# Report on Bachelor Thesis

**Institute of Economic Studies, Faculty of Social Sciences, Charles University**

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|---|---|
| **Student:** | **Michal Smieško** |
| **Advisor:** | **Mgr. Magda Pečená, Ph.D.** |
| **Title of the thesis:** | **The AML/CFT in the European countries: The Impact of Eastern European Geopolitical Tensions** |

***OVERALL ASSESSMENT*** *(provided in English, Czech, or Slovak):*

*Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.*

**Short summary**

Michal Smieško in his hesis investigates the factors and drivers influencing the number of suspicious transaction reports (STRs, „OPO“[1] in Czech) across 35 European countries between 2012 and 2023, with particular attention paid to the effects of Russia's invasion to Ukraine.
He compiled a balanced panel dataset, drawing on information from national financial intelligence units, FIUs (corresponding institutions to Czech Republic´s Finanční analytický útvar MF ČR, FAÚ), macroeconomic data, and conflict-related indicators.

The results of his analysis suggest that inflation shocks and remittance flows are the most consistent drivers of variation in STR reporting. Conversely, periods following above-average GDP growth tend to coincide with lower levels of reported suspicious activity. Other factors—such as unemployment, net migration, foreign direct investment, and the arrival of war refugees—do not show significant effects once country-specific trends are taken into account. Moreover, the analysis finds no statistically significant changes in STR patterns in the aftermath of the Russian invasion.

**Contribution**
The thesis bring some interesting findings, that e.g. it is the central role of macroeconomic instability, rather than short-term geopolitical disruptions, that shapes STR activity across European AML/CFT frameworks. It is e.g. consistent with the overall notion that price instability increases financial system vulnerability and contributes to heightened financial stress among economic actors.
The results also indicate the need for standardized data collection and thorough assessment of STRs as indicators of financial crime (can be elaborated more during the defence).

**Methods**
To my knowledge, the methods used were adequate to the analysis performed.

The empirical analysis uses a fixed effects panel regression model, it accounts for country-specific characteristics and long-term trends, which allows for a clearer distinction between structural influences and shock-induced changes - the analysis integrates structural factors (e.g., macroeconomic and demographic indicators) and situational drivers (e.g., conflict exposure, refugee flows).

**Literature**

[1] Oznámení o podezřelém obchodu

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I did not identify any shortcomings in Michal´s work with literature. Appart from the standard Literature Review chapter, Michal added separate Appendix A on *Extended definitions and AML/CFT framework.*

**Manuscript form**
I did not find any shortcomings in the manuscript form, the thesis is extensive, however logically structured, easy to follow, clear in hypotheses tested, results and their interpretation. The level of (English) language and formulation skills are high.

The results of the Urkund analysis do not indicate significant text similarity with other relevant available sources, all similarities are well sourced. The similarities are attributable to quoting legal texts, especially in Appendix A.

**Suggested questions for the discussion during the defense**

- I suggest Michal elaborates on to what extent the STRs are actually indicators of crime (convicted crime) – is there any empirical analysis focusing on estimating relationship between these two.

**In my overall view, the thesis is very good, fulfills the requirements for the bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest grade A.**

***SUMMARY OF POINTS AWARDED*** *(for details, see below):*

| **CATEGORY** | | **POINTS** |
|---|---|---|
| *Contribution* | *(max. 30 points)* | 21 |
| *Methods* | *(max. 30 points)* | 30 |
| *Literature* | *(max. 20 points)* | 20 |
| *Manuscript Form* | *(max. 20 points)* | 20 |
| **TOTAL POINTS** | *(max. 100 points)* | **91** |
| **GRADE** | **(A – B – C – D – E – F)** | **A** |

***NAME OF THE REFEREE: Mgr. Magda Pečená***

***DATE OF EVALUATION: 19. 8. 2025***

***Digitally signed (August 19, 2025)***

***Magda Pečená***

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***Referee Signature***

*Please sign the report electronically using one of the following options:*

- *Certified electronic signature*
- *Adobe digital signature*
- *Writing „Digitally signed“, the date and your name above „Referee Signature“*
- *In any case, your name has to be typed, the signature cannot include a scanned picture of your hand-written signature.*

- *Two examples are here:*

Ladislav Kristoufek Digitally signed by Ladislav Kristoufek Date: 2020.08.05 15:14:49 +02'00'

***Referee Signature***

*Digitálně podepsáno (5. 8. 2020):*
*Ladislav Krištoufek*

***Referee Signature***

*Please note that a scan of the report with hand-written signature will not be accepted.*

*Then submit the report to SIS. There is no need to deliver a signed hard copy of the report.*
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***EXPLANATION OF CATEGORIES AND SCALE:***

***CONTRIBUTION:*** *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

***METHODS:*** *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

***LITERATURE REVIEW:*** *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

***MANUSCRIPT FORM:*** *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

***Overall grading:***

| TOTAL | **GRADE** |
|---|---|
| 91 – 100 | **A** |
| 81 - 90 | **B** |
| 71 - 80 | **C** |
| 61 – 70 | **D** |
| 51 – 60 | **E** |
| 0 – 50 | **F** |