June 2025

Financial Crime Dashboard Latvia

"The ML/TF risks identified in previous NRAs, which arose from the former status of Latvia as a regional financial centre, no longer poses a notable threat and are no longer significant in the current reporting period 2020 - 2022….The geography of the flow of funds of customers of the Latvian banking sector has changed significantly in the current reporting period compared to the NRA 2020 reporting period. The number of payments with Russia and Belarus has fallen significantly, while the number of payments with Lithuania have increased by a factor of more than two and a half. Lithuania is one of Latvia's largest foreign trade partners, and a significant number of Latvian natural persons and legal entities have opened accounts with Lithuanian financial institutions. At the same time, there is a risk that the growing ML risks in the Lithuanian financial sector may cause risks of negative side-effect also in Latvia, if not managed properly". - **Latvia ML/PF/TF NRA 2023**

Key Harms & Effects

9% of public service users paid a bribe in Latvia & **20%** believe corruption is increasing in 2020.	A total of **23,000** fraud cases were committed in 2024, which was more than double those in 2022.	Shadow Economy Index in the Baltic States, found **26.5%** of GDP in Latvia in 2022.	**15,016** people in Latvia with illegal drug use disorders **0.8%** of country - 2021.	**3.4** in 1,000 prevalence in Latvia & approx **6,000** Human Trafficking victims - 2023

Key Financial Crime/Money Laundering/Terrorist & Proliferation Financing Threats Identified by Latvia

"The risk of ML in Latvia is medium high"…"The risks of TF in Latvia are low"… "The PF risks in Latvia are medium low"…"The risk of violation & circumventing financial restrictions in Latvia is assessed as "medium" and the level of risk of sectoral sanctions violation & circumventing in Latvia is assessed as medium high". "Tax related predicate crimes pose a high ML threat, while fraud, illegal movement of excise goods and the illegal movement of drugs and criminal offences committed in state service pose a medium high ML threat"…Human trafficking & Environmental Crime..pose a medium low ML threat" - **.Latvia ML/PF/TF NRA 2023**

Tax Crimes	Fraud (Cyber Enabled/Digital)	Illegal Movement of Excise Goods	Drug Trafficking	Bribery & Corruption
Human Trafficking	**Environmental Crimes**	**N/A**	**N/A**	**N/A**

Additional Threats Threats Identified By Third Parties

Human Trafficking (See 16,17 & 37 below)	Proliferation (See 10 Below)	Illegal Drug Use (See 6, 7, 11 & 30 Below)	Financial Crimes (See 12 & 34 Below)	Organised Crime (See 4 & 40 Below)

Sanctioned (Material Sanctions including for Financial Crimes related activities and WMD Proliferation) - By

United Nations - No	USA - No	- No	- No	- No

Threat Metrics KPIs By Third Parties

3/45 - RED	9/45 - AMBER	31/45 - GREEN	2/45 - N/A	Mostly GREEN

1	GDP Economic Size - US$42.25 Billion - GDP - 2023) Advanced Country	G	16	Global Slavery Index 2023 6,000 Estimated numbers of modern day slaves	G	31	OC Index 2023 Arms Trafficking 3.5/10	G
2	GDP per Capita (US$22,502 per capita - (2023)	A	17	Global Slavery Index 2023 GSI 3.4/1,000 Incidence of human trafficking	A	32	OC Index 2023 Illicit Trade in Excisable Goods 6/10	A
3	World Economic Forum Security (OC, Terrorism,Homicides, Police) 80 (2019) - 51/114 (70.7/42/86/59)	G	18	US Dept of Labor Child Labour - Not included	G	33	OC Index 2023 Wildlife 2/10, Timber Trafficking 1.5/10, Illegal Mining 2/10 (Flora up 0.5 from 2021)	G
4	World Economic Forum Organised Crime 70.7 (2019) - 38/141	A	19	IOM Migration 2020	N/A	34	OC Index 2023 Financial Crimes 6.5/10	R
5	Numbeo Crime Survey 2023 37.68/100 - 98/142 (1 being the worst)	G	20	Illegal Unreported and Unregulated (IUU) - IUU Fishing Index 2023 1.9/5	G	35	OC Index 2023 Cyber Dependent Crime 6/10	A
6	Illegal Drug Dependency Disorders Number US Inst Health Metrics & Evaluation 2021 - 15,016	G	21	EU Listing of Countries for Illegal Fishing Not Included	G	36	OC Index 2023 Extortion & Protection Racketeering 3.5/10	G
7	Illegal Drug Dependency Disorders Share US Inst Health Metrics & Evaluation 2021 0.8% (0.9% in 2019)	G	22	US DoS - Wildlife Trafficking 2021 Focus / Countries of Concern - Not Included	G	37	OC Index 2023 Human Trafficking 5/10 (up 0.5 from 2021)	A
8	TI Corruption Perceptions Index 2024 60/100 (36/180 - 2023) (59 in 2022 / 53 in 2013)	G	23	UNODC Thefts 2016 Score 739 ranked 18/74	G	38	OC Index 2023 People Smuggling 4.5/10 (up 1 from 2021)	G
9	TRACE 2021 Bribery Risk Matrix Ranked NA	N/A	24	Global Financial Integrity 2017 Advanced Economy	R	39	OC Index 2023 Criminal Actors 3.3/10 (down 0.08 from 2021)	G
10	Proliferation Index - PPI 2021/22 Threat Tier 1 High Threat Level	R	25	EUIPO & OECD Counterfeit Goods 2016 Propensity to Export Counterfeit Goods 0.036 OCI 2023 - Trade in Counterfeit Goods 6/10	A	40	OC Index 2023 Foreign Actors 4.5/10, Mafia-Style 4/10, Criminal Networks 3.5/10, Private Sector Actors 2.5/10, State Embedded Actors 2/10 (Mafia up 0.5 from 2021)	G
11	US Dept of State 2023 INCSR Vol 1 Not Included	G	26	EU List of None Co operative Jurisdictions for Tax purposes 2023 - Not Included	G	41	Estimated Corruption Proceeds 1% of GDP as per EU Assessment US$425 Million	G
12	US Dept of State 2023 INCSR Vol II Not Included	G	27	Tax Justice Network - Financial Secrecy Index 2022 100/141 Countries Secrecy Score 51/100 0.24% FSI Share	G	42	Estimated Fraud Losses 2019 6.05% of Global GDP - US$2.5 Billion	G
13	US DOS 2023 Country Reports on Terrorism Not Included	G	28	Tax Justice Network - Corp Tax Haven Index 2024 38/70 Countries - CTHI 71 & 0.6%	A	43	Estimated Money Laundering 2.7% of GDP US$1.14 Billion	G
14	Global Terrorism Index 2023 GTI - Impact - "Very Low" Impact 0 (=93rd/last)	G	29	OC Index 2023 Criminality 3.9/10 (up 0.39 from 2021) Overall 156/193; 35/44 Europe; 4/8 N Europe	G	44	Estimated Organised Crime (POC) 41% of POC (45 below) is US$615 Million	G
15	Sanctioned by UN, USA, EU, UK or Others (Australia, Canada, JP CH) - Not included	G	30	OC Index 2023 Drugs Synthetics 5.5/10, Cocaine 5.5/10, Cannabis 5.5/10, Heroin 4.5/10 (Co/Syn up 0.5 from 2021)	A	45	Estimated Financial Crime - Proceeds of Crime (POC) 3.6% of GDP US$1.5 Billion	G

Key Sector Risks & Vulnerabilities 🇱🇻 Identified by Latvia

*"In the financial sector as a whole, during the reporting period ML risk has decreased. In the IMC, PI/EMI, FCT & credit institution sectors, it has changed from "**medium-high**" to "**medium**". During the NRA 2020 reporting period, many comprehensive improvements of the ML/TF prevention & enforcement system were made, &, during the NRA 2023 reporting period, their positive effects are visible".* Investment Firms are rated as a"**medium high**", along with Outsourced Accountants, Gambling & Lotteries, Real Estate Agents & Tax Advisers. Others see below are rated "**medium**". - **Latvia ML/PF/TF NRA 2023**

Investment Firms	**Credit Institutions Payment & E Money Instns**	**Investment Management CO's, Cash in Transit**	**Alt Inv Fund Managers, VASPs,**	**Licensed Consumer Credit, Credit & Leasing Services**
Outsourced Accountants, Gambling & Lotteries	**Real Estate Agents, Tax Advisers**	**Lawyers & Advocates, TCSP, Financial Consultants**	**Precious Metals & Stones Traders**	**Vehicle Sales & Brokerage**

Response Metrics KPIs 🇱🇻 By Third Parties

2/45 - RED	6/45 - AMBER	30/45 - GREEN	7/45 - N/A	Mostly GREEN

1	OECD - Global Forum on Transparency & Exchange Info for Tax Purposes 2023 - Largely Compliant	G	16	OC Index 2023 - Resilience 7.58/10 (up 0.27 from 2021) Overall 11/193 countries, 8/44 Europe & 6/8 in N Europe	G	31	European Union Third Country Grey List Not Included	G
2	Global Slavery Index 2023 Country Response Rating 59/100	A	17	OC Index 2023 National Policies & Laws 8.5/10 (up 0.5 from 2021)	G	32	FATF Report Date of Publication 2018 (FUR 2019)	G
3	US DoS Trafficking in Persons 2024 Tier 2 - 2023)	A	18	OC Index 2023 AML 6/10 (up 0.5 from 2021)	A	33	FATF Grey List - Strategic AML Deficiencies (Including Suspensions) - Not Included	G
4	Proliferation Index - PPI 2021/2022 Controls 991/1300 High Controls score	G	19	OC Index 2023 International Co Operation 8/10	G	34	FATF Black List - Strategic AML Deficiencies & Call for Counter Measures - Not Included	G
5	Global Cybersecurity Index 2020 97.28 (15/182)	G	20	OC Index 2023 Political Leadership/Governance 7/10 (down 0.5 from 2021)	G	35	Gov Spending on Public Order / Law & Order Knoema 2016 % of GDP - NA	N/A
6	PWC Crypto AML Regulation 2025 Crypto Regulated for AML/CTF - Not Included	N/A	21	OC Index 2023 Prevention 9/10	G	36	Country National Risk Assessment 2023 Covers ML/TF/PF Published 2023 (prior NRA in 2020)	G
7	Open Ownership BO Transparency - Registers 2023 Central/Public Register Not Committed/Not Implemented	N/A	22	OC Index 2023 Justice System & Detention 9/10 (up 0.5 from 2021)	G	37	Financial Information Sharing Partnership Yes - Latvian Cooperation & Coordination Group est 2018 with 293 mtgs in 2024	G
8	Freedom House 2025 Freedom Index 89/100 "Free"	G	23	OC Index 2023 Law Enforcement 8/10 (up 0.5 from 2021)	G	38	FIU FTE 68 employees at end 2022 (16 in 2010,18 in 2018, 54 in 2019) - FTE/STR ratio 1:81	A
9	Heritage Foundation 2025 Economic Freedom Index - 72.8/100 "Mostly Free"	G	24	OC Index 2023 Gov Transparency/Accountability 6.5/10 (up 0.5 from 2021)	G	39	Suspicious Trnx Reports (STRs) filed with FIU 5,501 STRs in 2024 (6,364 in 2022/6,617 in 2018)	N/A
10	Basel AML Index 2024 4.08/10 - 145/164 (1 being the worst)	G	25	OC Index 2023 Territorial Integrity 8.5/10	G	40	STRs Dissemination and Conversion (517 reports disseminated to LEA in 2024 - No of STRs included not available, down from 565 in 2023 and 569 in 2022)	N/A
11	World Bank Regulatory Quality (2021) from WB Global Gov Indicators 1.17 - 10/191 (1 the best)	G	26	OC Index 2023 Economic Regulatory Capacity 8/10	G	41	Money Laundering Convictions 59 criminal ML cases in court, 102 persons charged in 2019 (up from 23/54 in 2018)	R
12	Institute for Crime & Justice Policy Research 2021 Imprisonment 165/100,000 (3,124 persons)	NA	27	OC Index 2023 Victim & Witness 7.5/10	G	42	Human Trafficking Convictions US TIP 2022 5 HT convictions in 2021 & US$374,000 seized	R
13	Environment Performance Index 2022 Score 61.10 (15/180)	G	28	OC Index 2023 Non State Actors 7/10	G	43	Enforcement of the OECD Anti-Bribery Convention 8 cases commenced and 1 conviction between 2018-2021	A
14	World Justice Project Rule of Law Index 2023 Score 0.73/Rank 22/140	A	29	FIU Egmont Member Yes since 1999	G	44	Assets Seized Assets frozen 2013-2017 at €187M (US$216M) or US$43M a year on av - 3% of POC In 2023 - €199.39M (US$232M) seized - 15% of POC	G
15	Open Budget Index 2021 Budget Transparency Scores - Not Included	N/A	30	Interpol / Europol Interpol Member YES - Europol Yes	G	45	Assets Confiscated Assets confiscated 2013-2017 at €140M (US$162M) or US$32M a year on av - 2% POC In 2023 - €96M (US$111M) seized - 7.4% of POC	G

FATF Ratings 🇱🇻 Report 2018 & FUR 2019

2/51 - RED	8/51 - AMBER	41/51 - GREEN	0/51 - N/A	Mostly GREEN

FATF 40 Recommendations MER 18 & FUR 19								
R1	Assessing Risks & Applying a Risk Based Approach	C	R18	Internal Controls & Foreign Branches & Subsidiaries	LC	R36	International Instruments	C
R2	National Cooperation & Coordination	C (LC)	R19	Higher Risk Countries	LC	R37	Mutual Legal Assistance	LC
R3	Money Laundering Offence	LC	R20	Reporting of Suspicious Transactions	LC	R38	Mutual Legal Assistance , Freezing & Confiscation	LC
R4	Confiscation & Provisional Measures	C	R21	Tipping Off & Confidentiality	C	R39	Extradition	LC(PC)
R5	Terrorist Finance Offence	LC	R22	DNFBPs CDD	LC(PC)	R40	Other Forms of International Cooperation	LC(PC)
R6	Targeted Financial Sanctions related to Terrorism & TF	LC(PC)	R23	DNFBPs Other Measures	LC			
R7	Targeted Financial Sanctions related to Proliferation	LC(PC)	R24	Transparency & BO's of Legal Persons	LC	FATF 11 Immediate Outcomes (IO's)		
R8	Non Profit Organisations	LC(PC)	R25	Transparency & BO's of Legal Arrangements	LC	1	Assessment of Risk Co Ordination & Policy Setting	ME
R9	FI Secrecy Laws	C	R26	Regulation & Supervision of FI's	LC(PC)	2	International Co Operation	SE
R10	Customer Due Diligence	LC(PC)	R27	Powers of Supervisors	C	3	Supervision	ME
R11	Record Keeping	LC	R28	Regulation & Supervision of DNFBP's	LC(PC)	4	Preventative Measures	ME
R12	Politically Exposed Persons	LC	R29	Financial Intelligence Unit	LC	5	Transparency & Beneficial Ownership	LE
R13	Correspondent Banking	LC	R30	Responsibilities of LE & Investigative Authorities	LC	6	Financial Intelligence	ME
R14	Money or Value Transfer Services	LC	R31	Powers of LE & Investigative Authorities	LC	7	ML Investigations & Prosecutions	ME
R15	New Technologies	LC	R32	Cash Couriers	LC(PC)	8	ML Confiscations	ME
R16	Wire Transfers	LC	R33	Statistics	LC	9	TF Investigations & Prosecutions	ME
R17	Reliance on Third Parties	LC	R34	Guidance & Feedback	C	10	Prevention of Terrorism & TF	ME
			R35	Sanctions	LC	11	Prevention of WMD Proliferation	LE

Suspension - Not Included	Grey List - Strategic Deficiencies - Included 2018- 2020	Black List - Call for Action - Not Included
Key: C = Compliant, LC = Largely Compliant, PC = Partially Compliant, NC = None Compliant.		Key: HE = Highly Effective, SE = Substantially Effective, ME = Moderately Effective, LE = Low Effective.

Prepared & Published by Financial Crime News / Metriqa Limited / All from publicly available sources - For the RAG Methodology contact the Editor & hyperlinks see www.financialcrimenews.com