

DOCTORAL DISSERTATION ASSESSMENT REPORT

by

Assoc. Prof. Dragomir Kirilov Krastev with the University of Communication and Posts, of a dissertation in pursuit of a **doctoral** degree

Higher Education Field 3. Social, Economic and Legal Studies

Professional Field: Economics

Doctoral Programme: Accounting, Audit and Analysis

Author: *Polina Dimitrova Kavrakova*

Title: *Money Laundering in the Non-Financial Sector (Mechanisms. Diagnosis. Preventive Measures)*

Supervisor: *Prof. Lyubka Mladenova Tsenova, PhD*

Assoc. Prof. Zhelyo Stoychev Hristozov

1. Overview of the Presented Materials

By virtue of Order No. 88 dated 5 April 2022 of Boris Velchev, PhD, the Rector of the University of Insurance and Finance (VUZF), I have been appointed as member of the Committee for the Award of Degrees in charge of hearing the defence of the doctoral dissertation titled “Money Laundering in the Non-Financial Sector (Mechanisms. Diagnosis. Preventive Measures)” in pursuit of a Doctoral degree in Higher Education Field 3. Social, Economic and Legal Studies; Professional Field: Economics; Doctoral Programme: Accounting, Audit and Analysis. The author of the dissertation is Polina Dimitrova Kavrakova, a doctoral candidate tutored individually at the Department of Accounting and Audit, supervised by Prof. Lyubka Mladenova Tsenova, PhD, and Assoc. Prof. Zhelyo Stoychev Hristozov.

2. Summarised Biography of the Doctoral Candidate

Polina Kavrakova has a degree in Accounting and Control awarded by the University of Economics – Varna, and a degree in Law awarded by Varna Free University Chernorizets Hrabar. The candidate’s career path that has taken her through various positions at the State Agency for National Security and the Financial Supervision Commission, has also proven essential to the completion of a thesis of merit.

3. Relevance of the Subject Matter Discussed and Appropriateness of the Set Tasks and Aims

The study presented in the doctoral dissertation is relevant in that it addresses the serious threat that money laundering poses to national and international financial security and the severe socioeconomic and political impact that this phenomenon exerts both on society in general, and on each and every one of its members. By seizing control over banking institutions, criminal organisations gain unfair business advantage, which allows them to usurp the remaining economic sectors.

The study is also relevant in that, so far, there have been no dedicated monographic studies exploring the anti-money laundering measures implemented by banking institutions.

4. Understanding of the Issues Discussed

Polina Kavrakova demonstrates excellent knowledge of the issues being discussed thereby and offers a detailed overview of the scientific works that explore the subject matter, such as the those of A. Peychev and T. Trifonov (2001), J. Robinson (2002 and 2005), E. Stavrova (2001 and 2005), St. Mineva (2003), N. Valkanov (2012), etc.

5. Study Methodology

The study sets certain limitations related to regulatory changes and the difficult access to facts. The study is limited to a small number of non-financial entities obliged to implement anti-money laundering measures. The following scientific methods are used in the course of the study: comparative analysis, historical and systematic approach, deductive and inductive reasoning, logical analysis; with the study further employing the following means: observation and detection of trends; analysis of legislative acts that regulate public relations in the field concerned, and review of the existing theoretical works that explore the issue.

6. Characteristics and Assessment of the Doctoral Dissertation

The dissertation comprises 179 pages and consists of an introductory section, three chapters and a conclusion section, which is in line with dissertation structure standards.

The introductory section asserts the relevance of the chosen topic, describes the aims and tasks, and presents the subject matter of the study and the author's thesis thereon.

In Chapter One – “Money Laundering Mechanisms” – Polina Kavrakova explores the very essence of the “money laundering” process and the stages thereof, she examines the different types of offences related to “money-laundering”, and the results of the measures implemented to combat them.

What is worth noting is that this chapter offers ample literature review of publications of Bulgarian and foreign authors that discuss the issue.

Chapter Two – “Organisation of Anti-Money Laundering Efforts” – explores the developments in the regulatory framework, laid down to prevent the paths, methods and means employed in money-laundering, both on Community law level, and within the Bulgarian legal system. Examination is offered of the existing structure of international and national authorities that exert control over money laundering. Presentation is made of the types of international cooperation among national authorities, aimed at attaining better results from anti-money laundering efforts.

Chapter Three – “Diagnosis and Anti-Money Laundering Measures in the Non-Financial Sector” – explores the group of entities from the non-financial sector that are required to apply anti-money laundering measures. Analysis is offered of the preventive measures that the said group of entities are required to implement to prevent money laundering. Indicators are proposed to help monitoring for any money laundering activities. The focus is on due diligence, as a preventive measure that combines all of the rest mentioned. Separate “know your customer” (KYC) operations are examined, whereby the features further indicative of money laundering are listed after every KYC operation.

The manner of information presentation, which boasts a logical unity of facts and analyses, adds up to the dissertation’s merits listed so far in terms of structure and methodology. Thus, the doctoral candidate demonstrates an in-depth understanding of the studied subject. The writing style is appropriate, the text makes proper distinctions between the author’s inferences and analyses, and the works of other authors.

The body of resources and research mentioned above offers a solid basis to accomplish the set study tasks. The doctoral candidate, in each of the three chapters, accomplishes a specific study task.

The conclusion comes as a logical closure of the issues discussed in the separate chapters of the dissertation.

7. Scientific and Practical Contributions, and Significance of the Dissertation

The scientific contributions of the doctoral candidate are demonstrated in two of the major fields required when assessing a doctoral dissertation: enhancement of existing knowledge and practical implementation of the dissertation’s scientific achievements. I fully support the major scientific contributions presented by the doctoral candidate.

Polina Kavrakova makes a few *de lege lata* proposals, which are also to be viewed as contributions of the dissertation, namely:

1. Lowering the threshold of cash that may be transferred across borders from BGN 30,000 to BGN 10,000;

2. Granting autonomy to the Financial Intelligence Directorate with the State Agency for National Security and pronouncing it a separate structure.

The results of the scientific study have a practical application in the form of lecture and study materials.

8. Assessment of Publications Related to the Doctoral Dissertation

The doctoral candidate Polina Kavrakova has enclosed two reports and four articles (one of which co-authored) from various scientific forums. They cover significant aspects of the study and reflect the attained scientific results, which is in line with the requirements of the Act on the Development of Academic Staff in the Republic of Bulgaria.

9. Assessment as to the Fulfilment of the Minimum National Requirements

A statement presented regarding the candidate's fulfilment of the minimum national requirements for awarding a Doctoral degree in Professional Field 3.8. Economics, serves to verify that Polina Kavrakova fully satisfies the established criteria.

10. Doctoral Candidate's Personal Output

The doctoral candidate is highly knowledgeable of the literature and legal framework that the examined issue is based upon. Her list of references includes 59 statutory acts and 80 resources in Bulgarian and English, which basically constitute the most essential part of scientific literature published on the topic to date. No plagiarism claims have been made so far, and Polina Kavrakova has further signed a statement of dissertation originality.

11. Abstract

The abstract reflects the major issues examined by and the scientific contributions of the doctoral dissertation. It has been prepared in compliance with the Act on the Development of Academic Staff in the Republic of Bulgaria.

12. Critical Notes and Recommendations

A few recommendations may be added to the foregoing merits of the dissertation to enhance the candidate's future research work.

Firstly, the definition of "predicate offences" on page 28 of the dissertation would benefit from further specification.

Secondly, it should be clarified on page 45 that the Regulation leads the hierarchy of EU statutory acts based on its secondary law, not in principle.

Thirdly, the dissertation would only benefit if conclusions were presented after every chapter.

The foregoing remarks do not in any way reduce the value of the study. In this regard, I recommend that the doctoral candidate proceeds with her research work related to counteracting the process of “money laundering”. My recommendations have largely to do with the Mrs. Polina Kavrakova’s unquestionable research skills.

13. Personal Impressions

I am not personally acquainted with the doctoral candidate.

CONCLUSION

The doctoral dissertation *contains scientific, applied research and practical results that constitute an original scientific contribution* and **meet all** requirements of the Act on the Development of Academic Staff in the Republic of Bulgaria and the Regulations on the implementation thereof. The materials and research results presented are **fully** compliant with the specific requirements of the Admission and Training of Doctoral Candidates at the University of Insurance and Finance (VUZF).

The dissertation showcases that the doctoral candidate Polina Dimitrova Kavrakova **possesses** in-depth theoretical knowledge and professional skills in Professional Field 3.8. Economics, and further **demonstrates** that she has the qualities and prowess needed to conduct scientific research independently.

Based on the foregoing, I resolutely voice my *positive assessment* of the conducted study, as presented by the aforementioned doctoral dissertation, abstract, results and contributions attained, and *I hereby propose that the honourable Committee for the Award of Degrees award a Doctoral degree* to Polina Dimitrova Kavrakova in Higher Education Field 3. Social, Economic and Legal Studies; Professional Field: Economics; Doctoral Programme: Accounting, Audit and Analysis.

13 May 2022

Reviewer:

(Assoc. Prof. Dragomir Krastev)