



Sheikh
Fahad bin Faisal al-Thani
President

I am pleased to welcome you in this 14th issue of the MENAFATF Newsletter at the end of year 2016, during which I had the honor of presiding MENAFATF as representative of the State of Qatar. In this context, I would like to wish the coming president, who will be representative of the State of Kuwait, all success, and I would like to express my readiness to support and assist him in following the path of achievements and in serving MENAFATF.

As part of its action plan, MENAFATF exerted continuous efforts to achieve its objectives in accordance with this year's priorities set by the presidency, namely in the field of combating the financing of terrorism, where MENAFATF held its 24th Plenary Meeting and the working groups meetings on its margins, in the presence of a large number of AML/CFT experts from Member States as well as representatives of member states and observers. As part of the Presidency's vision and goals, the CFT Experts' forum held its first meeting on the margins of the Plenary Meeting, with the aim of enhancing capacities to combat terrorism and the financing thereof by exchanging expertise between members as well as reaching for and applying suitable solutions. The Forum received great attention from members and observers. A large number of representatives attended it with presentations delivered by members and observers, including case studies relating to relevant issues. In this context, and in order to strengthen the Member States' complying with CFT

requirements, MENAFATF in cooperation with FATEF, launched an initiative to review its members' level of complying with the recommendations 5th and 6th on terrorist financing, by collecting information from Member States on the effectiveness of the measures taken in this regard.

MENAFATF will keep on following its current path as it believes in the importance of joint cooperation among members, observers, international and regional bodies and in their valuable contribution to supporting the activities of MENAFATF, who will seek to strengthen the available effective national and international coordination and cooperation mechanisms between local bodies and counterparts as well as join hands with international, regional organizations, and Member, observer States in order to address the increasing risks of terrorist financing in recent years and intensify efforts to address the same.

At the end, I would like to take this opportunity to thank MENAFATF Executive Secretary, Mr. Adel Al Qulish, whose mandate will expire by the end of this year, for leading MENAFATF path during the past years and accomplishing great success and honorable achievements to be added to his record and that of the Group, wishing him luck. I would also like to welcome Dr. Al-Waleed Al-Sheikh, MENAFATF new Executive Secretary as of 2017, wishing him all success in his mandate.

May the Peace, Mercy and blessings of Allah be Upon You.



Dr. Waleed Al-Sheikh, MENAFATF new Executive Secretary

The Plenary Meeting held on Doha on April 2016 approved the appointment of Dr. Waleed Al-Sheikh as MENAFATF executive secretary as of the 1st of January 2017, to succeed the previous Executive Secretary, Mr. Adel Al Qulish. Dr. Waleed Al-Sheikh has a PhD in Economics from the University of Manchester in the United Kingdom. He also assumed many positions in the public sectors and previously worked as director of banking supervision department in Saudi Arabian Monetary Agency.

Relation between FIUs and DNFBPs

The FIUs Forum held its 24th meeting on Sunday, 13 November 2016, on the margins of MENAFATF 24th Plenary Meeting. The forum discussed a number of important topics and issues namely Mechanisms of building and promoting FIUs' capacities, Encouraging and Following up the Egmont Group membership and the latest activities of Egmont group. The Forum also discussed in its second session the "Relation between FIUs and the DNFBPs", Presentations on highlighting the importance of this matter to FIUs, besides presentations of case studies were made. The meeting also discussed the most important matters raised during the presentations and the FIU's practices in this regard. The Forum members appreciated and well received the presentations.



Mr. Adel Al Qulish
Executive Secretary

Memories and Future Visions - II

In the name of Allah the Beneficent, the Merciful, from whom we seek help and praise be to Allah and may the Prayers and Peace of Allah be upon the most honored of messengers, our master Muhammad and his family and companions,

I am pleased to meet you on the release of this 14th Edition of MENAFATF newsletter. We tackled in the first part of the previous edition some important events namely the completion of the Group's first round of mutual evaluation, were the Member States' reached advanced level of complying with AML/CFT international standards and requirements through the follow _ up process. MENAFATF was able to achieve tremendous success within a short period, thus ranking high among regional and international bodies as well as FATF-style organizations, as testified by concerned parties, despite the challenges that the Group faced since its Establishment.

We will further discuss the Group's future visions beginning with the second round of mutual evaluation in early 2017, where the Group looking forward to achieve more advanced levels of compliance with AML/CFT international standards so as to ensure financial and economic stability in the Member States,

passing through support and develop AML/CFT systems in Member States focusing on human resources and capacity building by delivering of technical assistance, particularly to the private sector officials. The Group will also try to closely cooperate and work with this sector considering its great importance and significant contribution to financial and banking transactions and the volume of data and useful information it can be provide in order to combat money laundering and terrorist financing.

Furthermore, MENAFATF will continue to achieve its goals set for the upcoming period in accordance with the plans and priorities upon which the Presidency's vision was based during year 2016, by focusing on giving priority to combating the financing of terrorism and by joining hands with international and regional organizations, Member States and observers in order to address this phenomenon. MENAFATF will also seek to support its role in the global network by increasing its participation in meetings held by FATF- style regional groups and cooperating with them in order to achieve MENAFATF goals.

May the Peace, Mercy and Blessings of Allah be Upon You.



First meeting of the Operational Experts Forum on Combating Terrorist Financing

The first meeting of the Operational Experts Forum on Terrorist Financing (OETF), presided by the State of Qatar, was held on the margin of the 24th Plenary Meeting on 12 November 2016. Within the framework of exchanging practical experiences among participants, the forum tackled the challenges and best practices to detect and prevent terrorism financing operations. It stressed on the importance of promoting national cooperation among competent authorities, the important role of FIUs in detecting the financing of terrorist organizations, the role of supervisory and regulatory bodies, the importance of establishing developed databases to facilitate the tracking and monitoring of operations and the exchange of intelligence information with counterparts, in addition to the delivering of technical assistance in the field of CFT based on the needs of the Member States.

National Risk Assessment Operational Challenges

The National Risk Assessment Committee held its 5th meeting on Sunday, 13 November 2016, in Doha, Qatar, on the margins of MENAFATF 24th Plenary meeting. During the meeting, a number of Member States and observers delivered presentations on their experiences in the NRA process. Many operational issues were discussed namely challenges related to dealing with the non-financial sector, considered less regulated than the financial sector, and methods to overcome such obstacles. The meeting also discussed the need to find specific tools to measure crimes and the proceeds thereof, pointing out the importance of statistics, data and information to understand and identify risks.



The Plenary Meeting Following Reinforcing MENAFATF efforts in the field of CFT

On Thursday 17 November 2016, the 24th plenary meeting of MENAFATF on AML/CFT was closed. This three-days meeting was held in Doha, Qatar, starting 15 November, 2016 and was presided by the State of Qatar, represented by H.E. Sheikh Fahad Bin Faisal Al Thani, Vice-Governor of the Qatar Central Bank, President of the National AML/CFT Committee in Qatar and President of MENAFATF. The Plenary Meeting tackled a number of important subjects related to the work and activities of the Group and took several decisions in their regard.

The Plenary Meeting was attended by a large number of AML/CFT experts from seventeen Arab Member States (Hashemite Kingdom of Jordan, United Arab Emirates, Kingdom of Bahrain, Republic of Tunisia, People's Democratic Republic of Algeria, Kingdom of Saudi Arabia, Republic of Sudan, Republic of Iraq, Sultanate of Oman, State of Palestine, State of Qatar, State of Kuwait, Republic of Lebanon, State of Libya, Arab Republic of Egypt, Kingdom of Morocco and Islamic Republic of Mauritania). The Plenary Meeting was also attended by representatives of several countries and bodies that have observer status (Republic of France, United Kingdom, United States, Australia, Republic of Somalia, International Monetary Fund, World Bank, Cooperation Council for the Arab States of the Gulf, Financial Action Task Force (FATF), United Nations (UN), Egmont Group and Arab Monetary Fund).

The plenary meeting followed up the execution of the proposals of the presidency, in terms of strengthening the efforts made in the field of combatting terrorist financing, promoting the capacities and capabilities of the member states so as to face these threats, raking the issue of terrorist financing as a top priority in the current phase of the Group's work, and establishing appropriate mechanisms that enable the Group to face such phenomenon.

Within the framework of the follow-up processes subsequent to the mutual evaluations, the plenary meeting discussed 4 reports for the following countries: Syrian Arab Republic, Republic of Iraq, Sultanate of Oman and Republic of Lebanon. The Plenary Meeting also reviewed 3 update reports pertaining to the United Arab Emirates, the Arab Republic of Egypt and the Kingdom of Bahrain, which included the latest developments and procedures taken by those countries towards improving their AML/CFT systems.

The plenary meeting adopted the procedures of the second round of evaluations, the procedures that organize the round's follow up process, as well as the biennial typologies report 2016 which tackles the most important case studies and latest emergent methods in the field of ML/FT at the regional level and gives an

overview of the main activities undertaken by the Group in the field of typologies between May 2014 and May 2016.

On the Margins of the Plenary Meeting, the Mutual Evaluation and the Technical Assistance and Typologies Working Groups meetings were held on Monday, 14 November 2016, the NRA Committee meeting and the FIUs' Forum were held on Sunday, 13 November 2016 whereas the first meeting of the Operational Experts Forum on Terrorist Financing was held on Saturday, 12 November, 2016. The Plenary Meeting adopted the reports of the chairs of the working groups and committees and approved their recommendations.



Honoring MENAFATF Executive Secretary

On the margins of MENAFATF 24th Plenary Meeting, the President of the Group Sheikh Fahd Bin Faisal Al-Thani, honored the Group's Executive Secretary, Mr. Adel Al Qulish, whose mandate will expire with the end this year, in appreciation of the huge efforts he made during the past 12 years.

In this occasion and under the patronage of the President of the Council of Ministers in Lebanon, the Union of Arab Banks presented the Achievement Award to MENAFATF Executive Secretary, Mr. Adel Al Qulish in its annual Arab banking conference for 2016.

During his leadership, the Group was able to become an associate member of FATF and was able to accomplish remarkable achievements and success since its establishment. Within the framework of combating money laundering and terrorist financing, 17 member states were evaluated during the first round of mutual evaluation. The reports issued in this regard were internationally recognized and appreciated for their high quality. On another hand, Mr. Adel Al Qulish made tremendous efforts with donors, such as the World Bank, the International Monetary Fund and the UN bodies to provide technical assistance and training to member states who highly benefited from all these trainings.

Big Success to the Group's Annual Typologies Workshop

Under the auspices and in cooperation with KSA Anti-Money Laundering Permanent Committee, the Middle East and North Africa Financial Action Task Force and the Asia Pacific Group on Money Laundering (APG) co-organized a joint typologies and Capacity Building Workshop from 28 November to 1 December 2016, in Jeddah, Kingdom of Saudi Arabia.

This workshop drew the attention of the various international bodies concerned with combating money laundering and terrorist financing and was by 300 participants from over 55 countries across the continents, including: Australia, USA, UK, France, Italy, Spain, Sweden, Russia, China, Japan, South Korea, Pakistan, India and most countries of East, Central and South Asia, a number of African countries as well as other countries. The workshop was also attended by approximately 15 regional and international organizations as well as regional counterparts namely: Financial Action Task Force (FATF), International Monetary Fund (IMF), Regional and international task forces on combating Money Laundering and terrorist financing, Inter-Governmental Action Group against money Laundering in West Africa (GIABA), Task Force on Money Laundering in Central Africa (GABAC), Eastern and South African Anti-Money Laundering Group (ESAAMLG), Eurasian Group on Combating Money Laundering (EAG), European Bank for Reconstruction and Development (EBRD), Interpol, Basel Committee, United Nations, General Secretariat of the Cooperation Council for the Arab States of the Gulf as well as other organizations. Experts also attended it from most Arab countries member of MENAFATF.

The workshop succeeded in achieving its goals through 4 concurrent sessions that tackled the latest developments on the regional and international tribune, reviewed case studies related to relevant topics, allowed the exchange of experiences, identified the best practices, and studied and exploited latest and emerging ML/TF ways, methods and trends for the purpose of finding the best possible solutions to mitigate them.

► First Session on Terrorist Financing and Social Media

During this session, a number of presentations and working papers relevant to the topic of "Terrorist Financing and Social Media" were delivered, with the aim of identifying terrorist financing risks across social media, services, and the size of such risks as well as sharing experiences and opportunities of international cooperation to assess and respond to such challenges. This joint teamwork strongly supports the projects and studies that currently conducted by the FATF and FATF styles regional groups on related typologies in order to acquire a deeper and more comprehensive understanding of how social media exploited in the financing of terrorism by terrorists and terrorist organizations.

► Second Session on Money Laundering through Electronic Means

The topic of Money Laundering through Electronic Means preoccupied all AML/CFT bodies and acquired great attention from experts participating in the workshop, which helped in achieving

the objectives of this session and in clarifying some outstanding points namely with regard to the scope and size of the problem, the various electronic means that are being used and the challenges related to detecting, investigating and prosecuting cases of money laundering through electronic means.

It is worth mentioning that the Group launched a new typologies project in April 2016 on money laundering through electronic means, jointly led by Saudi Arabia and Oman to study the methods and techniques used in money laundering through electronic means, including new electronic methods of payment, e-banking, electronic money, prepaid cards, payment via mobile phone, virtual currencies, ... etc. This session will provide the project with valuable information and case studies to better understand the scope of this issue.

► Third Session on Challenges in Pursuing the Proceeds of Corruption in Foreign Countries

As the phenomenon of corruption represents a major challenge for AML/CFT authorities, including legal authorities, law enforcement authorities and financial and banking institutions, this session discussed, through valuable presentations and working papers delivered by a number of experts, the challenges of pursuing the proceeds of corruption that have been laundered in foreign jurisdictions, namely difficulties in identifying and tracing assets that have been obtained from corruption and have been hidden outside the country, The session also tackled an important aspect of the subject consisting in the support that can be provided by AML/CFT experts to others ones in combating corruption in their financial investigations, which will enable AML /CFT authorities to pursuing the proceeds of corruption.

► Fourth Session on: Identifying operational best practices and barriers to domestic interagency information sharing

The importance of "Identifying operational best practices and barriers to domestic interagency information sharing" resides in helping determine the best practices and effective mechanisms used to exchange information, the challenges related to the availability of information for the purpose of combating terrorism and the financing thereof and the challenges related to the access to, exchange and use of such information. It also resides in sharing information on a broader level and in becoming acquainted with the various information exchange mechanisms and tools as well as practices for the purpose of preventing and investigating terrorist financing operations.

At the end, all member states, delegations, regional and international organizations who participated in the workshop thanked the Kingdom of Saudi Arabia for its warm welcome, generous hospitality and excellent organization that were positively reflected in the significant and concrete outcomes drawn from this workshop. They also commended this experience and called for more similar workshops as they have a major impact on issuing important outcomes that will help countries improve their AML/CFT systems.

