

A semi-annual newsletter issued by the Secretariat of MENAFATF



Dr. Ali Mohsen
Ismail

Dear Brothers and Sisters,

It is my pleasure to communicate with you through the 10th edition of the Newsletter issued by Middle East & North Africa Financial Action Task Force (MENAFATF), which comes at the end of the tenth year of

the MENAFATF in which the Republic of Iraq had the privilege to preside and complement the efforts and achievements by the Member countries which alternately assumed the presidency of the MENAFATF in the previous years. These efforts and achievements lead to strengthening the role of the MENAFATF as a regional body in the fight against Money Laundering and Terrorism Financing and achieving the goals of the group in adopting and implementing the Recommendations of the Financial Action Task Force (FATF) and the related UN Conventions. The MENAFATF also achieved many milestones in 2014. It supported during its 20th Plenary the FATF project related to cutting off the financing of

the terrorism organization (ISIL) and urged the Member countries to cooperate and coordinate in every way with the international community to confront it and suppress the means in its favor. In addition, MENAFATF participated in many of the international and local meetings and workshops that have contributed to the development of the performance of employees in Member countries.

In conclusion, I would like to thank the MENAFATF Member countries, observers and Secretariat for their continuous support, and would like to invite everyone to proceed with their fight against money laundering and terrorism financing and I wish from the Almighty all the success...Peace be upon you.

MENAFATF
President

20th MENAFATF Plenary Meeting

Oman presides the MENAFATF in 2015



The 20th MENAFATF Plenary Meeting was held in Manama, Kingdom of Bahrain from 18 to 20 November 2014. It was chaired by the Republic of Iraq, represented by H.E. Dr. Ali Mohsen Ismail, Governor of the Central Bank of Iraq and the Secretariat was represented by Mr. Adel Al Qulish, MENAFATF Executive Secretary.

The attendees discussed, during the plenary sessions, many of the important topics that addressed a number of issues related to the work of the MENAFATF and its various activities. The plenary decided that the Sultanate of Oman will assume the presidency of the MENAFATF for the year 2015 and the State of Qatar will be the Vice President. The Plenary granted observer status to the Republic of Somalia. The plenary also adopted the procedures of the second round of the mutual evaluation process



and its timetable, in addition to the translated Arabic version of the assessment methodology issued by the Financial Action Task Force (FATF).

In the framework of the follow up process for the first round of the mutual evaluation, the plenary meeting adopted six follow-up reports for Algeria, Syria, Iraq, Oman, Lebanon and Mauritania; an update report for the Kingdom

of Bahrain and two exit reports from the follow-up process for each the Arab Republic of Egypt and the United Arab Emirates. The reports showed the progress made by these countries in the development of anti-money laundering and terrorism financing systems in the light of the assessment reports. The Plenary also reviewed the proposed procedures to follow the voluntary

tax compliance programs among Member countries and approved on the principles stated therein.

During the discussions, the plenary adopted a typology report "MENAFATF Biennial Typologies Report" which contains the most prominent cases provided by the Member countries. The report will be soon published on the website.

Many Member countries' experts in the field of anti-money laundering and terrorism financing participated in the plenary (Jordan, United Arab Emirates, Bahrain, Tunisia, Saudi Arabia, Sudan, Syria, Iraq, Oman, Qatar, Kuwait, Lebanon, Libya, Egypt, Morocco, Mauritania and Yemen), as well as representatives of observer Countries and regional and International organizations (Palestine, France, UK, USA, WB, IMF, GCC, FATF, AMF and EAG).



Adel Hamad
Al Qulish

Celebrating the 10th Anniversary

I am pleased to write on this occasion in which the MENAFATF is celebrating its 10th Anniversary. There is no doubt that this is very special time; we would like to congratulate and thank the Member countries, observers and everyone contributed in the success story and achievements of MENAFATF, as well as those who supported and participated in the celebration in last November.

I would like to extend my special thanks to the Kingdom of Bahrain for its continuous efforts and support since the group was only an idea in 2003, its contribution in hosting and establishing the Secretariat, and its contribution to the financing of the group for

the first five years. These efforts built up to signing Headquarters Agreement between the MENAFATF and the kingdom, and the ratification of His Majesty King Hamad bin Issa Al Khalifa in 2009, in order to strengthen and consolidate the pillars of the MENAFATF to play its role in protecting the region from money laundering and terrorism financing risks.

MENAFATF was established in November 2004 as a result of the regional countries' efforts in fighting money laundering and terrorism financing crimes, and as recognition from their side that protecting their economies and societies from the threats of these crimes requires joint efforts in this field.

MENAFATF has completed a decade of its life and played a prominent role in the Middle East and North Africa in the field of combating money laundering and terrorism financing, whereas it was the link between member countries from one side and the relevant regional and international entities on the other side. It has succeeded in developing and improving money

laundering and terrorism financing fighting regimes in its Member countries through the implementation of assessment and follow-up processes, training programs, carrying out typologies' studies, the promotion of experiences and knowledge exchange, as well as the facilitation of technical assistance in collaboration with the most important international entities. MENAFATF also occupied a prominent place on the international level, as a result of its distinctive relationships with the Financial Action Task Force and FATF-style regional bodies as well as the international organizations working in the field of combating money laundering and terrorism financing and some countries that have a prominent role in this field.

Finally, I would like once again to congratulate and thank the Member countries for their efforts made during the past period and for supporting MENAFATF activities. I would also like to thank the Presidents of MENAFATF who significantly contributed to its development stages, and I look forward to its continuous constructive role in the future.

MENAFATF
Executive Secretary

The National Risk Assessment Committee

On 16 November 2014, the National Risk Assessment Committee held its first meeting and listened to the interventions of Member countries on their progress in the field of national risk assessment and challenges facing them, which could be summarized as challenges of internal coordination between the concerned parties, the methods of collecting information and lack of skills and expertise. The Committee had been briefed about the Arabic version of the Guidance on the National Risk Assessment issued by the Financial Action Task Force (FATF).

In this regard, the Committee members emphasized the importance of political support to overcome the challenges and the importance of determining the scope of the assessment and the required information and intensify the coordination between the concerned entities. The members suggested working on the preparation of an action plan that determines the headlines to be followed by the member countries.

MENAFATF/EAG Joint Typologies and Capacity Building Workshop, Doha, 14-17 December 2014



The Middle East & North Africa Financial Action Task Force (MENAFATF) and the Eurasian Group on Combating Money Laundering and the Financing of Terrorism (EAG) held a joint typologies and capacity building workshop for four days during the period 14-17 December 2014 in Doha, State of Qatar, hosted by Qatar National Anti Money Laundering and Terrorism Financing Committee.

The workshop included three typologies concurrent sessions on December 14 and 15, discussed the topics of "Money Laundering Through the Physical Transportation of Cash", "Illicit Financial Flows and the Use of AML/CFT Tools to Combat Corruption" and "Risks and Threats of Money Laundering

from Cybercrime". This was followed by two consecutive capacity building sessions on 16 & 17 December 2014 which were attended by financial institutions from the private sector. The two sessions discussed the following subjects: "The revised FATF Recommendations and the Role of the Private Sector in the National Risk Assessment" and "Anti-Money Laundering and Combating Terrorism Financing and the New Technologies."

About 200 experts from 28 countries and organizations, more than 60 concerned public entities and nearly 48 financial institutions participated in the workshop and discussed the most important issues related to the above mentioned topics.

Training and Qualifying Assessors, Abu Dhabi, 7-11 December 2014

In collaboration with the Anti Money Laundering and Suspicious Cases Unit in the United Arab Emirates, a workshop was held in Abu Dhabi to train and qualify assessors from 7 to 11 December 2014. Expert speakers from FATF, IMF, WB and MENAFATF participated in this event.

This workshop aimed at training a limited number of experts to assess anti-money laundering and terrorism financing systems and their effectiveness (using the assessment methodology issued in 2013) and focus on the compliance of Member countries with the amended recommendations issued by FATF to combat money laundering and



the financing of terrorism and proliferation in 2012. Experts from different fields attended the workshop (financial, legal and law enforcement). They came from different countries (Jordan,

UAE, Bahrain, Oman, Saudi Arabia, Kuwait, Lebanon, Egypt and Morocco).

A total number of 23 experts participated in the event. They were divided into working groups

and were given exercises related to the technical compliance and effectiveness throughout the days of training, in addition to an exercise related to the virtual mutual evaluation.

The 10th Financial Intelligence Units Forum

FIUs of MEMAFATF member countries met on Sunday November 16, 2014 on the margins of the 20th plenary. The meeting addressed many issues, among the most important one is the amended Charter of Egmont Group, which supports the requirements to comply with (FATF) recommendations especially the recommendations 29 and 40; the meeting also discussed an important issue which is the "strategic analysis" as one of the main functions of the Financial Intelligence Units, whereas the strategic analysis is related to the identification of trends and indicators that appear through the analysis of a set of cases, and that differs from the operational analysis which mainly uses the available information that can be obtained from each case separately. One of the important issues discussed is the results of the study on regional cooperation between the financial intelligence units in the region countries, which have been prepared during the last period. The forum recommended to implement the study's recommendations.

Manama Declaration



During the 20th plenary which was held in the Kingdom of Bahrain, MENAFATF adopted Manama Declaration on Combating the Financing of Terrorism issued on November 9, 2014. MENAFATF urged its Member countries to work and cooperate towards its implementation. The declaration was issued after the meeting hosted by the kingdom of Bahrain on November 9, 2014 related to fighting terrorism financing, which was jointly organized by the Ministry of Foreign Affairs and the Ministry of Finance at the level of senior officials and experts from the concerned participating countries which exceeded thirty countries, in addition to the broad participation of concerned regional and international organizations including UN, IMF, European Commission, FATF and MENAFATF, in order to play its role in

facing challenges related to combating the financing of terrorism groups and activities in the region.

The meeting recommended the full participation in the international frame work for combating the financing of terrorism through effective implementation of the (FATF) recommendations and related UN Security Council resolutions, joining the FATF global network, undergoing regular mutual evaluations, joining the Egmont Group, introducing continuing professional development including sharing of best practices for all those involved in the implementation of CFT, providing prompt and useful international cooperation including mutual legal assistance to other countries to detect and investigate terrorist financing activity.

Workshop on the New Assessment Methodology, Kuwait, 12-16 October 2014

A workshop was held in Kuwait during the period of 12-16 October 2014 on the new assessment methodology. This workshop aims to prepare the Member countries for the second round of mutual assessment process.

The workshop helped providing information about the assessment methodology related to how to implement and assess the technical compliance and the effectiveness and drafting assessments' reports. The participants were divided into working groups for the purpose of conducting a practical exercise on the evaluation of a virtual state and writing an assessment report about it at the end of the day.

A number of financial analysts participated in the workshop, from financial intelligence units, central banks, capital markets, regulators, a number of judges specialized in the field of combating financial crimes and legal analysts from the ministries of finance, public prosecutors, banks supervision and financial institutions from most of the group member countries namely: Jordan, UAE, Bahrain Tunisia, Algeria, Saudi Arabia, Sudan, Syria, Iraq, Oman, Qatar, Kuwait, Lebanon, Egypt, Morocco, Mauritania, Yemen and Palestine.

Regional Workshop on the National Risk Assessment, Beirut, 22-23 September 2014



In cooperation with the Special Investigation Commission in the Lebanese Republic, MENAFATF held a workshop on the National Risk Assessment during the period of 22-23 September 2014 in Beirut, with the participation of expert speakers from the International Monetary Fund, the World Bank and a number of countries that have accomplished or started implementing the national risk assessment process such as the Arab Republic of Egypt, Lebanese Republic, the Kingdom of Spain and the United States.

The workshop targeted candidates from the

member countries on various functional levels from regulatory authorities, supervisory bodies, law enforcement units, financial intelligence units, and anti-money laundering and terrorism financing policies makers. Representatives from many member countries participated in the workshop included: Jordan, Tunisia, Saudi Arabia, Iraq, Sudan, Qatar, Kuwait, Lebanon, Egypt, Morocco and Palestine. The workshop aimed at strengthening and building the capacities of FIUs and regulatory bodies in the member countries which are playing a role in the national risk assessment process.

The Second Round of the Mutual Evaluation Process

As a preparation for the second round of mutual evaluation process, MENAFATF adopted the procedures of the second round, whereas the MEWG held number of meetings during 2014 to formulate and discuss the draft procedures.

The procedures include the general principles, which are the basis of the mutual assessment process, and the rules that govern and control the process stages, in terms of preparing for the onsite visit and providing information about the technical compliance with international standards, and the effectiveness of anti-money laundering and combating terrorism financing systems in Member countries, and the rules regarding the onsite visit, as well as the preparation, discussion and adoption of the final report. The procedures include special rules in cooperation with other

international organizations such as FATF, IMF and WB in the assessment of some Member countries and the mechanism of following up Member countries that will be subject to the assessment process during the second round.

It is expected that the first assessment processes will take place during 2016 which will witness the first onsite visits to the Member countries according to the timetable of the adopted mutual evaluation process program. MENAFATF is currently preparing for the mutual evaluation program through training and qualifying a number of highly qualified assessors in the region to be able to use the new methodology in order to implement the program in a perfect way, in addition to preparing Member countries for the assessment process by organizing special workshops.