Report on **Bachelor / Master Thesis**

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

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):*

Short summary

This thesis investigates the determinants of the number of reports of suspicious transactions (STRs) across EU and neighboring European countries from 2012 to 2023, with a particular focus on the impact of the Russian invasion of Ukraine. Michal developed several interesting hypotheses that are of significant interest to the field of financial crime analysis. In the thesis, Michal finds no statistically significant effect of shifts in STR dynamics in the immediate aftermath of the Russian invasion. However, the thesis elaborates on other important variables, identifying that macroeconomic factors—specifically inflation shocks and remittance flows—show strong statistical significance and are key drivers of variation in STR reporting.

Contribution

The thesis follows a relevant and meaningful topic of economic research, focusing on the drivers of financial crime monitoring. It puts together a range of international and country-specific macroeconomic and geopolitical factors which are evaluated against the measure of suspicious transactions. Altogether, several hypotheses are introduced with appropriate background in the current literature and evaluated empirically. Michal finds that the main drivers of short-term variations in STRs were macroeconomic factors, and that the acute geopolitical shock of the Russian invasion did not show a statistically significant effect. The main limitation for this latter finding is the short time horizon after the invasion, which may not capture its full impact.

Methods

The empirical strategy is clearly motivated and follows established econometric approaches for panel data. The author demonstrates competent handling of the dataset and employs appropriate diagnostic procedures to validate the model choice, including tests for fixed effects and serial correlation. The overall methodological execution seems robust and well-aligned with the research objectives.

Literature

Chapter 2 presents relevant literature and terminology within the context of the thesis's motivation, and the review covers the theoretical and empirical sources well. The sources are referenced in an appropriate way and format, and the discussion successfully establishes the research gap that the thesis aims to address. It does not seem there are bibliographical entries not mentioned in the text.

Manuscript form

The text is logical, well-organized, and concisely written. The manuscript itself attains a high academic quality, and the outputs are well-readable. The inclusion of appendices with extended definitions and results is a particular strength. A few minor inconsistencies are present, such as occasional variation in the reported number of countries (e.g., 35 in abstract and 34 in the most of thesis‘ text). Also, while

Report on **Bachelor / Master Thesis**

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

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**

the tables are informative, some lack detailed descriptions in their captions, requiring the reader to refer back to the main text.

Overall evaluation and suggested questions for the discussion during the defense

To sum up, this is great work attaining a high standard for a Bachelor's thesis. Michal presents a strong command of econometric methods and shows a deep understanding of panel data analysis. However, the reader might benefit from a clearer emphasis on the core finding related to the thesis's title. Given that the thesis is named "The Impact of Eastern European Geopolitical Tensions," the insignificant result of the Russian invasion variable deserves more prominent discussion and interpretation in the conclusion, as this is arguably the most noteworthy and counterintuitive result. Altogether, while the manuscript is comprehensive, some sections could be refined to improve focus and readability.

Suggested questions for the defense:

- Given that your main finding negates your primary hypothesis (H1), how do you interpret the lack of a significant effect from the Russian invasion?
- Baseline model explains about 25% of the variation in STRs. What do you believe are the primary sources of the remaining unexplained variation? Are there other variables you wished you could have included in your analysis?
- Can you comment on the drop in observations from 408 in the panel to 374 in the estimated model? Were these losses due to the application of lags, and does this reduction pose any problems for the inference of the fixed effects estimator?
- Based on your conclusions, what specific policy recommendations would you make to European FIUs and regulators?

In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade B.

The results of the Turnitin analysis do not indicate significant text similarity with other available sources.

Report on **Bachelor / Master Thesis**

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

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**

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

CATEGORY		**POINTS**
Contribution	*(max. 30 points)*	26
Methods	*(max. 30 points)*	28
Literature	*(max. 20 points)*	18
Manuscript Form	*(max. 20 points)*	16
TOTAL POINTS	*(max. 100 points)*	**88**
GRADE	**(A – B – C – D – E – F)**	**B**

NAME OF THE REFEREE: Jan Žalman

DATE OF EVALUATION: August 27, 2025

Jan Žalman

Digitally signed by Jan Žalman
Date: 2025.08.27 11:50:55 +02'00'

Referee Signature

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**