wp-content/uploads/2020/05/NRA-Izvestaj-za-web-19-05.pdf

lawyers and accountants it is considered medium, with accountants exhibiting a slightly higher degree of vulnerability than lawyers.[21]

Attorneys

According to the Constitution of the RNM, attorneys provide legal aid and carry out public mandates in accordance with the law.[22] They are guided solely by the interests of their clients, which they protect to the fullest extent through lawful means. The legal activity as a public service is regulated by the Law on Attorneyship.[23] The Bar Association is also participating in the work of the Council for Combating Money Laundering and Financing of Terrorism through its representatives in this body.[24]

Attorneys and attorney companies exercising public authority according to the LPMLFT are obliged to take measures and actions to detect and prevent money laundering and financing of terrorism.[25] According to Art. 7, they are obliged to apply measures and actions to prevent money laundering and financing of terrorism in cases where they provide legal services to their clients, relating to activities as buying and selling real estate and movable property or leasing property; managing money, securities or other property or assets of the client; opening and managing bank accounts, savings deposits, safe deposit boxes or securities accounts; establishing, operating or managing legal entities or legal arrangements, buying and selling legal entities etc. An exception is envisaged, consisting in that attorneys and law firms are not required to undertake the measures and activities prescribed by the Law when performing defence, representation, or other legally authorized functions on behalf of a client in court proceedings. In case of failing to act in accordance with the provisions of the LPMLFT (for example, those set out in Article 9 of the Law[26]), they are reqired, upon request from the FIO, to submit a written explanation within seven days stating the reasons for such non-compliance.[27]

It should be taken into consideration that in their work, attorneys and law offices should respect the provision of Article 58, paragraph 2 of LPMLFT, stating: 'Entities authorized by law to register securities, other property or legal matters or to report or perform transfers of money, securities or other property may perform such registration or transfer only if the client submits proof that the transfer of money exceeding the amount referred to in paragraph (1) of this Article was carried out through a bank, savings bank or through an account in another institution providing payment services.'

Supervision of attorneys and attorney companies regarding the implementation of measures and actions for the detection and prevention of money laundering and financing of

[21] FIO Assessments, see: www.ufr.gov.mk.
[22] Article 53 of the Constitution of the Republic of North Macedonia
[23] Law on Attorneyship, Official Gazette of the Republic of North Macedonia, No. 199/2023.
[24] Ibid., art. 140, para. 2.
[25] Art. 5, para. 1, item 3 of the Law on Prevention of Money Laundering and Financing of Terrorism.
[26] 'Measures and actions for the detection and prevention of money laundering and terrorist financing (hereinafter: measures and actions), which are undertaken by the entities, include: preparation of an assessment of the risk of money laundering and terrorist financing and its regular updating; introduction and implementation of programs for efficient reduction and management of the identified risk of money laundering and terrorism financing; analysis of clients; reporting and submission of data, information and documentation to the Office in accordance with the provisions of this Law and the by-laws adopted on its basis; storage, protection and keeping records of data; appointment of an authorized person and a deputy and/or establishment of a department for the prevention of money laundering and terrorism financing; implementation of internal control and other measures arising from the provisions of this Law', Article 9 of the Law on the Prevention of Money Laundering and Financing of Terrorism.
[27] Ibid., art. 7, para. 2.

terrorism, is carried out by the Commission of Attorneys within the Bar Association of the Republic of North Macedonia.[28] In addition, to the latter, supervision over the implementation of the measures and actions determined by the Law may also be carried out by the FIO, independently or in cooperation with the Commission of Attorneys.[29]

The abovementioned Law does not contain any other provisions regarding prevention of money laundering and other proceeds from crime and financing of terrorism. Nevertheless, the Rulebook on the Disciplinary Liability of the Bar Chamber lists the omission to act in compliance with the LPMLFT as a disciplinary violation.[30]

According to the Central Registry[31] Data, little less than 2000 individual attorneys and law firms are active in the field. Between 2019-2023,[32] attorneys and attorney companies have submitted 19 Suspicious Transaction Reports (hereinafter referred to STRs) to the FIO:

Year	Submitted STR by attorneys and attorney companies
2019	6
2020	3
2021	7
2022	1
2023	2
TOTAL	**19**

As stated above, supervision of the implementation of measures and activities for the prevention of money laundering and terrorist financing is carried out through inspection oversight by the FIO and the Commission for the Supervision of Attorneys within the Bar Association of the RNM. Between 2019 and 2023, the FIO conducted a total of 71 inspections of attorneys and law firms, resulting in the initiation of five misdemeanour proceedings before the competent courts.[33]

Notaries

The legislative framework for the notaries is established in the Law on Notary Public.[34] The person appointed as a notary performs the notary service as a sole professional occupation. The notary service includes the preparation and issuance of public documents for legal matters in the form of a notarial act, statements and confirmations of facts on the basis of which rights or obligations are established, making decisions in the procedure for issuing notarial payment orders, confirming private documents (solemnization), issuing certificates, verifying signatures and

[28] Ibid., art. 151, para. 1 line 8
[29] Ibid., art. 151, paragraph 4.
[30] https://www.mba.org.mk/index.php/mk/akti/2018-09-18-13-27-36
[31] www.crm.com.mk
[32] The 2024 Annual Report is not yet published on the FIO website, therefore, the data presented is inclusive of 2023 (accessed: 20.8.2025)
[33] See: Annual Reports of the FIO, www.ufr.gov.mk
[34] Law on Notary Public, Official Gazette of the Republic of Macedonia No. 72/16, 142/16 and 233/18.

handprints, transcripts, translations, accepting for safekeeping documents, money and valuables for the purpose of their transfer to other persons or bodies, as well as performing entrusted tasks determined by law.

LPMLFT puts the notaries on the list of subjects that are obliged implement measures and actions to prevent money laundering[35] and to comply with the provision set out in Article 58, paragraph 2 of the LPMLFT. According to Article 64 of the LPMLFT, notaries are obliged, within three working days from the date of preparation or certification, to submit to the FIO, in electronic form, the collected data on notarial documents and certifications of signatures on contracts involving the acquisition of property valued at 15,000 Euros or more (in Denar equivalent). They are also required to submit the notarial documents and certifications of signatures on the contracts themselves.

The Law on Notaries in Chapter XVI regulates the 'Measures for the Prevention of Money Laundering and Other Proceeds of Crime and the Financing of Terrorism'. Article 159 refers to 'Programme for Prevention of Money Laundering and Other Proceeds of Crime and the Financing of Terrorism' and Article 160 to 'Supervision over the Implementation of the Provisions of the Law on the Prevention of Money Laundering and Other Proceeds of Crime and the Financing of Terrorism'. The Notary Chamber is responsible for organizing regular, mandatory training sessions for notaries on the implementation of measures for preventing money laundering, other proceeds of crime, and the financing of terrorism.[36]

As provided in the Law on Notary Public, in Art. 159 paragraph 3, the non-application of the measures provided for in the LPMLFT and the program and measures adopted by the notary constitutes a basis for disciplinary liability of the notary. The notary may be imposed a disciplinary measure of permanent deprivation of the right to perform notarial services.[37] Supervision over the application of the measures and actions is carried out by the Commission of Notaries within the Notary Chamber of the Republic of North Macedonia.[38] The President of the Notary Chamber shall notify the FIO in writing of the appointment and composition of the Commission.[39] The Commission is obliged to control the work of the notary upon a reasoned request from the FIO, submitted through the President of the Chamber, as well as to inform the Unit of the results of the control[40] and to report regularly, and at least once a year, to the Board of Directors and the Assembly of the Chamber on the supervision of notaries and the results thereof. In July 2023, the Notary Chamber adopted a Guideline for performing risk assessment for money laundering and terrorism financing for the notaries.[41]

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[35] Art. 5 para. 1 item 3 of the Law on Prevention of Money Laundering and Financing of Terrorism
[36] Art. 159, paragraph 2 of the Law on Notary Public.
[37] Ibid., art. 141, paragraph 1, line 8.
[38] Ibid., article 160, paragraph 2.
[39] Ibid., article 160, paragraph 3.
[40] Ibid., article 160, paragraph 5.
[41] Link to the Scanned document:
http://www.nkrm.org.mk/images/%D0%A3%D0%9F%D0%90%D0%A2%D0%A1%D0%A2%D0%92%D0%9E_%D0%97%D0%90_%D0%92%D0%A0%D0%A8%D0%95%D0%8A%D0%95_%D0%9D%D0%90_%D0%9F%D0%A0%D0%9E%D0%A6%D0%95%D0%9D%D0%9A%D0%90_%D0%9D%D0%90_%D0%A0%D0%98%D0%97%D0%98%D0%9A%D0%9E%D0%A2_%D0%9E%D0%94_%D0%9F%D0%95%D0%A0%D0%95%D0%8A%D0%95_%D0%9F%D0%90%D0%A0%D0%98_%D0%98_%D0%A4%D0%98%D0%9D%D0%90%D0%9D%D0%A1%D0%98%D0%A0%D0%90%D0%8A%D0%95_%D0%9D%D0%90_%D0%A2%D0%95%D0%A0%D0%9E%D0%A0%D0%98%D0%97%D0%90%D0%9C_%D0%9A%D0%90%D0%88_%D0%9D%D0%9E%D0%A2%D0%90%D0%A0%D0%98%D0%A2%D0%95.pdf

In addition to the Notaries Commission, supervision over the implementation of the measures and actions determined by the LPMLFT on notaries is also carried out by the FIO, independently or in cooperation with the Commission.[42]

More than 200 notaries are actively working in RNM. In the period from 2019 to 2023, notaries submitted the following number of reports to the FIO on notarial deeds drawn up to acquire property worth 15,000 Euros or more and STRs:

Year	Number of submitted reports on drawn up notarial deeds acquiring property worth 15,000 Euros or more [43] /submitted STRs
2019	19.577 / 17
2020	29.387 / 21
2021	25.044 / 54
2022	26.547 / 91
2023	25.952 / 23
TOTAL	**126.507 / 206**

The FIO opened cases for all STRs received, but in most cases did not establish suspicion of money laundering, which calls into question the quality of STRs and the awareness and ability of notaries to recognize suspicious money laundering activities.

Accountant and Auditors

Accountants perform identification, classification, and processing of data based on accounting documents, as well as the maintenance of trade or business books for a taxpayer's financial transactions. It includes the analysis, recording, and preparation of annual accounts and/or financial reports in accordance with the law.

The legal framework for the establishment and licensing of accountants is the Law on the Performance of Accounting Activities.[44]

Since accountants and auditors may potentially be used, through the services they provide, for the concealing of criminal proceeds or the financing of terrorist activities, they are included among the entities required to implement measures and actions to prevent money laundering and terrorist financing. By applying these measures, they also protect themselves from the risk of being implicated in criminal schemes.[45]

An audit is an independent examination of financial statements, consolidated statements, or other financial information, aimed at expressing an opinion on their accuracy, fairness, and compliance with an applicable financial reporting framework. Audits may be performed by audit firms or by certified auditors - sole proprietors under the conditions and in the manner specified in the Audit Law or the Companies Law. When performing audits, auditors follow audit procedures in accordance with International Auditing Standards. The legislative framework for the establishment and licensing of auditors is set out in the Law on Audit.[46]

[42] Art. 151, paragraph 4 of the Law on Prevention of Money Laundering and Financing of Terrorism.
[43] Annual reports of the Financial Intelligence Office, ufr.gov.mk
[44] Law on the Performance of Accounting Activities, Official Gazette of the Republic of North Macedonia, No. 173/2022.
[45] Ibid., art. 5 para. 1 line 2.
[46] Law on Auditing, Official Gazette of the Republic of Macedonia, No. 158/10, 135/11, 188/13, 43/14, 138/14, 145/15, 192/15 , 23/16 and 83/18 and Official Gazette of the Republic of Macedonia, No. 122/21

The Law on Accounting and the Law on Audit do not have specific provisions relating to measures and national risk assessment for the prevention of money laundering and terrorist financing. The Institute of Certified Auditors and the Institute of Accountants and Certified Public Accountants have representatives in the Council for Combating Money Laundering and Financing of Terrorism since their representatives are members of this body.[47]

In the period 2019 – 2023, accountants have not submitted STRs to the FIO. No cases involving accountants have been opened in the FIO.

However, FIO conducted 95 supervisions in the same period to accountants and accounting companies, during which the several violations such as: failure to submit data and information to the FIO, failure to identify the rightful owner and failure to confirm his identity and notification of the client or third-party contrary to Article 61 paragraph (1) of the LPMLFT, were found.[48]

In respect to auditors, the supervision of audit firms is carried out by financial intelligence officers from the FIO and no irregularities have been detected in the abovementioned period.

V. GENERAL STATISTICA DATA ON MONEY LAUNDERIN IN RNM

According to the official data of the State Statistical Office, the cases of money laundering are almost nonexistent in practice. There are no reported, accused or convicted perpetrators in some of the years covered with the analysis, and in other periods these numbers are less than 10. In the five year period of 2019 to 2023, only 12 persons were reported, 19 were indicted, and 20 were convicted for this offence. This indicates that, on average, around four individuals per year are convicted of money laundering. The higher numbers of indictments and convictions compared to reports suggest that many of those prosecuted or convicted had been reported in previous years.

Reported, accused, and convicted individuals for Money laundering and other proceeds-related crimes

	2019	**2020**	**2021**	**2022**	**2023**	
						Total
Number of reported perpetrators	-	5	5	-	2	**12**
Number of accused perpetrators	-	-	6	10	3	**19**
Number of convicted persons	-	-	9	9	2	**20**
Conviction judgement	-	-	-	-	2	
Judgment based on a draft plea agreement	-	-	-	3	-	
Judgment for issuing a penal warrant	-	-	5	4	2	
Judgment based on a guilty plea	-	-	1	2	-	

Source: State Statistical Office, Makstat base, www.stat.gov.mk

[47] Art. 140, para. 2 of the Law on Prevention of Money Laundering and Financing of Terrorism
[48] Ibid.

Most of the convicted individuals obtained reduced sentences by entering plea bargains or admitting guilt prior to trial, in accordance with the law. According to data from the MAKSTAT database, approximately two-thirds of those convicted received suspended sentences. In the cases where effective prison sentences were imposed, they were generally short, typically up to one year, and only in very rare instances up to five years.[49]

No data is available on the profession of the perpetrators. Therefore, precise information on convicted PMLs cannot be provided.

To address both general and specific deterrence, it is recommended that courts adopt a stricter sentencing policy. The frequent imposition of suspended sentences for money laundering conveys the message that this offence is treated as lenient and insignificant.

Another recommendation for the country is to improve the collection of criminal data by introducing more detailed and comprehensive statistical parameters.

VI. CONCLUSION AND RECOMMENDATIONS

The analysis of PMLs and their involvement in the money laundering processes in RNM highlights the complexity and evolving nature of this criminal phenomenon, as well as the significant role that certain non-financial professions can play in facilitating or preventing it. Money laundering remains one of the core enablers of organised crime, allowing offenders to conceal the illicit origins of proceeds and integrate them into the legitimate economy. While the money laundering represents the final stage of a broader set of predicate offences, it is important to be aware that many of these offences, including corruption, fraud, and tax crimes, extend beyond traditional forms of criminality, reflecting the modern, multifaceted nature of illicit finance. Recognizing this breadth is essential to understanding the systemic risks that money laundering poses to the financial sector, the rule of law, and broader societal trust.

The legislative framework of the RNM, particularly Article 273 of the Criminal Code, and the LPMLFT provides a robust basis for prosecuting money laundering and associated activities. Importantly, the law explicitly identifies the potential involvement of professionals such as attorneys, notaries, auditors, and accountants, criminalizing acts that facilitate the concealment or integration of illicit proceeds. The incorporation of both individual and corporate liability in the law ensures that both natural persons and legal entities can be held accountable for facilitating money laundering, highlighting the seriousness with which the state views these offences. However, while the legislative provisions are comprehensive, their practical application appears limited, as demonstrated by the very low number of reported, prosecuted, and convicted cases between 2019 and 2023. This discrepancy suggests gaps in detection, reporting, and enforcement mechanisms, and signals a need for stronger preventive measures and more effective oversight.

At the international level, the alignment of North Macedonia's framework with the FATF recommendations, the EU AMLDs, and MONEYVAL evaluations represents a deliberate effort to integrate global best practices. The 6AMLD is particularly significant, as it provides an exhaustive list of 22 categories of predicate offences, harmonizing definitions across jurisdictions, closing loopholes, and improving prosecutorial consistency. The Directive emphasizes that money

[49] Statistical data on Reported, Accused and Convicted Perpetrators, available at: https://makstat.stat.gov.mk/PXWeb/pxweb/mk/MakStat/MakStat__Sudstvo__ObvinetiOsudeniStoriteli/275_SK2_Mk_T13_ml.px/table/tableViewLayout2/

laundering is not limited to traditional organized crime but also includes new-generation offences, such as cybercrime, environmental crime, and tax fraud, which reflects the EU's forward-looking approach to financial integrity.

The last Macedonian Risk Assessment Report detects the following offences as possible predicate crimes for money laundering: Tax evasion, Abuse of official position and authority, Unauthorized production and distribution of narcotic drugs, Aggravated theft, Smuggling of migrants, Fraud, Illegal Deforestation**,** Usury, Embezzlement in office, Extortion, Robbery, Human trafficking, Concealment property or assets, Forgery of securities and Intentional bankruptcy.

The role of professional money laundering perpetrators in the RNM context is nuanced and varies by sector. Attorneys, by virtue of their independent status and client-focused mandate, are exposed to risks of inadvertent or deliberate involvement in laundering schemes. The analysis indicates that while most attorneys are aware of their obligations under the LPMLFT, knowledge gaps persist, particularly in the identification of suspicious clients and transactions. The relatively low number of STRs submitted by attorneys, combined with limited oversight and follow-up by authorities, raises concerns about the effectiveness of current preventive mechanisms. Similarly, notaries, though subject to a more structured framework with mandatory training and annual risk programs, demonstrate variability in the quality and substance of STRs submitted, suggesting a need for ongoing capacity-building and stricter enforcement.

Accountants and auditors are assessed as being particularly vulnerable to involvement in laundering activities, given their central role in managing financial records, advising clients, and structuring transactions. Yet, official data indicate a near absence of reported suspicious activity, pointing either to underreporting or gaps in awareness and detection.

The statistical evidence from 2019 to 2023 reinforces the need for more comprehensive data collection. The predominance of suspended sentences and plea bargains, while legally permissible, risks signaling leniency and undermining the general preventive effect of the law. Additionally, the lack of detailed statistical information on the professional background of convicted individuals limits the ability to assess sector-specific risks and design targeted interventions. To address these shortcomings, the state should adopt stricter sentencing guidelines, invest in institutional capacity for detection and investigation, and enhance the sophistication of risk-based supervision for non-financial professions.

In conclusion, the fight against money laundering in the RNM requires a dual approach: legislative robustness combined with effective enforcement and professional oversight. While the legal framework is largely aligned with international standards, practical implementation gaps, limited reporting, and inconsistent oversight weaken the system's overall effectiveness. Strengthening training programs for attorneys, notaries, accountants, and auditors, improving the quality and follow-up of STRs, adopting stricter sentencing practices, and investing in institutional capacity are critical measures to ensure that professional money launderers do not facilitate illicit financial flows. Only through a comprehensive, multi-layered approach that combines preventive, supervisory, and punitive mechanisms can meaningfully reduce the risks associated with money laundering and safeguard the integrity of its financial system.

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