

Service for Accounting, Reporting and Auditing Supervision
23 August 2023

Tbilisi

Order

On the Approval of the Rule for Receiving Continuing Education in the field of Facilitating the Prevention of Money Laundering and the Financing of Terrorism

On the basis of Articles 13¹(2) and 20(9)(b¹) of the Law of Georgia on Accounting, Reporting and Auditing, **I order:**

Article 1 The Rule for Receiving Continuing Education in the Field of Facilitating the Prevention of Money Laundering and the Financing of Terrorism shall be approved in accordance with the Annex.

Article 2 This Order, with the exception of Articles 5, 9 and 10 of the Rule approved by this Order, shall enter into force on the date of its publication.

Article 3 Articles 5, 9 and 10 of the Rule approved by this Order shall enter into force on 1 January 2024.

Davit Mchedlidze

Head of the Service
Service for Accounting, Reporting and Auditing Supervision

The Rule for Receiving Continuing Education in the Field of Facilitating the Prevention of Money Laundering and the Financing of Terrorism

Article 1 - Scope of regulation

1. The Rule for Receiving Continuing Education in the Field of Facilitating the Prevention of Money Laundering and the Financing of Terrorism (hereinafter - the Rule) establishes the requirements for accountants providing professional services and accounting firms for receiving continuing education in the field of facilitating the prevention of money laundering and the financing of terrorism.

2. In order to comply with the requirements of the Law of Georgia on Facilitating the Prevention of Money Laundering and the Financing of Terrorism, accountants providing professional services and accounting firms shall implement an internal control policy, procedures, systems and mechanisms (hereinafter - the compliance control system) that are proportional to the nature and volume of their business, and the associated risks of money laundering and the financing of terrorism.

3. For the purpose of implementation of the compliance control system, an accountant providing professional services and an accounting firm shall develop internal instructions that determine the continuing education program for employees, to inform them about the requirements of the Law of Georgia on Facilitating the Prevention of Money Laundering and the Financing of Terrorism, the relevant subordinate normative acts, and internal instructions.

4. An accounting firm shall ensure that the continuing education program is developed/updated through the person responsible for the functioning of the compliance control system or the head of the structural unit/person responsible for the effectiveness of the compliance control system who has fulfilled the continuing education requirements defined in this Rule.

5. An accountant providing professional services who independently provides professional services and does not have an employee, by fulfilling the continuing education requirement in the field of facilitating the prevention of money laundering and the financing of terrorism defined in this Rule, meets the requirement specified in Article 29(2)(c) of the Law of Georgia on Facilitating the Prevention of Money Laundering and the Financing of Terrorism.

Article 2 - Definitions of terms

1. For the purposes of this Rule, the terms used herein have the following meanings:

- a) obliged entity - an accountants providing professional services, who independently provides professional services and an accounting firm as defined in Article 3(1)(b.d) of the Law of Georgia on Facilitating the Prevention of Money Laundering and the Financing of Terrorism;
- b) accountant providing professional services - an accountant registered in the State Registry of Accountants Providing Professional Services who performs accounting services and/or prepares financial statements for the client;
- c) accounting firm - a legal entity registered in Georgia or a branch in Georgia of a legal entity which is registered in another country, registered in the State Registry of Accounting Firms which performs accounting services and/or prepares financial statements for the client;
- d) continuing education - the process of maintaining competence, developing and raising awareness of innovations by obliged entities in the field of facilitating the prevention of money laundering and the financing of terrorism, in order to provide services that comply with the legislation;
- e) continuing education course/training - a course/training which includes the objectives of receiving continuing education, learning outcomes, learning topics, and peculiarities of the implementation of the training process as provided for in this Rule;
- f) provider of continuing education services - a legal entity under public and/or private law, that ensures the provision of continuing education as defined in this Rule and whose continuing education course/training program in the field of facilitating the prevention of money laundering and the financing of terrorism is agreed with the Service;
- g) the Service - Service for Accounting, Reporting and Auditing Supervision, a state sub-agency of the Ministry of Finance of Georgia (hereinafter - the Ministry);
- h) registry - registry of accountants providing professional services and/or registry of accounting firms referred to in Article 13¹ of the Law of Georgia on Accounting, Reporting and Auditing.

2. Except for paragraph 1 of this Article, for the purposes of this Rule, the terms used in it shall be defined in accordance with the Law of Georgia on Accounting, Reporting and Auditing and the Law of Georgia on Facilitating the Prevention of Money Laundering and the Financing of Terrorism.

Article 3 - Objective of continuing education

The objective of continuing education shall be:

- a) to proactively inform and raise awareness among obliged entities of the established requirements in the field of facilitating the prevention of money laundering and the financing of terrorism;

b) to inform the obliged entities about the preventive measures in accordance with Article 10 of the Law of Georgia on Facilitating the Prevention of Money Laundering and the Financing of Terrorism, about the assessment/management of the risks of money laundering and terrorism financing in accordance with the same Law, as well as for the obliged entities to acquire/develop the competence necessary for the implementation of the compliance control system, and to learn/analyze the existing local and international practices on the issues related to facilitating the prevention of money laundering and the financing of terrorism.

Article 4 - Undertaking the continuing education process

1. The process of continuing education shall be undertaken by a provider of continuing education services.
2. The Service shall be in charge of monitoring the continuing education course/training organized by the provider of continuing education services. In order to monitor the participation of the trainees and to evaluate the continuing education training process, the representative of the Service shall be entitled to attend the lectures given as part of the training process organized by the provider of continuing education services.
3. If the data filled in by an obliged entity in his/her own continuing education tab of the registry does not correspond to the data of the notice/certificate issued by the provider of continuing education services, the Service is entitled to refuse to include the information in the registry, within 5 (five) working days of filling in the data.

Article 5 - Obligation to receive continuing education

1. An obliged entity shall be required to receive continuing education within a reasonable period of time after registration in the relevant registry, but not later than 31 December of the following calendar year.
2. The obliged entity shall be in compliance with the continuing education requirements not later than 31 December of each calendar year.

Article 6 - Compliance with continuing education requirements

Continuing education requirements shall be deemed satisfied when the obliged entity fulfills one of the prerequisites:

- a) Participation in the continuing education course/training organized by the provider of continuing education services;
- b) Participation in the teaching process of the continuing education course/training (as a lecturer, instructor) organized by the provider of continuing education services.

Article 7 - Evaluating the achievement of the continuing education objectives

Providers of continuing education services shall use an attendance-based approach to measure training outcomes.

Article 8 - Confirmation of training outcomes

1. Attendance shall be confirmed with:

- a) information/documentation confirming the full attendance of an obliged entity/relevant employee of the obliged entity at the continuing education course/training, stating the number of the notice/certificate, first name and surname of the trainee, personal number, name of the institution and the name of the course/training;
- b) information/documentation that includes the trainee's first name and surname, personal number, name of the institution, name of the course/training and confirms that the person has conducted a continuing education course/training with the status of instructor and/or lecturer.

2. The duration of the continuing education course/training shall be at least 5 (five) hours. Its content shall be determined and agreed with the Service in advance by the provider of continuing education services.

Article 9 - Submission of information on fulfillment of continuing education requirements

1. The obliged entity shall enter the data on the receipt of continuing education on its own page of the relevant registry, under the continuing education tab, each year, within 5 (five) working days after satisfying the continuing education requirement, but not later than 31 December.

2. If the obliged entity cannot confirm that the continuing education requirement has been met, the Service shall be authorized to request additional information/documentation from them.

3. Information about the fulfillment or non-fulfillment of the continuing education requirement shall be entered by the obliged entity in the appropriate tab of the registry.

Article 10 - Provider of continuing education services

1. In order to be recognized as a provider of continuing education services for a given calendar year and to arrange a continuing education course/training, the interested person shall apply to the Service in writing or electronically from 1 January to 1 July each year. The application shall include a description of the objectives and content of the continuing education course/training, the periodicity and time limits of the continuing education course/training, the teaching/learning methods.

2. The Service shall make a decision on the recognition, finding a deficiency or rejection of the applicant (interested person) as a provider of continuing education services no later than 30 calendar days of the submission of the application. The application review period may be extended by a maximum of 30 calendar days to allow the Service to request relevant information/documentation from the applicant (interested person) or in the case of other special circumstances.
3. If deficiencies are detected in the continuing education course/training, in the process of its implementation or in compliance with other requirements, the provider of continuing education services shall ensure the elimination of the deficiency(s) within a reasonable period of time determined by the Service.
4. In the case provided for in paragraph 3 of this Article, the registration procedure shall be suspended. In case the provider of continuing education services submits documentation of information confirming that the deficiency has been corrected, the registration procedure shall resume. The registration procedure countdown shall start again when the registration procedure is resumed.
5. The provider of continuing education services shall, each year not later than 31 January of the following calendar year, electronically submit to the Service a list of obliged entities (name, surname, personal number, name of the firm (if any), date of issue of the notice/certificate, number of notice/certificate) who have fulfilled the continuing education requirements.
6. The provider of continuing education services shall, upon request, immediately provide the Service with relevant materials confirming the full attendance of the obliged entity/relevant employee of the obliged entity at the continuing education course/training, a document confirming the evaluation of the continuing education course/training by the obliged entity (including about the lecturer/instructor), information confirming the participation of the instructor/lecturer involved in the teaching process, as well as other materials related to the continuing education course/training.
7. The Service shall be authorized to consult experts in the relevant field in order to determine the conformity of the continuing education course/training presented by the provider of continuing education services with the requirements laid down in this Rule and in the legislation.

Article 11 - Continuing education course/training

1. The continuing education course/training shall cover the following topics:
 - a) review of the Law of Georgia on Facilitating the Prevention of Money Laundering and the Financing of Terrorism, Law of Georgia on Accounting, Reporting and Auditing, and relevant legal acts of the Service, as well as United Nations Security Council sanctions;
 - a.a) assessment and management of money laundering and terrorism financing risks;
 - a.b) compliance control system of obliged entities;

- a.c) submission/reporting of information about a suspicious transaction or preparation, conclusion or execution of such a transaction;
- a.d) preventive measures to be implemented by the obliged entity;
- b) legislative changes implemented in Georgia to facilitate the prevention of money laundering and the financing of terrorism;
- c) National Risk Assessment Report and Action Plan.

2. The continuing education course/training may also include the following:

- a) Financial Action Task Force (FATF) recommendations on money laundering;
- b) EU Directives on money laundering;
- c) Evaluations by the Committee of Experts on the Evaluation of Anti-money Laundering Measures and the Financing of Terrorism (Moneyval);
- d) Review of best practices in the facilitation of the prevention of money laundering and the financing of terrorism;

3. The continuing education course/training syllabus shall include the following information:

- a) name of the course/training;
- b) subject, content of the course/training (in detail);
- c) number of teaching hours;
- d) teaching format;
- e) learning outcomes;
- f) objective of the course/training;
- g) teaching materials and other resources;
- h) language of instruction;
- i) name of the author of the course/training.

4. At the end of the course/training, the provider of continuing education services shall receive a feedback (evaluation) from the trainees (including feedback on the lecturer/instructor) in electronic and/or physical form. The results of this feedback (evaluation) shall be taken into account in the preparation of the next training course/training.

5. Full information about the continuing education course/training, teaching materials and other resources, if any, shall be made available to the trainee before the start of the program.

6. The provider of continuing education services shall create, store and issue any document (course/training materials, etc.) in the form of a physical and/or electronic document that may have legal consequences in relation to the receipt of continuing education training.

Article 12 - Organizing the training process

1. The training process organized as part of the continuing education course/training shall be carried out by means of lectures and discussions of practical cases. The duration of the lecture shall not be less than one hour.
2. The curriculum of the course/training shall be prepared and the lectures shall be given by instructors/experts with a high level of qualification and professional reputation, who have an in-depth knowledge of the relevant subject/topic and not less than 1 year of theoretical and practical experience.
3. The lecturing process shall be interactive.
4. The learning environment, including the electronic environment, shall be appropriate and meet modern educational requirements.
5. It shall be mandatory to obtain a feedback (evaluation) from the trainees (including feedback on the lecturer/instructor) at the end of the course/training as well as course attendance records which shall be kept for the period of 6 years for verification purposes.

Article - 13 Liability

Failure to comply with the requirements set forth in this Rule shall result in the liability of accountants providing professional services and accounting firms as provided by law.