

NJORD Latvia: Money laundering cases and practice

According to the information provided by the Financial Intelligence Service (FID), 102 criminal cases involving money laundering were initiated in the first half of this year. Of these, 55% referred to autonomous money laundering offenses. As a consequence, the FID issued 159 freezing orders of €104.8 million of alleged proceeds. This sum already exceeds that of all of 2018, when assets totaling €101.5 million were frozen. By the end of this year, the FID has plans to freeze a further €200 million.

These trends are clearly reflected in the volume of our most recent incoming “criminal” work, and among the most “popular” are cases relating to Section 195, “Legalization of proceeds from crime”, of the Criminal Law of Latvia.

These criminal cases can be divided into two main groups.

1) Cases concerning the legalization of funds received as a result of committing already disclosed criminal acts (predicative crimes), for which investigation is still pending, or has already been completed and the court verdict entered into legal force. In this category, we defend those persons against whom the criminal proceedings have been initiated, and suspects accused of legalizing funds allegedly obtained by criminal means. We also represent the interests of property owners whose rights have been affected by a criminal process involving the legalization of funds obtained by criminal means.

2) Cases referring to the legalization of funds for which there are suspicions concerning the legality of their origin. This situation occurs when the FID itself considers the reason for freezing the assets to be suspicious; the FID can do this following receipt of information from a bank in connection with what is considered a suspicious transaction, or following the receipt of information from other sources. Although currently such cases mainly relate to the clients of liquidated/insolvent banks (as in the case of ABLV Bank and PNB Banka), there are a growing number of cases for which clients of well-established banks have also faced similar charges. In this category, we usually represent the owners of funds initially frozen by the FID and seized by the courts in a subsequent criminal case, based on the relevant order from the FID.

In both categories, we assist clients who are contesting decisions to freeze their funds, challenging the decisions made on the recognition of funds allegedly obtained by criminal means, gather proof of the legal origins of such funds, and provide other relevant services.

Our criminal law (white collar crime) practice is developing at a high rate. In addition to the above, our attorneys assist in cases of corporate fraud investigations and associated claims, as well as in the defense of such allegations. We represent and defend clients in highly complex administrative proceedings, as well as in matters relating to ethical breaches of conduct. Our attorneys have extensive knowledge of the principles, methods and practices of individual national courts, prosecutorial offices and law enforcement institutions.

Our services include, among other activities:

- Representing suspects and defendants in proceedings related to financial or economic crimes;
- Representing claimants and victims in criminal and administrative proceedings;
- Representing clients before administrative courts, courts of general jurisdiction, state authorities and organizations.



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