

Abstract

This thesis presents an analysis of potential drivers of the numbers of suspicious transactions as precursors to money laundering conducted on the European Union Member States between 2016 and 2021, and subsequently assesses the efficiency of the existing list of EU-recognized predicate offences to money laundering and financing of terrorism during this time period. Another contribution of this thesis is the consideration of the COVID-19 pandemic and assessment of its potential effects. This thesis used a newly compiled dataset containing EU-recognized predicate offences, enforcement factors, and macroeconomic indicators. Based on the results of this analysis, the main drivers of suspicious transaction levels in the European Union between 2016 and 2021 were drug-related offences and the presence of the global pandemic of COVID-19. Subsequently it was concluded that the list of predicate offences as recognized by the European Union was possibly not efficient in identifying plausible streams of money laundering during the analyzed period. Policy recommendations that could arise from this analysis include promoting consistent reporting of indicators used in international legislation to allow for the development of a stronger data-based structure for further policy evaluation and improvement.

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