

MENAFATF NEWSLETTER



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Dear Brothers and Sisters,

Algeria had the honor to host MENAFATF 14th plenary meeting from 26 to 30 November 2011 at the Hilton Hotel in Algiers. It was a great pleasure for Algeria, particularly for the "Cellule de Traitement du Renseignement Financier (CTRF)", to host such an important event. I would like to praise the leading role of the group in such event.

The 14th Plenary meeting is the second plenary in 2011 during the Algerian presidency. In hosting the meeting, Algeria has used all the capacities and mobilized all the resources to guarantee the success of the plenary meeting and the meetings held on the sidelines, such as the working group meetings, the sub committees in addition to the 4th MENAFATF FIU,s forum.

During the last 7 years, MENAFATF has made many achievements, especially on the



Abdenour Hibouche
MENAFATF President

level of mutual evaluations. We look forward for more achievements as they protect the MENA region against the crime and the flow of illicit funds. We do look forward as well for more cooperation with the international community and counterpart regional organizations.

I would like to take this opportunity to congratulate the FATF which is finalizing the review of international standards to ensure

facilitating the arising international financial challenges as one of the most important reasons. MENAFATF has worked closely with the FATF in the review process.

Algeria had the honor to preside the MENAFATF in 2011. It sought through the presidency year to fully cooperate, whether with the remaining member countries or the observers or MENAFATF Secretariat, with a view to achieve the goals for which the MENAFATF was established in the area of AML/CFT.

At the end, I would like to extend my thanks to all the team members of MENAFATF Secretariat for their efforts and continuous cooperation. And I would like to confirm Algeria full support to the group.

I am pleased to congratulate the Kingdom of Saudi Arabia and wish it the best of luck in presiding the MENAFATF in 2012.

MENAFATF Participation (July - December 2011)

- MENAFATF President and Secretariat, participated in the 19th Egmont Group Plenary, 11-15 July 2011 in Yerevan, Armenia.

- Participation of the MENAFATF – represented by the Secretariat and one Member Country (Islamic Republic of Mauritania) - at Intercessional meeting of the WGTM during the period from 7-9 September 2011 in Paris, France.

- Participation of the MENAFATF – represented by the Secretariat – in the Africa/Middle East Regional Review Group, of the FATF International Cooperation Review Group, 14-15 September 2010, Paris, France.

- Participation of the MENAFATF – represented by the Secretariat and one Member (Lebanon) - in expert group (A) of the working group on evaluations and implementations of the (FATF) during the period from 26-30 September 2011 in Rome, Italy.

- Participation of the Executive Secretary as a speaker at "Anti-Money Laundering (AML) Workshop for Prosecutors and Judges", 9-13 October 2011, in Kuwait.

- Participation of the MENAFATF and some member countries in the plenary meeting of the (FATF), 24-28 October 2011 in Paris, France.

14th MENAFATF Plenary in Algeria

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The 14th MENAFATF plenary meeting was held in the People's Democratic Republic of Algeria from 28 to 30 November 2011. The meeting was chaired by the Algerian Republic, represented by Mr. Abdenour Hibouche, President of "Cellule de Traitement du Renseignement Financier (CTRF)"; The meeting was inaugurated by H.E. Karim Djoudi, Minister of Finance in Algeria.

A large number of AML/CFT experts participated in the Plenary meeting, representing MENAFATF member countries (Jordan, UAE, Bahrain, Tunisia, Algeria, Saudi Arabia, Sudan, Iraq, Oman, Qatar, Kuwait, Lebanon, Egypt, Morocco and Yemen), in addition to observer countries

and organizations (Palestinian Authority, France, USA, World Bank, International Monetary Fund, Gulf Cooperation Council, Financial Action Task Force, Arab Monetary Fund), in addition, Eurasian Group participates for the first time.

The 14th plenary meeting approved on granting the United Nations an observer seat with the MENAFATF; which would enhance the cooperation with the United Nations bodies and organs and enable them to participate in MENAFATF activities, particularly the United Nations Office on Drugs and Crime (UNODC), the Monitoring Team established by the SC/RES/1267 (1999) concerning Al-Qaida and the

Taliban and Associated Individuals and Entities and the Counter-Terrorism Executive Directorate (CTED).

On another level, The Kingdom of Saudi Arabia represented by Dr. Abdulrahman A. Alkalaf, Saudi Arabian Monetary Agency (SAMA) Deputy Governor for Technical Affairs will chair the MENAFATF in 2012. While the Republic of Sudan represented by the Undersecretary of the Ministry of Justice and President of the Administrative Committee for combating ML crimes, Esam- Eldien Abdaelgadeir Al-Zain will be the vice president. The 15th MENAFATF plenary meeting will be held in May 2012 in the Kingdom of Saudi Arabia.

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MENAFATF FIUs in Algeria

Representatives of MENAFATF FIUs participated in the fourth meeting of the Financial Intelligence Units "FIUs" forum organized by MENAFATF and held in the People's Democratic Republic of Algeria on Saturday 26 November 2011. The Forum addressed several topics of mutual interest on its agenda, such as the promotion and follow-up of joining the Egmont Group, the mechanisms proposed by the Sub-Committee for building and promoting the capacities of the FIUs and establishing mechanisms for cooperation with other authorities inside the group. As a part of exchanging expertise based on the best practices, the FIUs of Jordan, Saudi Arabia, Lebanon and Morocco delivered presentations on their experiences with regard to "FIUs Cooperation With Local Counterparts". It is worth mentioning that the Forum aims to establish mechanisms for building and promoting the abilities of FIUs and unify channels of communication to support and exchange expertise between the FIUs to achieve an ongoing regional cooperation in combating ML / TF.

17th MEWG meeting

The 17th MEWG meeting was organized on the margin of the 14th plenary meeting in Algeria on Sunday 27 November 2011. The MEWG has been presided, since its establishment in 2005, by the Arab Republic of Egypt. The MEWG is composed of the following member countries: Jordan, UAE, Tunisia, Algeria, Saudi Arabia, Sudan, Syria, Kuwait, Lebanon, Egypt, Morocco and Yemen, in addition to the following observers: International Monetary Fund (IMF), World Bank (WB) and Financial Action Task Force (FATF). The 14th plenary meeting adopted the MEWG Chair's report which included the decisions and recommendations of the MEWG such as adopting the paper on reinforcing the follow up process, the study on the applicability of R.34 on Waqf and the timelines of mutual evaluation and follow up processes in addition to adopting the proposal on forming a committee of member countries to assess MENAFATF policies vis-à-vis mutual evaluation, which would reinforce MENAFATF role in the second round of mutual evaluations.

13th TATWG meeting

The 13th TATWG meeting was held on the margin of the 14th plenary meeting in Algeria on Sunday 27 November 2011. The TATWG has been presided, since its establishment in 2005, by the United Arab Emirates. The TATWG is composed of 8 member countries: Jordan, UAE, Bahrain, Algeria, Sudan, Lebanon, Morocco and Yemen, in addition to the following observers: Palestinian Authority, International Monetary Fund (IMF), World Bank (WB), Financial Action Task Force (FATF), the United States of America (USA), United Nations Office on Drugs and Crime (UNODC) and Egmont Group. The 14th plenary meeting adopted the TATWG recommendations,

the most important of which were: the typologies project on "Illicit trafficking in narcotic drugs and psychotropic substances and money laundering", the training plan for the years 2012-2014, following up the status of organizing the following events: a seminar on prosecution and judiciaries, the regional conference on "Cross border cash courier: challenges, detection and combating" and a workshop on "Towards a good governance of the NPOs sector and compliance with FATF SR VIII"; As well as continuously coordinating with TA donors to provide the needs of some member countries in technical assistance in order to improve their AML/CFT regimes.



We share with you, like we usually do at this time of the year and after a whole year full of achievements, the electronic newsletter updating you on all the latest events and happenings that have occurred during the last 6 months. The follow up tasks conducted by the MENAFATF to the countries that have been subject to the mutual evaluation process has gained an importance whether at the level of the plenary meeting or the Secretariat as they particularly reflect the current situation of the compliance level and the progressive development for the combating systems in the member countries. The follow up process maintains the country in the right track to guarantee taking the corrective actions required within a definite time frame: the more the action plan set by the evaluation experts is respected, the more the countries' chances to leave the follow up process within a reasonable time period are higher. By that time, the country would have implemented, efficiently and accurately, all the recommendations of the mutual evaluation experts towards a higher compliance with the international standards. This is precisely what the MENAFATF is seeking in general as it has a tangible effect in the countries' participation in the international AML/CFT efforts. As an example of that, a number of countries in the MENA region have been

close to meeting most of the requirements, particularly the main one.

It is my pleasure to say that the FATF has been, and for more than 2 years, conducting a highly important and huge task in reviewing the 40 Recommendations + 9 Special Recommendations as well as introducing important amendments on those recommendations and on the related Interpretive Notes and general frameworks. It is expected to adopt the final revisions at the FATF upcoming plenary meeting to be held in February 2012. Also a new phase of discussions on the mechanism of mutual evaluation is expected to follow; such date falling close to the end of 1st round of mutual evaluation along with the proposal to review all MENAFATF internal policies related to the mutual evaluation process is an issue that is worth all attention and support. I believe we need to be prepared for the upcoming phase which may be different to a certain extent with the difference of some criteria and addition of others or in the way by which the compliance with the criteria will be evaluated in general. I can say, at the current time, that everything indicates a looming challenge; the challenge may increase or decrease reasonably depending on the early preparation, appropriate follow up for all developments and on viewing such issue as a priority that is considered within the countries and the central authorities' strategies related to AML/CFT: This is a fact which is continuously emphasised by the MENAFATF.

Adel Hamad Al Qulish
MENAFATF Executive Secretary

(January - June 2012)

Upcoming Events



• March 2012

- "Tactical Analysis Course" in cooperation with the World Bank and the Special Investigation Commission (Lebanon's FIU), Lebanon.

• April 2012

- International Conference for AML/CFT in collaboration with federation of GCC Chambers, Qatar.

• May 2012

- 15th MENAFATF Plenary Meeting & Meetings to be held on its Margins: (5th Meeting of MENAFATF FIUs Forum, 18th MEWG & 14th TATWG Meetings), Kingdom of Saudi Arabia.

- Second phase of Joint Workshop with the WB for Training Banking Supervisors on AML/CFT Compliance Supervision.

• June 2012

- A Seminar for Prosecution Authorities and the Judiciary, Kingdom of Saudi Arabia.





Workshop on “Towards a good governance of the NPOs sector and compliance with FATF SR VIII”

MENAFATF held in cooperation with the Anti Money Laundering & Counter Terrorist Financing Unit in Jordan and the Charity Commission of the United Kingdom a workshop on “Towards a good governance of the NPOs sector and compliance with FATF SR VIII” on 14 and 15 December 2011 in Amman, the Hashemite Kingdom of Jordan.



The workshop was inaugurated by Mr. Adel Hamad Al Qulish, MENAFATF Executive Secretary, Mrs. Dana Tahsin Junblatt, Chief of the Anti Money Laundering & Counter Terrorist Financing Unit in Jordan and Mr. Nigel Tarling, head of the international programme at the Charity Commission in the United Kingdom. The workshop was attended by 40 experts from member countries; this workshop aimed at increasing the awareness and identifying the risks of misusing NPOs in ML/TF operations as well as understanding the current basis for the review of such sector and the supervisory functions and using a better supervision to combat the misuse of the sector in general. The workshop takes place at an important phase following the spread of the NPOs in the region, which inevitably force the competent authorities to improve such sector and reinforce the awareness and the supervision techniques of the concerned entities in this field.

A meeting to discuss a report on “Illicit trafficking in narcotic drugs and psychotropic substances and money laundering”

MENAFATF Secretariat hosted in its headquarters in Manama, Kingdom of Bahrain, a number of experts specialized in combating money laundering and illicit trafficking in narcotic drugs and psychotropic substances from the member countries, within the framework of the study conducted by MENAFATF on the illicit trafficking in narcotic drugs and its relation with ML offense, being one of the most widespread predicate offense in the world.

During the 2 days meeting held on 12 and 13 October 2011, the experts reviewed the risks of the illicit trafficking in narcotic drugs and psychotropic substances and money laundering and the negative effects related thereto. The experts discussed as well a number of case studies which reveal the modern methods and techniques adopted and followed by the drugs traffickers in laundering the proceeds of their operations as a means to “legitimize” such proceeds.

In light of such meeting, MENAFATF submitted the draft report to the 14th plenary; the 14th plenary meeting held in November 2011 in the People’s Democratic Republic of Algeria discussed and adopted the said report.

The report helps understand more the nature of the illicit trafficking in narcotic drugs, its scope and the risks emanating there from. It helps as well identify the most modern techniques used in cultivating, smuggling and illicit trafficking in narcotic drugs, which would call for developing better means in order to support the efforts exerted by the concerned entities in combating the crimes of illicit trafficking and laundering the crime proceeds and help them perform more efficiently their role to trace the criminals.



MENAFATF in FATF meetings in France

MENAFATF participated in the first FATF plenary meeting of FATF-XXIII held in Paris, France Republic on 27 - 28 October 2011, represented by the Secretariat and the following member countries: Tunisia, Algeria, Sudan, Lebanon and Morocco.

The plenary meeting reached a number of results, most important of which were: updating two public documents as part of its ongoing work to identify jurisdictions that may pose a risk to the international financial system. The follow up report to the mutual evaluation report of Greece was published in addition to publishing a statement on the voluntary tax compliance programme in Bangladesh.

Within the latest developments made by FATF on revising the amendments of some of the 40 Recommendations and 9 Special Recommendations, FATF has achieved a large progress in order to ensure that they continuously provide a comprehensive AML/CFT framework and build on the experience acquired from the third round of mutual evaluations; there is a broad agreement on the proposed revisions of FATF standards.

On another level, FATF received a significant number of responses in the 2nd round of public sector consultations and they were considered and discussed. A number of the items have already been considered by the FATF as part of the revision of the FATF Standards.

All the responses were gathered in order to consult the private sector on the amendments proposed to the recommendations through the FATF Consultative Forum held in December 2011.

It is worth noting that FATF will thereafter hold a Special Plenary meeting in January 2012 to lay down, on a final basis, the revised Recommendations, which are expected to be adopted in February 2012.

MENA countries discussed in Bahrain the latest amendments on the international standards

The MENAFATF held during on 11 and 12 September 2011 a technical meeting hosted by the Central Bank of Bahrain in Manama, Kingdom of Bahrain to discuss the latest amendments made by the FATF to the AML/CFT international standards.

The meeting was attended by 20 representatives from the member countries and one representative from the Secretariat General of the Cooperation Council for the Arab States of the Gulf, in order to discuss the latest amendments made recently by the FATF on the AML/CFT international standards.

During the meeting, a number of the FATF AML/CFT 40 Recommendations and 9 Special Recommendations were discussed. The meeting’s objective was to inform the member countries of a more comprehensive view on the latest amendments made recently and identify any new issues that could represent in the future a challenge for full compliance.