

Disclosure of information on measure imposed on credit institution

Supervisory measure against Gorenjska banka d.d., Kranj owing to breaches identified in the area of anti-money laundering and combating the financing of terrorism (hereinafter: AML/CFT)

Information on person responsible for breach	
Business name and registered office of legal person	Gorenjska banka d.d., Kranj, Bleiweisova cesta 1, 4000 Kranj, registration number 5103061000 (hereinafter: the bank)
Information on breach	
Description of circumstances and conduct constituting a breach of the Prevention of Money Laundering and Terrorist Financing Act (Official Gazette of the Republic of Slovenia, Nos. 68/16, 81/19, 91/20 and 2/21 – cor. hereinafter: the ZPPDFT-1)	<p>Banka Slovenije conducted an inspection of the bank in the area of AML/CFT between July 2020 and February 2021. The inspection reviewed the bank's ability to effectively manage the risks of money laundering and terrorist financing (hereinafter: ML/FT risks) in connection with business entities engaged in virtual currency activities.</p> <p>The inspection identified breaches of the first and fourth paragraphs of Article 49 of the ZPPDFT-1, the bank having failed to define a specific adequate procedure for conducting transaction monitoring in connection with business entities engaged in virtual currency activities with whom the bank has entered into a business relationship. Furthermore breaches of the first and sixth paragraphs of Article 69 of the ZPPDFT-1 in connection with the first and second paragraphs of Article 85 of the ZPPDFT-1 were also identified, the bank having failed to put in place an adequate procedure for effectively identifying suspicious transactions that the bank is required to report to the Office for Money Laundering Prevention.</p>
Nature of identified breaches	Breaches of transaction monitoring and effective identification of suspicious transactions
Operational part of order on rectification of breaches	
<p>1. On the basis of an inspection conducted at Gorenjska banka d.d., Kranj, of Bleiweisova cesta 1, 4000 Kranj (hereinafter: the bank), in the area of anti-money laundering and combating the financing of terrorism (hereinafter: AML/CFT), which was initiated on the basis of the request for inspection referenced PBH-24.70-003/20-001 of 10 June 2020, Banka Slovenije finds the bank to have breached:</p> <ul style="list-style-type: none">a) the first and fourth paragraphs of Article 49 of the ZPPDFT-1, by failing to define an adequate procedure for conducting transaction monitoring in the case of firms XXXX and YYYY, with whom the bank has entered into a business relationship, i.e. it manages a current account for them, and whom the bank assessed as posing a high risk from the perspective of money laundering and terrorist financing (the identified breach relates to transactions executed via the current accounts of firms XXXX and YYYY by various legal persons as clients of the bank's customers);b) the first and sixth paragraphs of Article 69 of the ZPPDFT-1 in connection with the first and second paragraphs of Article 85 of the ZPPDFT-1, by failing to put in place an adequate procedure in the case of firms XXXX and YYYY for effectively identifying suspicious transactions that the bank is required to report to the Office for Money Laundering Prevention (hereinafter: the OMLP). <p>To rectify the aforementioned breaches, the bank shall:</p>	

- a) define and put in place an adequate procedure for the ongoing monitoring of all transactions in connection with entities engaged in virtual currency activities, which will allow the bank to effectively identify transactions that deviate from the usual transactions;
- b) put in place an adequate procedure for effectively identifying suspicious transactions in connection with entities engaged in virtual currency activities. As part of this process the bank shall upgrade the existing list of indicators for identifying suspicious transactions, including indicators for identifying suspicious transactions that are tailored to the specifics of the operations of business entities of this type.

The bank shall embark without delay on activities to rectify the breaches cited in point 1 of this order on the rectification of breaches (hereinafter: order). The final deadline for the rectification of the breaches is 30 November 2021. The bank shall also submit a written report to Banka Slovenije within ten days of the final deadline on the measures taken to rectify the breaches, as set out by the first paragraph of Article 251 of the ZBan-2.

2. In connection with the activities to rectify the breaches cited in point 1 of this order, the bank shall draft an action plan clearly defining the activities for the rectification of the breaches, and shall submit it to Banka Slovenije by 30 June 2021.
3. In connection with the activities to rectify the breaches cited in point 1 of this order, the bank shall designate the persons at the bank responsible for rectifying the identified breaches, and shall communicate their names to Banka Slovenije by 30 June 2021.
4. An objection to this order shall not stay its enforcement (third paragraph of Article 343 of the ZBan-2 in connection with first paragraph of Article 151 of the ZPPDFT-1).
5. The breaches identified in this order also constitute misdemeanours pursuant to the penal provisions of the ZPPDFT-1, and Banka Slovenije shall therefore initiate misdemeanours proceedings against the bank and the responsible persons in these cases.
6. In accordance with Article 161 of the ZPPDFT-1, in connection with the imposed supervisory measures Banka Slovenije shall publish the following information on its website after the imposed measure becomes final:
 - the business name and registered office of the legal person or the name of the natural person;
 - a description of the circumstances and conduct that constitute a breach of the ZPPDFT-1 or require the enforcement of the ordered measure;
 - the nature of the identified breaches or the type of deficiencies for which the measure was ordered;
 - the operational part of the decision by which the proceedings are legally finalised, without citation of the business names of the bank's customers;
 - details of any rectification of a breach or implementation of an ordered measure.

Information on any rectification of breach or implementation of ordered measure

The bank submitted an action plan for the rectification of breaches to Banka Slovenije by the stated deadline, communicating the names of the persons at the bank responsible for rectifying the identified breaches in so doing. The bank embarked on the rectification of the breaches without delay, and the final deadline for the rectification of the breaches is 30 November 2021.

Information as to whether judicial review proceedings have been initiated against the decision in accordance with the ZBan-2

Judicial review proceedings have not been initiated, and the decision is *res judicata*.