

A semi-annual newsletter issued by the Secretariat of MENAFATF

MENAFATF NEWSLETTER

MENAFATF
مينا فاتف
GAFIMOAN



Dr. Abdulrahman Bin
Abdulmohsin AlKalaf

Dear Brothers and Sisters,
MENAFATF has made in its 8th year many achievements of significant importance: It concluded its 1st round of mutual evaluations to measure the extent of compliance of member countries with the international AML/CFT standards. Such achievement comes at a time when MENAFATF adopts the international standards on combating money laundering and terrorism financing and proliferation which were issued by the FATF in February 2012; the year 2012 when MENAFATF was chaired by the Kingdom of Saudi Arabia, following 7 countries that presided the group and during which it has witnessed many achievements

and successes stories.

MENAFATF was able to effectively contribute in reinforcing its legal and institutional measures, activate the role of regional and international cooperation with member countries through its programs on which it has devotedly worked; no doubt that the achievements and successes were granted by Allah with the cooperation and joint efforts of all member countries and the support of observers.

Preparing for the next period, MENAFATF has adopted an appropriate strategic plan for the 2nd round of mutual evaluations to train member countries and assessors in coordination with the FATF; There is no doubt that the next period would represent a multi dimensional turning point to the future of protecting the economic and financial systems in the MENA countries.

The commitment of MENAFATF countries to comply with the international standards

to combat money laundering and terrorist financing and proliferation in its new form as well as their devotion to improve and upgrade their systems to become in line with such standards is a deep rooted conviction of the need to fight such crimes with all available means. Such successive developments on the international level represent challenges for the MENAFATF countries that should be taken into consideration and faced to make the progress required and improve the combating regimes.

At last, I cannot but thank all members and observers for their continuous support and their genuine desire to support the MENAFATF. I would like as well to thank all Secretariat team for the efforts made to achieve the objectives.

Best wishes of success to all,

MENAFATF
President

Sudan to host the 17th plenary meeting

16th plenary meeting in Marrakesh discusses MENAFATF activities

The 16th MENAFATF plenary meeting was held in Marrakesh, Kingdom of Morocco from 27 to 29 November 2012. It was presided by HE Dr. Abdulrahman Bin Abdulmohsen Al Kalaf, Deputy Governor for Technical Affairs at Saudi Arabian Monetary Agency (SAMA). H.E Mr. Abdullah, Minister of State at the Kingdom of Morocco inaugurated the meeting.

During the plenary meeting, a number of important topics related to issues on MENAFATF work and activities were discussed; on the other hand, it was decided to hold the 17th plenary meeting from 28 April to May 2nd 2013 in the Republic of Sudan.



The Plenary was attended by AML/CFT experts from the member countries (Jordan, UAE, Bahrain, Tunisia, Algeria, Saudi Arabia, Sudan, Syria, Iraq, Oman, Qatar, Kuwait, Lebanon, Libya, Egypt, Morocco, Mauritania and Yemen) and

observers (Palestine, France, United Kingdom, United States of America, World Bank, International Monetary Fund, Gulf Cooperation Council, Financial Action Task Force, Arab Monetary Fund, Eurasian Group and the United Nations).

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Adel Hamad Al Qulish

It gives me a great pleasure to convey to all the member countries, observers, H.E. Dr. Abdulrahman Abdulmohsen Al Kalaf, MENAFATF President for 2012 and the Vice President as well as all former presidents and Secretariat team warmest felicitations on the occasion of the end of the 1st round of evaluations to measure the extent of compliance of member countries with the international AML/CFT standards and the progress all member countries are making in developing and reinforcing their preventive AML/CFT measures. The 1st round of mutual evaluations lasted around 8 years; first steps were initiated by creating a working group from member countries and observers in April 2005 to draw and establish mutual evaluations policies and procedures. The last steps ended in the adoption of the last 2 MERs under the ME process in November 2012. Those years have witnessed many experiences and challenges which we overcame and took advantage of to step forward towards the objectives we were all targeting: Finish the 1st round as per the timeline. This was all achieved thanks to Allah help, the efforts of all member countries and the support of the observers. The most important challenges at that time remain the recent establishment of the MENAFATF, the absence of previous experience in that area and the absence of experts from member countries who are qualified and trained particularly to apply the assessment methodology with regard to all factors of mutual evaluations; more than one party is involved in the assessment timeline of a country: the country to be assessed, assessment team, MENAFATF Secretariat, Review Group and the plenary meeting. Each has been assigned with a specific role to be accomplished within a specific timeframe; at most, such roles intersect all together, which requires coordination, organization in such a way to have implementation dates observed by all parties in order to avoid any breach to the timeline of one country affecting thus the timeline of all member countries. As well, the efforts made over the period of 12 months in assessing every country whether by the assessed country or by the evaluation/assessment and Secretariat teams in preparing the evaluation process, reviewing all laws and legislations and other regulatory tools which require rearranging priorities whether at the level of the country or other stakeholders; These represent in some circumstances a great deal of challenge; additionally, some evaluations for some countries were conducted jointly with the FATF or through IMF or WB in English or French which has added a new type of challenge for such countries whether in providing legislations and regulations and the authorities' responses to the MER in such languages. Despite all such challenges and others, MENAFATF has succeeded, thanks to God, in overcoming all challenges and obstacles and which have become lessons learned. By abiding to the annual work plans and the technical standards for training and qualifying experts and preparing them for mutual evaluations, it has succeeded in ending the 1st round at the scheduled time and submitting high quality reports that reflect the level of compliance of member countries with the international standards. At the end, I cannot but congratulate once again all member countries and observers and confirm that MENAFATF Secretariat will endeavor with everyone to prepare the 2nd round of evaluations taking into consideration the reviewed international standards issued in February 2012 and the evaluation/assessment methodology that will be issued in February 2013 by the FATF.

MENAFATF
Executive Secretary

MENAFATF ends the 1st round of evaluations with the adoption of the mutual evaluation reports for the Republic of Sudan and the Republic of Iraq

In a historical event for MENAFATF, the 16th plenary finished the 1st round of mutual evaluations which have started in 2006 and during which 17 Arab countries were assessed, the last one were the Republic of Sudan and the Republic of Iraq. Such event reflects how keen is MENAFATF to abiding by achieving the objectives it was established for, among which the mutual evaluations to improve compliance with the related international standards in order to promote the national measures and controls to combat money laundering and terrorism financing at the member countries.

MENAFATF adopts the international standards on combating money laundering and terrorism financing and proliferation

The 16th MENAFATF plenary meeting held in Marrakech, Morocco adopted in November 2012 the updated international standards on AML/CFT and proliferation issued by the FATF in February 2012. Such international standards reflect the developments in ML/TF operations, which would provide the authorities with a stronger framework to combat crimes and face the new threats in the international financial system.

MENAFATF publishes the Arabic translated version of FATF recommendations on AML/CFT and proliferation



MENAFATF published the Translated Arabic version of FATF recommendations on combating money laundering and terrorism financing and proliferation which was adopted by the 16th plenary meeting.

The Arabic version of FATF recommendations is available on MENAFATF website (www.menafatf.org)



Interim report on the proceeds of forgery and counterfeiting of financial instruments

TATWG reviewed in its last meeting held in November 2012 an interim report on the typologies report related to the proceeds of forgery and counterfeiting of financial instruments and documentary credits and their relation with ML/TF. Another typologies interim report was also reviewed on ML/TF trends and indicators (Update). MENAFATF is currently reviewing the 2 topics within its typologies program that aims at considering case studies related to such topics under review and submitting recommendations to competent governmental parties on the most important methods and techniques followed in laundering the proceeds related to predicate offenses or financing terrorist activities in addition to providing trends and indicators useful for the private sector. The meeting addressed as well future typologies projects for 2013 and the follow up on implementing MENAFATF training plan for 2012-2014.

Participation of more than 70 experts from different countries

Al Riyadh hosts a seminar on the role and responsibility of the Public Prosecution authorities and the Judiciary in the AML/CFT field

With the framework of MENAFATF commitment to provide training and technical assistance, an important seminar was held in cooperation with the Public Prosecution authorities and the Judiciary in Riyadh from 8 to 10 September 2012 on the role and responsibility of the Public Prosecution and the Judiciary in the AML/CFT field.

More than 70 experts representing public prosecution authorities and the judiciary from different Arab countries as well as IMF, France and USA experts participated in the seminar. The objective was to introduce and increase the awareness of public prosecution and judiciary officials about ML/TF risks

and the related predicate offenses as well investigation methods and ML/TF techniques in order to assist such authorities in performing their roles in the combating arena and to comply with the requirements in light of the international standards and recommendations. The seminar issued a number of important recommendations among which, providing more seminars and workshops with a view to improve the skills of employees at the judiciary entities/institutions and suggest seminars focused on managing seized funds and urge competent authorities to dedicate investigators and public prosecutors to deal with ML/TF cases.

Bahrain moves from regular follow up process to biennial update

The Kingdom of Bahrain moves from regular follow up to biennial update following its 4th follow up report submitted in November 2012 to the 16th plenary and which have showed

the efforts made and steps taken by the Kingdom of Bahrain during the last years in improving the fighting regime. It is worth to indicate that Bahrain underwent the mutual evaluation in 2005

by IMF experts. The plenary meeting commended Bahrain achievements in enhancing its AML/CFT regime based on the plan established in the mutual evaluation report.

Adopting MEWG recommendations

The 16th plenary meeting adopted in Marrakesh the report of MEWG Chair including recommendations such as following up the development of the objectives and mechanisms related to the 2nd round of evaluations, adopting the updated study on the applicability of R. 25 to *Wakfas*

well as following up on the implementation of the timeline of follow up process.

The 19th MEWG meeting was held on the margin of the 16th plenary on Monday 26 November 2012. The main role of MEWG is to prepare ME procedures, ME timeline and works on increasing the

competency and efficiency of the assessors in coordination with the working groups; it is keen as well on following up all regional and international developments in the area of mutual evaluation and international cooperation and suggesting the needed in this regard.

FIUs discuss compliance monitoring

MENAFATF FIUs met in Marrakesh, Kingdom of Morocco on Sunday 25 November 2012.

The Forum addressed several topics of mutual interest, such encouraging and following up adherence to the Egmont Group, mechanisms for building and promoting the capacities of FIUs and the relation of the forum with other working groups inside the MENAFATF.

Within the framework of exchanging expertise based on the Best Practices, each the Bahrain Financial Intelligence Unit, Moroccan FIU (UTRF) and Qatar FIU (QFIU) shared their experience on the role of FIUs and their relation in monitoring the compliance of FIs and DNFBPs (lawyers, notaries, accountants and others) with the regulations issued by the supervisors whether related to customer identification or reporting suspicious transactions; The meeting reviewed the best methods to monitor compliance, whether offsite or onsite, and the requirements for successful monitoring and supervision mission such as providing the legal text that identifies the role and powers of supervisors as well as the financial and human resources and ease of access to the information.

It is worth to mention that Jordan and Tunisia FIUs have joined Egmont Group in June 2012; the main objective of Egmont Group is to activate the exchange of information among FIUS.

MENAFATF films a documentary movie on the occasion of the end of the 1st round of mutual evaluations

MENAFATF filmed a documentary movie at the end of the 1st round of mutual evaluations which was unveiled at the 16th plenary; this movie documents the program of the 1st round of evaluations which represents one of the most important MENAFATF activities, unique in the region, and sheds the light on its establishment, role and objectives and some achievements since then.



To watch the movie, MENAFATF website please log in to (www.menafatf.org)

Member countries achieve progress in AML/CFT regimes

Within the framework of follow up process for the mutual evaluations, the 16th MENAFATF plenary meeting adopted 6 follow up reports for the following member countries: People's Democratic Republic of Algeria, Hashemite Kingdom of Jordan, Republic of Tunisia, United Arab Emirates, Kingdom of Morocco and Arab Republic of Syria. Such reports revealed the extent of progress made by such countries in developing their AML/CFT regimes such as amending the laws and regulations or issuing new legislations that address the deficiencies to increase compliance with the international standards in light of the plan established for that purpose in their mutual evaluation reports adopted between 2006 and 2010.