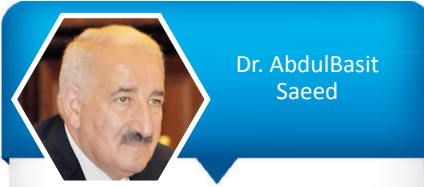


A semi-annual newsletter issued by the Secretariat of MENAFATF





Dr. AbdulBasit Saeed

It is my pleasure to welcome you in this issue of MENAFATF newsletter, which highlights the most important activities and events of the Group during the first half of the year, thanks to God help and the efforts of members and observers. I ask God almighty to help us improve and better serve our people and countries towards a

promising future under a joint and collective work to fight money laundering and terrorist financing on the level of the MENA region and Arab countries as a whole.

The MENAFATF has been providing, during a decade of its age, the best support possible to the FIUs in the region regardless of their dedications and structures; with the current ongoing consecutive meetings and international forums being the greatest proof. The MENAFATF has also been keen on providing a consistent framework to unite all efforts with a view to protect our economies and people and to stay-up-to-date with the international AML/CFT efforts and cooperate with the related

bodies, particularly the FATF.

No doubt that the future unfolds many challenges and serious responsibilities; therefore, the Presidency is keen on using international standards as an independent and objective professional standards in the MENAFATF work, mutual evaluations and re-evaluations as well as the related reports based on its belief that it represents the backbone of its successful path.

At the end, I cannot but praise the Secretariat work and achievements which require a lot of efforts and time and wish them the best and success. I ask God as well to accept our efforts and help us for the benefit of all.

19th Plenary Meeting



The Plenary Meeting establishes a regional committee for National Risk Assessment

The 19th Plenary meeting was held in Manama, Kingdom of Bahrain from 16 to 18 June 2014 and was presided by the Republic of Iraq. Many topics were discussed during the plenary sessions, on the Group activities and work, among others: establishing a regional committee on national risk assessment to assist member countries in establishing and developing regimes to conduct and assess ML/TF risks on the national level within the scope of preparing for the 2nd round of mutual evaluation process. The committee will monitor and trace appropriate information on the regional and international levels and inform the countries about them, develop materials and tools to help national risk assessment, as well as encourage



and coordinate the process of exchanging expertise among members in this regard. Within the scope of discussing the financial inclusion as one of the important topics, FATF and World Bank representatives delivered presentations to explain the relation with AML/CFT requirements and how to maintain those requirements

while achieving the objectives of the financial inclusion. On another level, the plenary meeting approved that the MENAFATF follows up the voluntary tax compliance programs among members, if any, and adopted 9 follow up reports for the following countries: UAE, Algeria, Sudan, Syria, Oman, Kuwait, Lebanon, Egypt and Mauritania and 3 exit

reports for each: KSA, Yemen and Tunisia. Those reports revealed the progress made by those countries in improving their AML/CFT regimes. A large number of AML/CFT experts participated in the Plenary meeting, representing MENAFATF member countries (Jordan, UAE, Bahrain, Tunisia, Algeria, Saudi Arabia, Sudan, Syria, Iraq, Oman, Qatar, Kuwait, Lebanon, Libya, Egypt, Morocco, Mauritania and Yemen), in addition to observer countries and organizations (Palestine, Republic of France, the United Kingdom, the United States of America, World Bank, International Monetary Fund, the Cooperation Council for the Arab States of the Gulf, Financial Action Task Force, Arab Monetary Fund and the United Nations).

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Security Council Resolutions

Within the scope of achieving MENAFATF objectives, its role in reducing and mitigating terrorist acts which represent a threat to the international Peace and security is noticeable. As the MENAFATF has closed the first round of mutual evaluations for members, the results revealed a set of common issues worldwide in the area of combating terrorist financing and terrorist acts, such as the absence of fully consistent procedures with UNSC Resolutions with respect to freezing assets and funds of terrorist individuals and entities. The MENAFATF has been able to monitor the progress achieved by members

through the regular follow up process; as they have issued legislations which allow them, without delay, to freeze the assets and funds of terrorist individuals and entities pursuant to UNSCR 1267 (1999) and UNSCR 1373 (2001) and the subsequent resolutions. As well, the efforts exerted towards increasing public awareness about the seriousness of such crimes on the region level as well as increasing communication with the MENAFATF in order to overcome the challenges and achieve compliance with the international standards were also recognized.

In this context, the MENAFATF held in collaboration with the Anti Money Laundering and Counter Terrorist Financing Unit of Jordan and the UN Counter-Terrorism Committee Executive Directorate (CTED) a regional workshop on the effective implementation of UN Resolutions and the related resolutions in October 2013 in Amman. The MENAFATF held as well another workshop in collaboration with the CTED in Tunisia in May 2014 on

freezing terrorist assets by virtue of UNSCR 1373 (2001). Both workshops reflected the best practices on assessing risks and terrorist threats, identifying the competent authority for seizing and tracing terrorist funds, as well as the related coordination, cooperation and exchange of information. Both workshops addressed the challenges posed against the countries in this area, such as similar names and lack of information on some individuals whose names are listed under UN lists and the difficulty of facing the fast development in technology in the financial sector, which limit the process of detecting the funds movement and make it extremely difficult.

The MENAFATF is keen on overcoming the challenges and combating terrorist financing and terrorist acts; it seeks to coordinate efforts in this area with the regional and international counterparts, provide support and donations from such parties under different forms, whether in participating in workshops and programs or through the technical assistance provided to countries as well as other means.

MENAFATF
Executive Secretary

Freezing terrorist assets by virtue of UNSCR 1373, Tunisia, 28-30 May 2014

The CTED organized in coordination with the MENAFATF a regional workshop on freezing terrorist assets by virtue of UNSCR 1373 (2001) in Tunisia – May 2014; The workshop was the 7th and last one held as part of the initiative launched during the Experts meeting in Amsterdam (October 2012) in order to assist countries around the world to develop and enhance the mechanisms of freezing assets and which was held specifically for the French Speaking African countries (Francophone African countries). The workshop aimed at covering a series of important related topics such as identifying terrorist risks and threats, identifying the authorities competent with seizure and tracing terrorist assets and how to coordinate and cooperate and exchange the related information.

9th FIUs Forum Meeting



On the margin of the 19th plenary meeting held in Manama, Kingdom of Bahrain (16-18 June 2014), the 9th FIUs forum meeting was held and discussed a set of important topics, among others: encouraging and following up the Egmont Group membership, the forum heard an update made by non-Egmont Group member FIUs on their stances in this regard and the most important results of their efforts. In the area of exchange of expertise based on the Best Practices, the forum discussed FIUs readiness for the second round of evaluations in

light of the revised recommendations and the new assessment methodology. A presentation on national risk assessment was made by the EMLCU (Egypt FIU). The forum tackled as well the topic of reinforcing and building FIUs capacities; heard the report of the Subcommittee Chairman on the work progress and the most important topics discussed at the 8th sub-committee meeting: It is worth to mention that the Moroccan FIU has translated the Egmont Charter (2013) and Egmont principles for Information Exchange into Arabic.

Tunisia, Saudi Arabia and Yemen exiting the follow-up process

The 19th plenary meeting discussed follow-up reports for several countries, among others, reports for Tunisia, Saudi Arabia and Yemen moving from regular follow up. The reports revealed the extent of progress made by those countries in improving their AML/CFT regimes since the mutual evaluation

process. The follow up process is among the tasks under the evaluation process undertaken by the MENAFATF and aims at encouraging countries to correct the deficiencies identified in the mutual evaluation report within a reasonable timeframe. The country needs to submit a request to be moved

from regular follow up to biennial update. The request should indicate that it has met the criteria required for removal from regular follow up. In this case, the country would provide a full report including all necessary laws, regulations and other information to assess effectiveness.

AML/CFT-Role of institutions operating in securities and insurance



In a joint event, the Middle East and North Africa Financial Action Task Force and World Bank held in collaboration with the Moroccan Financial Information Processing Unit a regional workshop on “The Role of the Non-Banking Financial Institutions (Institutions Operating in Securities and Insurance) in Combating Money Laundering and

Terrorism Financing” with the participation of experts from the World Bank from 3 - 5 February 2014, Casablanca - Kingdom of Morocco. The workshop discussed the importance of non banking financial institutions’ role in fighting money laundering and terrorist financing operations and the mechanisms of dealing with the inherent risks through strengthening

the supervisory system and enhancing the technical ability of both institutions and public supervisory authorities working in the area of securities and insurance, regarding the risk assessment requirements, applying the due diligence measures (CDD) and the risk based approach (RBA). The workshop targeted various professional levels (compliance officers)

of Insurance and Securities institutions as well as supervisory professionals and employees of onsite/offsite inspection of non-banking financial institutions, specifically insurance and securities institutions. 57 participants from UAE, Bahrain, Tunisia, KSA, Iraq, Lebanon, Egypt, Morocco, Yemen, and Palestine, attended the workshop.

The 40 Recommendations and the new Assessment Methodology: Amman, 26-30 January 2014



Within the preparation program for the second round of mutual evaluation, and in collaboration with Anti Money Laundering and Counter Terrorist Financing Unit of Jordan, MENAFATF held a regional workshop on “The FATF 40 Recommendations and New Assessment Methodology” with the participation of experts from the Financial Action Task

Force (FATF), the International Monetary Fund (IMF) and the World Bank (WB) during the period from 26 to 30 January 2014, in Amman, the Hashemite Kingdom of Jordan.

This workshop discussed FATF revised recommendations on combating money laundering and terrorist financing and proliferation (2012) and the new assessment

methodology issued in 2013 as well as the requirements of assessing ML/TF risks on the national level for members. 65 attendees representing the following MENAFATF member countries participated in this workshop: Jordan, United Arab Emirates, Bahrain, Tunisia, Saudi Arabia, Iraq, Oman, Qatar, Kuwait, Lebanon, Libya, Morocco, Yemen, and Palestine.

Money laundering through physical transportation of cash

The cross border transportation of funds resulting from illicit activities is one of the money laundering methods. Due to the importance of this topic for many countries, the MENAFATF is currently conducting a joint study with the FATF which was launched in October 2013. To this end, a working group including representatives from some members from MENAFATF and

FATF was established. The study is envisaged to highlight many case studies which will clarify the most important techniques used in ML through physical transportation of cash and therefore, identify the indicators and trends related thereto. A joint FATF/MENAFATF experts meeting workshop was held in Qatar, from 2 to 4 December 2013. The project is expected to end in February 2015.

The Plenary Meeting adopts the timeline of the 2nd round of evaluations

In light of the preparations for the 2nd round of mutual evaluations to be conducted by the MENAFATF, the plenary meeting adopted the timeline of the second round of evaluations. The timeline includes the dates of the onsite visits to members during the evaluation process; the first visit will be for Tunisia and is expected to start during the third quarter of this year. The second round (assessing 18 Arab Countries) is expected to finish in 8 years.