



14th ANNUAL REPORT

Of THE MIDDLE EAST AND NORTH
AFRICA FINANCIAL ACTION TASK FORCE
FOR THE YEAR 2018

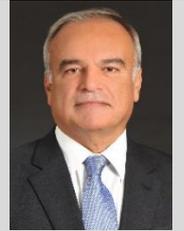
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Contents

Subject	Page
• MENAFATF President of the year 2018 Foreword, Mr. Abdul Hafiz Mansour.	4
• MENAFATF Executive Secretary foreword, Dr. Alwaleed Alsheikh.	6
Section One: Overview of the MENAFATF	
• Overview of MENAFATF and its objectives.	8
• General Structure of MENAFATF.	9
• Member Countries and Observers of MENAFATF.	10
Section Two: Regional and International Coordination and Cooperation	
• MENAFATF Plenary and Working Groups meetings during 2018.	12
• Coordination and Cooperation with the FATF, FSRBs and other International Bodies.	17
Section Three: Enhancing and Building AML/CFT Frameworks in the Middle East and North Africa Region	
First: Mutual Evaluation:	
• Assessment and Follow-up of MENAFATF Member Countries.	19
• Time Line of the Second Round of Mutual Evaluation.	21
Second: Technical Assistance and Typologies:	
• Raising awareness about ML/TF methods, trends and techniques in 2018.	22
• Training workshops and programs organized and co-organized by MENAFATF during 2018.	23
Section Four: Financial Statements and Final Accounts for the year ending on 31 December 2018	26

MENAFATF President Foreword



In the Name of God, the Most Compassionate, the Most Merciful

Greetings,

In my own name and on behalf of the Lebanese Republic which assumes the MENAFATF Presidency for this year 2018, for the second time, after having been honored to assume its First Presidency immediately after the establishment of the MENAFATF. We would like to praise the achievements made by the successive presidencies of the MENAFATF during its first round, hoping for continuous cooperation and efforts to raise the MENAFATF to a level we all aim for during the second round of presidencies.

Events have accelerated over the past years, entailing some facts that the MENAFATF should take into consideration in its process for the following years; therefore, the Presidency set, along with these facts, the MENAFATF priorities required for 2018.

During this year, priorities were set to deal with important cases that are consistent with the international efforts, with fighting terrorism and its financing in the lead. Despite the decline and disappearance of "Daesh" and its followers in the region, terrorism is still posing risks and consequently, terrorist financing risks still exist. As a result, it was decided to benefit from the expertise of member countries in this field in order to develop capacities and exchange expertise.

The priorities which were set included the fight against corruption as well, where the anti-corruption initiatives took up a great deal of the MENAFATF works. These initiatives were launched during the typologies workshops in Khartoum, the Republic of Sudan in 2015 and in Jeddah, the KSA, in 2016. The MENAFATF executed the typologies project on laundering the proceeds of corruption, which was adopted at the Plenary Meeting. Considering the existing and continuous risk that corruption poses to the society and the economy in the region, and since we perceive how important this topic is, we suggest pursuing and capitalizing on the efforts made to this end, during the following year, by coordinating with the authorities engaged in fighting corruption in the region, in order to exchange expertise and support the joint efforts for a more useful and productive work.

In a similar context, the Presidency priorities for the year 2018 covered the fight against cybercrimes and how to face this type of crimes, in the event where money is stolen from a country and transferred through several other countries while the perpetrator is unknown, how to eliminate this crime in member countries, to ensure the necessary judicial prosecution, to give this matter the appropriate attention by participating in relevant forums and meetings, namely through coordination with the international centers in charge of combating this type of crimes.

On the other hand, as regards mutual evaluation, the MENAFATF' follow-up and monitoring of compliance with the FATF Recommendations and the relevant updates is a high priority, in addition to all the efforts needed to provide all the elements of success that contribute to the satisfactory completion of the second round of mutual evaluation processes. One of the important elements that the MENAFATF sought to achieve is the provision of well-trained and qualified assessors to conduct the evaluation process according to the established time line.

On the development of the internal work of the MENAFATF, it was agreed upon the proposal to form an advisory committee that aims at giving advice to the Plenary Meeting, the President and the MENAFATF Secretariat on cases related to the MENAFATF policies and relevant implementation and the said committee shall present its recommendations to the Plenary. A division concerned with the AML/CFT policies and their development was created within the organizational structure of the MENAFATF Secretariat.

During April 2018, the MENAFATF held the 27th Plenary Meeting in Beirut, the Lebanese Republic, in addition to several meetings, working groups and committees during which many important topics were discussed. In the context of the mutual evaluation working group, the Mutual Evaluation Report for the Islamic Republic of Mauritania was discussed and adopted by the Plenary, taking into account the amendments made in it during the Plenary Meeting, provided that Mauritania submits its 1st Enhanced Follow-Up Report to the 29th Plenary Meeting. In the context of follow-ups subsequent to mutual evaluation processes, the Biennial Update Reports for Iraq and Syria were both adopted. Update Reports for the People's Democratic Republic of Algeria, the Republic of Sudan and the State of Qatar were also discussed. In the context of the technical assistance and typologies, the Plenary Meeting adopted "Rabat Recommendations" in the report of the Joint Typologies and Capacity Building Workshop between the Middle East and North Africa Financial Action Task Force (MENAFATF), the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) and the Task Force on Money Laundering in Central Africa (GABAC) which was held in Rabat, the Kingdom of Morocco, from 22 to 25 January 2018, under the auspices of HH King Mohammad VI.

During November 2018, the MENAFATF held the 28th Plenary Meeting in Beirut, the Lebanese Republic, where several important topics related to combating money laundering and terrorist financing offenses were discussed at the regional and international levels. In the context of the mutual evaluation process, the Plenary Meeting adopted several Follow-Up Reports. On technical assistance and typologies, the typologies project report on money laundering through the real estate sector and the MENAFATF/APG joint typologies project report on terrorist financing and social media were adopted.

The MENAFATF plenaries for 2018 witnessed new membership requests, where the Republic of Djibouti and the Federal Republic of Somalia were approved as members of the MENAFATF, bringing their number now to 21 Arab countries. In addition, the Federal Republic of Germany was granted an observer status, and the MENAFATF comprises now 16 countries and international organizations that have observer status. This is aimed at achieving the objectives of the MENAFATF, by cooperating with countries and regional and international authorities on combating money laundering, and financing terrorism and proliferation, within the scope of the global network of the FATF and the counterpart international and regional authorities.

Finally, we would like to praise the accomplishments and achievements made by the successive presidencies of the MENAFATF and I hope that we have been successful in our journey and that we have contributed to the achievement of the objectives we are all seeking. I would like to extend my deepest thanks and gratitude to all the colleagues, from heads of delegations and all the staff of the MENAFATF Secretariat, with the Executive Secretary in the lead, for their efforts, support and courtesy. We hope for continuous cooperation and efforts to raise the MENAFATF to a level we are all aiming for during the next round of presidencies.

Best Regards

Abdul Hafiz Mansour
MENAFATF President

Executive Secretary Foreword



In the Name of God, the Most Compassionate, the Most Merciful

Dear Brothers and Sisters,

I have the pleasure to introduce to you the 14th Annual Report of the Middle East and North Africa Financial Action Task Force for Year 2018. I would also like to congratulate the MENAFATF Presidency, all member countries, observers, and members of the MENAFATF Secretariat on all the achievements and accomplishments made during 2018.

In the course of this year, MENAFATF has devoted part of its efforts and available resources to promote its relationship and direct engagement with the FATF and FSRBs. It has also organized, during this year, in cooperation with the FATF, several joint events that comprised joint workshops for the preparation of assessors and assessed countries for mutual evaluation, in addition to the co-organization of on-site visits in the context of the mutual evaluation processes.

On a similar note, the MENAFATF was keen on approaching FSRBs and relevant international authorities, with a view to promoting training programs and workshops, in terms of organization and participation. Accordingly, it co-organized joint typologies and capacity building workshops in collaboration with the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), the Task Force on Money Laundering in Central Africa (GABAC) and the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA). The 27th Plenary Meeting adopted "Rabat Recommendations" on combating money laundering and terrorist financing in the Middle East and Africa. In addition, the 28th Plenary Meeting adopted the typologies project report on money laundering through the real estate sector and the MENAFATF/APG joint typologies project on terrorist financing and social media.

Regarding technical assistance, MENAFATF executed, during 2018, more than 5 training programs on important topics. They included the exchange of expertise, challenges and best practices in the AML/CFT field, preparation of assessed countries for mutual evaluation, demonstration of the effectiveness of AML/CFT systems, learning about the Security Council system and mechanisms, and ML/TF risk-based banking supervision. These programs were attended by many trainees who represent MENAFATF member countries and were executed in cooperation with donors, such as the FATF, the International Monetary Fund (IMF), and other authorities.

During 2018 and in the context of following-up MENAFATF member countries for their compliance with the AML/CFT international standards, the MENAFATF adopted six Update Reports in the first round, and one Enhanced Follow-Up Report in the second round of mutual evaluation process. These reports highlighted the progress made by these countries in terms of improving their AML/CFT systems, based on the observations mentioned in their respective Mutual Evaluation Reports and Follow-Up Reports. I would also like to congratulate the Islamic Republic of Mauritania, the Kingdom of Saudi Arabia and the Kingdom of Bahrain on the adoption of their reports which show their commitment and compliance with the relevant international standards, and the efforts they made in their reports are highly appreciated.

On a different note, I would like to congratulate the Federal Republic of Germany on the approval upon its request to hold the observer status at the MENAFATF based on 27th Plenary Meeting decision and the Federal Republic of Somalia on the approval upon its request to join the MENAFATF as a member in October 2018.

Finally, I hope that we have been successful in preparing the 14th annual report of the MENAFATF and we have contributed to achieve the objectives we are all seeking. I would also like to reiterate my thanks to all my colleagues at the Secretariat for their efforts and to the observers for their continuous support and cooperation, wishing everyone luck and success.

Peace be upon you, God's Mercy and His Blessings

Al Waleed Bin Khalid Al Sheikh
MENAFATF Executive Secretary

Section One: Overview of the MENAFATF

Overview of MENAFATF

In 2003, the idea of founding a FATF style regional body for Middle East and North Africa for combating money laundering and terrorist financing was officially proposed. It was followed by a series of official meetings during the period from October 2003 to July 2004. On 30 November 2004, the governments of 14 Arab countries decided at an inter-ministerial meeting held in Manama, the Capital of the Kingdom of Bahrain, to establish the aforementioned group, and it was called "Middle East and North of Africa Financial Action Task Force" (MENAFATF). Five more countries have subsequently joined the Group. All member countries signed a memorandum of understanding, which represented a historic achievement for the Arab Countries, given that it shows their seriousness in facing all the risks that result from ML/FT operations.

The Kingdom of Bahrain hosts the headquarters of the MENAFATF Secretariat which became operational since MENAFATF establishment, knowing that the Kingdom of Bahrain provided it with all necessary resources in this regard. To confirm the importance of MENAFATF role, the headquarters agreement was signed between the Kingdom of Bahrain and MENAFATF and approved by the Consultative Council and the Parliament; His Majesty the King of Bahrain, Hamad Bin Isa Al Khalifa, promulgated Law No. (5) of 2009 to ratify the agreement on 26 March 2009; and it was published in the official Gazette on 2 April 2009.

Given that the stability of the financial and economic regime in any country or region in the world is greatly and negatively affected by ML and TF crimes, MENAFATF member countries and observers are continuously seeking to implement and disseminate relevant international policies and standards, and to increase the level of effective compliance therewith, particularly the FATF recommendations.

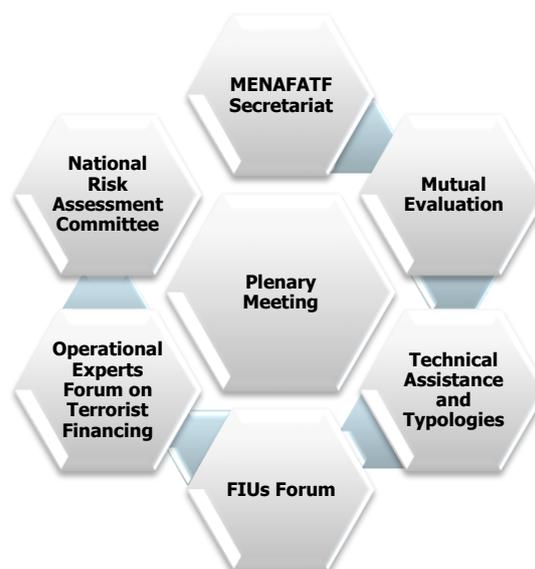
MENAFATF Objectives

- To adopt and implement the FATF 40 Recommendations on combating money laundering and financing of terrorism and proliferation.
- To implement the relevant UN treaties and agreements and United Nations Security Council Resolutions.
- To co-operate among each other to raise compliance with these standards within the MENA Region and to cooperate with other international and regional organizations, institutions and agencies to improve compliance worldwide.
- To work jointly to identify issues of regional nature related to money laundering and terrorist financing, and to share relevant experiences and to develop solutions for dealing with them.
- To take measures throughout the region to effectively combat money laundering and terrorist financing in a way that does not contradict with the cultural values, constitutional frameworks and legal systems in the member countries.

General Structure of MENAFATF

The **Plenary Meeting** is the body in charge of taking decisions within MENAFATF. It is composed of representatives from member countries, who are experienced in the AML/CFT fields.

The **Secretariat** is responsible for executing the technical and administrative functions in order to carry out the activities of the MENAFATF, such as coordinating the mutual evaluation processes and cooperating with international and counterpart authorities, especially the FATF, in addition to other tasks as decided by the Plenary Meeting.



The **Mutual Evaluation Working Group** (MEWG) is formed of some member countries with the aim of preparing and organizing the mutual evaluation program for member countries, developing the procedures, working on qualifying and training assessors and following up the international developments in this regard.

The **Technical Assistance and Typologies Working Group** (TATWG) is formed and is mandated to execute the typologies programs and projects, identify the needs of member countries in terms of technical assistance, training and coordination for the provision of such assistance, and follow up the latest global developments with a view to benefiting from them in improving the AML/CFT regimes in the region.

The **FIUs Forum** (FIUF) is the communication channel and mechanism between FIUs of member countries. It aims at promoting regional cooperation and exchange of expertise among them. The Forum is convened on the margin of the MENAFATF plenary meetings and when necessary; the Secretariat acts as the coordinator of the Forum.

In addition, the **Operational Experts Forum on Terrorist Financing** (OETF) is formed to discuss operational matters, monitor the developments, and consider the pertinent subjects on an ongoing basis, while making recommendations in their regard to the plenary meeting. The forum is held on the margin of the MENAFATF Plenaries and when necessary; the Secretariat acts as the coordinator of the Forum.

The **National Risk Assessment Committee** (NRAC) is also formed, and works under the Technical Assistance and Typologies Working Group. It is charged with discussing the subject of national risk assessment and exchanging expertise and best practices in this regard. The membership of the committee is open to the experts in the field of ML/TF risk assessment from all member countries, observers and regional financial action task forces, who fulfill the educational qualifications and have the work experience in the national risk assessment field. The Committee holds its meetings on the margin of the MENAFATF plenary meetings and whenever it deems it necessary; the Secretariat acts as the coordinator of the Committee.

Member Countries and Observers of the MENAFATF

The MENAFATF currently has 21 Arab countries as members – after the approval upon the request of the Republic of Djibouti to join it in December 2017 and the Federal Republic of Somalia, in October 2018, in addition to 16 countries and international organizations which hold the observer status – after the approval of the Federal Republic of Germany’s accession request in April 2018. These figures actually reflect the interest in the activities and work of the MENAFATF. The MENAFATF is also an Associate Member of the FATF since 2007, and holds the observer status on a reciprocal basis with: The Egmont Group of Financial Intelligence Units (EGMONT), the Asia/Pacific Group on Money Laundering (APG), and the Eurasian Group (EAG).

MEMBER COUNTRIES:

			
Hashemite Kingdom of Jordan	United Arab Emirates	Kingdom of Bahrain	Republic of Tunisia
			
People's Democratic Republic of Algeria	Republic of Djibouti	Kingdom of Saudi Arabia	Republic of Sudan
			
Syrian Arab Republic	Federal Republic of Somalia	Republic of Iraq	Sultanate of Oman
			
State of Palestine	State of Qatar	State of Kuwait	The Lebanese Republic
			
State of Libya	Arab Republic of Egypt	Kingdom of Morocco	The Islamic Republic of Mauritania
			
Republic of Yemen			

OBSERVERS:



Republic of France



United Kingdom of Great Britain and Northern Ireland



United States of America



Kingdom of Spain



Australia



Federal Republic of Germany



International Monetary Fund



World Bank



Co-operation Council for the Arab States of Gulf



Financial Action Task Force



Egmont Group of Financial Intelligence Units



Asia/Pacific Group on Money Laundering



World Customs Organization



Arab Monetary Fund



Eurasian Group on combating money laundering and financing of terrorism



United Nations

Section Two: Regional and International Coordination and Cooperation

Regional and international cooperation is of great importance to the MENAFATF, considering that it is a primary focal point to achieve its objectives and to support and develop AML/CFT regimes for member countries. The MENAFATF acts as an important link between member countries on the one hand, and with regional and international institutions engaged in the AML/CFT field, on the other hand.

It is undeniable that the regional and international cooperation highly contributes to the AML/CFT field in general. In this context, the joint meetings between member countries and observers offer an opportunity to communicate, exchange expertise and experiences and review the latest regional and international developments in the AML/CFT field. These meetings also contribute to the sharing of knowledge and information, thus enhancing and improving the AML/CFT systems of the MENAFATF member countries.

This section lists a number of periodical meetings, encounters, events organized or co-organized by the MENAFATF during 2018 and their main outcomes, as follows:

MENAFATF Plenaries and Working Groups Meetings during 2018

27th Plenary Meeting, 28 April - 2 May 2018

The 27th Plenary Meeting was held in Beirut, the Lebanese Republic, from 28 April to 2 May 2018 and was chaired by the Lebanese Republic, represented by H.E. Mr. Abdul Hafiz Mustafa Mansour, the Secretary General of the Special Investigation Commission (SIC) at Banque Du Liban.

The Plenary Meeting was attended by AML/CFT experts from twenty Arab member countries (Hashemite Kingdom of Jordan, United Arab Emirates, Kingdom of Bahrain, Republic of Tunisia, People's Democratic Republic of Algeria, Republic of Djibouti, Kingdom of Saudi Arabia, Republic of Sudan, Syrian Arab Republic, Republic of Iraq, Sultanate of Oman, State of Palestine, State of Qatar, State of Kuwait, The Lebanese Republic, State of Libya, Arab Republic of Egypt, Kingdom of Morocco, The Islamic Republic of Mauritania and Republic of Yemen). It was also attended by representatives of several countries and bodies that have observer status at the MENAFATF (United Kingdom of Great Britain and Northern Ireland, United States of America, Kingdom of Spain, Australia, Republic of France, International Monetary Fund, Arab Monetary Fund, World Bank, Co-operation Council for the Arab States of Gulf, Financial Action Task Force, United Nations, Egmont Group of Financial Intelligence Unites, and Federal Republic of Somalia).

The Plenary Meeting tackled, during its sessions, several important subjects related to the MENAFATF work and activities, and took several decisions, including the approval basically upon forming an advisory committee that aims at giving advice to the Plenary Meeting, the President and the MENAFATF Secretariat on cases related to the MENAFATF policies and relevant implementation. The said committee shall present its recommendations to the Plenary.

Regarding the enhancement of the Secretariat human resources, the Plenary Meeting decided to create a division concerned with the AML/CFT policies and their development within the organizational structure of the MENAFATF Secretariat. With a view to promoting cooperation with regional and international authorities, the Federal Republic of Germany' request to join the MENAFATF as observer member was accepted.

In the context of the mutual evaluation processes, the Plenary Meeting adopted the Mutual Evaluation Report of Mauritania, provided that Mauritania submits its 1st report within the enhanced follow-up process to the 29th Plenary Meeting. In the context of follow-ups subsequent to mutual evaluations, the reports on the exit from regular follow-up to biennial update for Iraq and Syria were adopted, together with the Update Reports of the following countries: Algeria, Sudan, Yemen and

Qatar. The time line of the second round of the mutual evaluation and the time lines of the first and second rounds of the follow-up process were all adopted.

In the context of technical assistance and typologies, the Plenary Meeting agreed to adopt "Rabat Recommendations" which were issued at the joint workshop held in cooperation with the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) and the Task Force on Money Laundering in Central Africa (GABAC) in January 2018. The Plenary Meeting also decided to adopt the amended training plan for 2017-2019.

At the end of the meeting, several reports made by the working groups and committees were presented, including the Mutual Evaluation Working Group co-chairs report and the Technical Assistance and Typologies Working Group Co-Chairs report. Both reports comprised the recommendations reached by both working groups during their respective meetings, in addition to the National Risk Assessment Committee co-chairs report on the NRAC meeting, the OETF chair report and the FIUF chair report.

4th Operational Forum on Terrorist Financing (OETF), 28 April 2018

The 4th Operational Forum on Terrorist Financing was held on Saturday, 28 April 2018, on the margin of the 27th Plenary Meeting. It handled the TF risks, trends and methods, based on the practical experience of the participants, the most important of which was the presentation of the new operational action plan of the FATF to combat terrorist financing, and the proposal to engage FSRBs in several works and activities of the action plan. The OETF meeting also addressed subjects on the detection and prevention of TF operations, the most important of which was the misuse of non-profit organizations for terrorist financing, as well as social media and terrorist financing. Presentations were made by each of: The Egyptian AML/CFT Unit, the UN 1267 Monitoring Team, the Security Council, the United Nations, the Executive Directorate of the Counter-Terrorism Committee, and the State of Qatar. Interventions were also made by other member countries and observers. In addition, the Forum discussed the FATF report on financing Daesh, Al-Qaeda and their affiliates and the OETF action plan for 2019-2020.

8th Meeting of the National Risk Assessment Committee, 29 April 2018

The 8th NRAC meeting was held on Sunday, 29 April 2018, on the margin of the 27th Plenary Meeting. It discussed, within its agenda, the status of member countries in the national risk assessment process, and the experiences of the FATF and other FSRBs, by presenting the experience of the FATF in the national ML/TF risk assessment under the Immediate Outcome 1 in the context of the mutual evaluation process, and the experiences of member countries and observers, through a presentation made by Saudi Arabia on how to identify threats according to the methodology applied in KSA.

17th FIUs Forum, 29 April 2018

The 17th FIUs Forum was held on Sunday, 29 April 2018, on the margin of the 27th Plenary Meeting. It addressed, during its sessions, several topics listed on its agenda, including the encouragement and follow-up of the FIUs membership in Egmont Group and cooperating with it. On this note, the representative of the Egmont Group made a presentation on the major decisions taken by the Group at its last meeting in Buenos Aires, the Republic of Argentina, in March 2018; in addition to the exchange of expertise based on the best practices. Presentations were also made in this regard by the Iraqi AML/CFT Office and the Tunisian Financial Analysis Committee. The Lebanese Special Investigation Commission made a presentation on the fight against corruption, in addition to the presentation of case studies made by the Egyptian AML/CFT Unit and the Syrian AML/CFT Commission. The Omani National Center for Financial Information also presented a case study on the BCash system for unofficial remittances.

32nd Meeting of the Mutual Evaluation Working Group, 30 April 2018

The 32nd meeting of the Mutual Evaluation Working Group was held on Monday, 30 April 2018, on the margin of the 27th Plenary Meeting. The working group discussed several important topics which included the Mutual Evaluation Report for the Islamic Republic of Mauritania in the second round of the mutual evaluation process. The working group eventually prepared a paper on the results of the discussion of the core issues set out in the report and presented it to the Plenary for discussion and adoption of Mauritania MER.

On the latest developments of the second round of mutual evaluation, a summary of the mutual evaluation for KSA, Bahrain, Morocco and Jordan was presented, in addition to the experience of the MENAFATF Secretariat in the mutual evaluation process which was also addressed, by reviewing the challenges in providing experts (assessors and reviewers) and the preparations for the experts training and qualification workshop in Oman, in cooperation between the MENAFATF and the FATF, which was postponed until 24-28 February 2019.

The working group also discussed the updates made to the Paper on the Mandates of the MEWG and the TATWG, represented in the amendment of the term of chairmanship of the working groups (proposal of the Presiding country) and the procedures for filling the position of the working group chairperson in case it becomes vacant. The working group eventually entrusted the Secretariat with the task of preparing a detailed paper on the subject, to be disseminated to member countries for their observations and to be presented to the 33rd Meeting of the working group, and to coordinate with the TATWG chair during the preparation of the paper.

The working group also discussed the time line of the second round of mutual evaluation, and the time line of the first and second rounds of the follow-up process, and made a recommendation to the Plenary Meeting for their adoption and approval.

26th Meeting of the Technical Assistance and Typologies Working Group, 30 April 2018

The 26th meeting of the Technical Assistance and Typologies Working Group was held on Monday, 30 April 2018, on the margin of the 27th Plenary Meeting. The working group discussed the update of the Paper on the Mandates of the Mutual Evaluation Working Group and the Technical Assistance and Typologies Working Group and proposed amendments. It was also agreed to refer it to the Plenary Meeting for discussion together with the amendments proposed by the MEWG. Regarding typologies, an update report on the MENAFATF/APG Joint Typologies Project on Terrorist Financing and Social Media was presented. The working group heard another update report on the typologies projects on money laundering through the real estate sector; and urged member countries to efficiently participate in these projects, cooperate with the project leaders and provide as much data, information and case studies as possible.

The working group also examined the report of the Joint Typologies and Capacity Building Workshop between the Middle East and North Africa Financial Action Task Force (MENAFATF), the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA) and the Task Force on Money Laundering in Central Africa (GABAC) which was held in the city of Rabat, the Kingdom of Morocco, during January 2018, where the working group recommended the Plenary Meeting to adopt Rabat Recommendations.

The Secretariat made a presentation on the training plan for 2017-2019 and the programs which were executed according to the said plan. The working group recommended to submit it to the Plenary Meeting for adoption and urged countries to host the events listed in it.

28th Plenary Meeting, 24 - 28 November 2018

The 28th Plenary Meeting was held in Beirut, the Lebanese Republic, from 24 to 28 November 2018 and was chaired by the Lebanese Republic, represented by H.E. Mr. Abdul Hafiz Mustafa Mansour, the Secretary General of the Special Investigation Commission at Banque Du Liban.

The Plenary Meeting was attended by AML/CFT experts from twenty-one Arab member countries (Hashemite Kingdom of Jordan, United Arab Emirates, Kingdom of Bahrain, Republic of Tunisia, People's Democratic Republic of Algeria, Republic of Djibouti, Kingdom of Saudi Arabia, Republic of Sudan, Arab Republic of Syria, Federal Republic of Somalia, Republic of Iraq, Sultanate of Oman, State of Palestine, State of Qatar, State of Kuwait, Lebanese Republic, State of Libya, Arab Republic of Egypt, Kingdom of Morocco, Islamic Republic of Mauritania and Republic of Yemen). The Plenary Meeting was also attended by representatives of several countries and observers at the MENAFATF (United Kingdom, United States of America, Kingdom of Spain, Federal Republic of Germany, Republic of France, International Monetary Fund, World Bank, Secretariat General of the Co-operation Council for the Arab States of Gulf, Financial Action Task Force (FATF), United Nations (UN), and Egmont Group of Financial Intelligence Unites).

The Plenary Meeting reviewed the proposal to form an advisory committee, which was approved according to the paper submitted in this regard. It also decided to defer the decision on the Islamic Development Bank and European Bank for Reconstruction and Development requests to obtain observer status in the MENAFATF, until the establishment of criteria relating to the mechanisms of admission and effective participation of observers.

In the context of the mutual evaluation process, the Plenary Meeting decided to defer the decision regarding the Mutual Evaluation Report for the Kingdom of Morocco for the MENAFATF 29th Plenary Meeting. In the context of the follow-ups subsequent to mutual evaluations, the Plenary Meeting adopted the 3rd Enhanced Follow-Up Report for Tunisia and the 2nd Update Reports for the following countries: UAE and Egypt, and the amendment of paragraph 81 of the paper on the Procedures of the 2nd Round of Mutual Evaluation was adopted, in consistency with the FATF Universal Procedures. The time line of the second round of the mutual evaluation and the time line of the first and second rounds of the follow-up process were all adopted.

On technical assistance and typologies, the Plenary Meeting adopted the typologies project report on money laundering through the real estate sector and the MENAFATF/APG joint typologies project report on terrorist financing and social media. The Plenary also adopted the amended training plan for 2017-2019, taking into consideration the proposals of the Presidency for 2019.

At the end of the meeting, several reports made by the working groups and committees were presented, including the Mutual Evaluation Working Group co-chairs report and the Technical Assistance and Typologies Working Group Co-Chairs report. Both reports comprised the recommendations reached by both working groups during their respective meetings, in addition to the National Risk Assessment Committee co-chairs report on the NRAC meeting, the OETF chair report and the FIUF chair report.

5th Operational Forum on Terrorist Financing, 24 November 2018

The 5th Operational Forum on Terrorist Financing was held on Saturday, 24 November 2018, on the margin of the 28th Plenary Meeting. It discussed the best practices and challenges in detecting and preventing TF operations, in terms of risks, methods and trends. The Forum reviewed the operational CFT plan and the new OETF action plan for 2019-2020. The FATF Secretariat presented its latest projects on combating terrorist financing, which included the FATF report on financing Daesh, Al-Qaeda and their affiliated groups, the TF disruption strategies and the guidance on TF risk assessments. The United Nations Office on Drugs and Crime (UNODC) addressed the latest developments in its activities carried out in the region. The representatives of the Italian governmental authorities made a presentation on domestic cooperation in combating terrorist financing, in addition to presentations made by each of: The 1267 Monitoring Team, the Security Council, the UN, Iraq, Egypt and Jordan.

9th Meeting of the National Risk Assessment Committee, 25 November 2018

The 9th meeting of the National Risk Assessment Committee was held on Sunday, 25 November 2018, on the margin of the 28th Plenary Meeting. The NRAC meeting discussed the status of member countries in the national risk assessment process and the experiences of member countries and

observers in the national ML/TF risk assessment process, in addition to presentations made by each of: Saudi Arabia, Jordan and Morocco.

18th FIUs Forum, 24 November 2018

The 18th FIUs Forum was held on Saturday, 24 November 2018 on the margin of the 28th Plenary Meeting. It addressed, during its sessions, several topics listed on its agenda, including the encouragement and follow-up of the FIUs membership in Egmont Group and cooperating with it. On this note, the representative of the Egmont Group presented the major decisions taken by the Egmont Group at its last meeting in Sydney, Australia, in September 2018, in addition to the exchange of expertise based on the best practices, which were presented by each of: The Lebanese SIC, the Sudanese FIU and the Saudi Financial Intelligence Directorate.

33rd Meeting of the Mutual Evaluation Working Group, 25 – 26 November 2018

The 33rd meeting of the Mutual Evaluation Working Group was held on Sunday and Monday, 25 and 26 November 2018 on the margin of the 28th Plenary Meeting. The working group discussed several important items as regards the latest developments in the second round of mutual evaluation. The discussion covered the mutual evaluation of Saudi Arabia, Bahrain, Morocco, Jordan, and UAE. The working group also discussed the training course on demonstrating and assessing AML/CFT effectiveness, held in cooperation with the IMF. This course focused on the promotion and strengthening of the capacities of the officials concerned with the implementation of the amended international AML/CFT standards. The paper on the procedures for the second round of mutual evaluation were discussed, based on the interest of the Secretariat in updating it according to the latest developments and in benefiting from the experience acquired. In addition, the MER for the Kingdom of Morocco and the key issues relevant to the report were also discussed and the achievements of the Kingdom in combating money laundering and terrorist financing were presented, as well as the remaining deficiencies set out in the MER. The meeting also discussed the 3rd Enhanced Follow-up Report for the Republic of Tunisia (which includes a request of some technical compliance re-ratings) and the updates mentioned in the paper on "submitting information on effectiveness", in addition to the time line of the second round of mutual evaluation. The meeting eventually adopted the time line and entrusted the MENAFATF Secretariat with the task of preparing a proposal to add the Federal Republic of Somalia and the Republic of Djibouti to the time line of the mutual evaluation and to present it to the next Plenary Meeting. The Plenary Meeting adopted the time lines of the first and second rounds of the follow-up process.

27th Meeting of the Technical Assistance and Typologies Working Group, 26 November 2018

The 27th meeting of the Technical Assistance and Typologies Working Group was held on Monday, 26 November 2018, on the margin of the 28th Plenary Meeting. During this meeting, the working group agreed to adopt the MENAFATF/APG joint typologies project on terrorist financing and social media and the typologies project on money laundering through the real estate sector and to present them to the Plenary Meeting for adoption. The representative of the United Nations Office on Drugs and Crime (UNODC) presented the latest developments in its activities carried out in the region. The updated training plan for 2017-2019 was approved and referred to the Plenary Meeting for adoption.

Coordination and Cooperation with FATF, FSRBS and other International Authorities

The MENAFATF is exerting significant efforts at the regional and international levels to improve its work relations. It is seeking to achieve this through its participation and contribution to a number of activities and events, and through coordination and engagement with the Financial Action Task Force, FSRBs and other international authorities. The MENAFATF witnessed a noticeable development in its relationships at the regional and international levels, and also with several organizations, such as the AMF, IMF, WB, FATF, UN, GCC, Egmont Group, APG, EAG, and WCO. It is worth mentioning that the MENAFATF is keen on staying up-to-date with the latest developments in the AML/CFT field, by taking part in the meetings, events, and workshops organized by these authorities and benefiting from their experiences in different ways, and by participating in relevant conferences and seminars, unlike the technical assistance, training, and support provided by these authorities to the MENAFATF member countries.

This part of the report tackles the MENAFATF activities with some international and regional organizations and the authorities engaged in the AML/CFT field, and looks into the forms of cooperation between the MENAFATF and some of these authorities.

FATF Plenaries and Working Group Meetings

The MENAFATF – as an FSRB - has a close relationship with the Financial Action Task Force, since it seeks to adopt, publish and promote, on the regional scale, the AML/CFT international standards issued by the FATF. This relationship allows greater participation in the work of the FATF by granting the MENAFATF Presidency, Secretariat, and member countries the opportunity to attend FATF plenaries and working group meetings, and to participate in discussions and decision-making and to express the regional point of view. The MENAFATF and its members regularly participate in these meetings.

During 2018, the MENAFATF co-participated with the FATF in several joint events, which included training workshops and programs, and on-site visits for mutual evaluations. The MENAFATF participation was represented in the following:

Participation of the MENAFATF and member countries in the FATF meetings during 2018		
2 nd Plenary Meeting, 27 th round.	The MENAFATF Secretariat and some member countries.	18-23 February 2018 Paris, France.
3 rd Plenary Meeting, 28 th round.	The MENAFATF Secretariat and some member countries.	23 - 30 June 2018 Paris, France.
1 st Plenary Meeting, 29 th round.	The MENAFATF Secretariat and some member countries.	14 – 19 October 2018 Paris, France.

Participation of the MENAFATF in the International Cooperation Review Group (ICRG) meetings during 2018		
Participation of the MENAFATF Secretariat in the Africa/Middle East Joint Group of the FATF's ICRG.		11 - 12 January 2018 Saint Petersburg, Russia.
Participation of the MENAFATF Secretariat in the on-site visit to Iraq in the context of the on-site visit of the ICRG's Africa/Middle East Joint Group.		20 – 22 May 2018 Baghdad, Iraq.
Participation of the MENAFATF Secretariat in the on-site visit to Jordan, in the context of the on-site visit of the ICRG's Africa/Middle East Joint Group.		23 – 25 May 2018 Amman, Jordan.
Participation of the MENAFATF Secretariat in the meetings of the FATF International Review Group and ICRG's Africa/Middle East Joint Group.		12 - 13 September 2018 London, UK.

Participation of the MENAFATF in mutual evaluation events in participation with the FATF during 2018		
Participation of the MENAFATF Secretariat in the face-to-face meeting between Saudi Arabia and the assessment team assigned by the FATF.		10 – 11 April 2018 Paris, France.
Participation of the MENAFATF Secretariat in the face-to-face meeting between Bahrain and the assessment team assigned by the FATF.		11 – 12 April 2018 Paris, France.

Other Regional and International Participations of the MENAFATF During 2018

Regional participations:

EVENT	DATE	PLACE
1. Participation of the MENAFATF secretariat in a conference on the risks of modern technology in money laundering & terrorism financing, and ways to combat it, in cooperation with the AML/CFT unit in Egypt and the federation of Egyptian banks.	2 February 2018	Luxor - Egypt
2. Participation of the MENAFATF Secretariat in the 31 st meeting of the Arab Committee on Banking Supervision in cooperation with the AMF.	9 – 10 May 2018	Abu Dhabi - Uae
3. Participation of the MENAFATF Secretariat and speaking at the 3 rd annual meeting of the AML/CFT Forum, in cooperation with the Palestinian Financial Follow-Up Unit and the Tunisian Financial Analysis Committee.	30 – 31 July 2018	Tunis - Tunisia
4. Participation of the MENAFATF Secretariat in the 42 nd ordinary session of the Council of the Central Bank Governors and Arab Monetary Institutions.	17 September 2018	Amman - Jordan
5. Participation of the MENAFATF Secretariat and speaking at the 10 th annual compliance and anti-money laundering seminar.	26 - 27 September 2018	Riyadh - Saudi Arabia
6. Participation of the MENAFATF Secretariat and speaking at the 8 th anti-money laundering compliance forum.	4 – 5 October 2018	Beirut - Lebanon
7. Participation of the MENAFATF Secretariat in the follow-up visit to Saudi Arabia, in cooperation with the Executive Directorate of the UNSC Counter-Terrorism Committee.	4 – 11 November 2018	Riyadh - Saudi Arabia
8. Participation of the MENAFATF Secretariat in a workshop on banking supervision, according to the ML/TF risk based approach.	4 - 6 December 2018	Abu Dhabi - UAE

International participations:

EVENT	DATE	PLACE
1. Participation of the MENAFATF Secretariat in the Egmont Group of Financial Intelligence Units meeting.	12 – 15 MARCH 2018	Buenos Aires - Argentina
2. Participation of the MENAFATF Secretariat in the inter-ministerial meeting of the Action Group against Money Laundering and Terrorist Financing in East and Central Africa.	3 - 7 September 2018	Victoria - Seychelles
3. Participation of the MENAFATF Secretariat in the Egmont Group of Financial Intelligence Units meeting.	24 - 29 September 2018	Sydney - Australia

Section Three: Building and Promoting AML/CFT Frameworks In the Middle East and North Africa Region

The MENAFATF is striving to build robust and effective frameworks for anti-money laundering and terrorist financing in the region, according to the objectives set forth in the Memorandum of Understanding. The MENAFATF is, therefore, pursuing several important steps in this endeavor, the most important of which is following up on the commitment of countries to the implementation of the international standards through mechanisms and tools adopted in this regard. They mainly include mutual evaluations and all types of follow-up processes which follow the mutual evaluation. The following is a presentation of the main events and developments in this regard during 2018.

First: Mutual Evaluation

Assessment and Follow-Up of the MENAFATF Member Countries

Based on the MENAFATF Procedures and by virtue of the 2012 FATF international standards and the 2013 Methodology, the MENAFATF conducts the mutual evaluation process to assess the anti-money laundering and countering the financing of terrorism and proliferation regime of member countries, in respect of their technical compliance with the Forty Recommendations and effectiveness of their systems.

In this context, the 27th Plenary Meeting which was held in Beirut, the Lebanese Republic from 1 to 2 May 2018, adopted the MER for the Islamic Republic of Mauritania that highlights the extent of Mauritania's compliance with the relevant international standards. The report addressed the efforts made by Mauritania and the deficiencies it had to address by executing the recommended actions set out in the said report, in an attempt to comply with the implementation of the international standards.

The MERs of Saudi Arabia and Bahrain were both discussed, in cooperation with the FATF, at the FATF-MENAFATF joint plenary meeting which was held in Paris, the Republic of France, from 27 to 29 June 2018. The Plenary adopted both reports and mentioned the efforts exerted by both countries in order to develop and give effect to the AML/CFT systems.

The 28th Plenary Meeting which was held in Beirut, the Lebanese Republic, from 27 to 28 November 2018, discussed the MER for the Kingdom of Morocco and decided to defer its adoption for the 29th Plenary Meeting, until all the observations raised by the Plenary Meeting are incorporated.

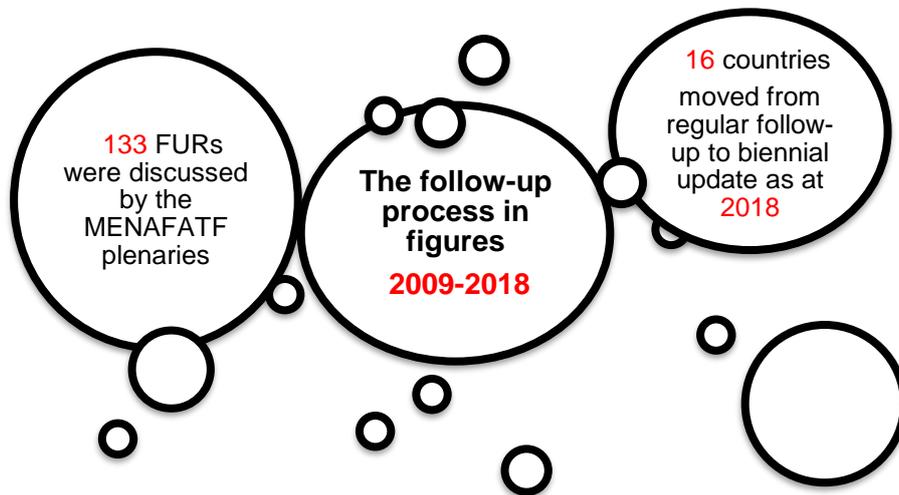
As regards the (regular and enhanced) follow-up process, the MENAFATF monitors the progress made by member countries to verify that their AML/CFT systems are being developed continuously, to encourage and urge them to address the deficiencies set out in the MER, and to take the necessary actions within reasonable periods of time in order to execute the priority actions and recommendations set out in the said report. In the context of the follow-up assessment in the second round of mutual evaluation and five years after the adoption of the MER of the assessed country, a short on-site visit is made to the concerned country, for the purpose of assessing the improvement of its effectiveness and other areas as well.

During 2018, the Plenary Meeting adopted eight Follow-Up Reports in the first round (six Biennial Update Reports for Algeria, Qatar, Sudan, Yemen, Egypt, and UAE, in addition to two Follow-Up Exit Reports for Iraq and Syria), and one Enhanced Follow-Up Report for Tunisia (with a request for technical compliance re-ratings) in the second round. These reports highlighted the progress made by these countries in terms of improving their AML/CFT systems, based on the observations mentioned in their respective Mutual Evaluation Reports and Follow-Up Reports.

In general, it can be said that member countries have made great efforts and experienced significant developments, given that this period witnessed the issuance of several AML/CFT laws and regulations, whether to enhance the criminalization of money laundering and terrorist financing or to impose new requirements on FIs and DNFBPs, such as the customer due diligence requirements, the implementation of UNSCRs, the activation of the recommended actions in respect of effectiveness, in

addition to the improvement of the efficiency and effectiveness of various authorities, including supervisors and law enforcement authorities, by providing training to their staff through programs delivered by the MENAFATF or through other specialized programs. This year has also witnessed the issuance of several guidance and instructions to entities required to report suspicious transactions, and a number of requirements to enhance the countries' internal regulations related to risk management, detection, verification of information and data submitted by customers and follow-up and monitoring of transactions.

As to countries subjected to the follow-up by the FATF International Cooperation and Review Group, member countries continue to provide information and data that demonstrate the effectiveness of their systems, according to the action plan drawn up by the said group. In this context, Tunisia provided regular reports to the Africa/Middle East Review Group in which it showed its continuous efforts to address the deficiencies set out in the MER for the second round and to improve the effectiveness of its AML/CFT system.



General update of member countries' follow-up process during the period 2009-2018

Time Line of the Second Round of Mutual Evaluation

The MENAFATF started implementing the member countries' assessment program within the second round in order to verify the level of effectiveness of the systems applied and their extent of consistency with the international standards (revised in February 2012) on combating money laundering and the financing of terrorism and proliferation, based on the new assessment methodology issued by the FATF (February 2013) and their respective subsequent amendments. The 22nd Plenary Meeting adopted the time line of the second round of mutual evaluations, where two to three countries will be assessed every year, and all the laws and controls related to combating money laundering, the financing of terrorism and proliferation which are in effect in member countries will be examined and the effectiveness of their implementation reviewed. The MENAFATF will continuously monitor the progress made by member countries in improving their AML/CFT systems. Following their evaluation, countries submit follow-up reports within periods specified in the evaluation process procedures which are adopted by the MENAFATF Plenary Meeting.

During this round, the MENAFATF member countries will be assessed based on the following time line:

Country	Date of on-site visits for the 2 nd round of mutual evaluations (1)	Discussions of MERs within the second round by the Plenary Meeting
Tunisia	February 2015	April 2016
Mauritania	19-30 December 2016	April / May 2018
Libya (2)	First half of 2017 (2)	November 2017
Bahrain	7–22 November 2017	June 2018
Saudi Arabia	8-23 November 2017	June 2018
Syria (2)	February/March 2018	November 2018
Morocco	5-20 March 2018	November 2018
Yemen (2)	August/September 2018	May 2019
Jordan	8-23 July 2018	April / May 2018
UAE	June/July 2019	February 2020
Qatar	To be determined later	- February 2021
Egypt	January/February 2020	November 2020
Palestine	July/August 2020	May 2021
Oman	To be determined later	February 2022
Lebanon	February/March 2021	November 2021
Kuwait	To be determined later	June, 2022
Algeria	February/March 2022	November 2022
Sudan	August/September 2022	April/May 2023
Iraq	February/March 2023	November 2023
Djibouti (3)	-	-
Somalia (3)	-	-

(1) The date for submitting the technical questionnaire is fixed in coordination between the Secretariat and the assessed country or between the FATF, the Secretariat and the assessed country.

(2) It was agreed to defer the mutual evaluation process for the State of Libya, Republic of Yemen and the Arab Republic of Syria, pending the improvement of their security circumstances.

(3) The date of the mutual evaluation will be discussed at the 29th MENAFATF Plenary Meeting in April/May 2019

Second: Technical Assistance and Typologies

Raising Awareness about ML/TF Methods, Techniques and Trends in 2018

The task of raising awareness about ML/TF risks is one of the major duties of the MENAFATF. It is undertaken through annual workshops on typologies and capacity building, periodical and non-periodical typologies project reports it issues, specialized technical meetings it organizes or co-organizes within its work fields, in addition to training workshops that it holds solely or jointly with other associates and donors. The following are the most important achievements made in these areas during 2018.

Typologies Project on “Money Laundering through the Real Estate Sector”

This project basically aims at exploring and understanding the nature of the real estate activities which are at greatest risks of money laundering, and at studying how the real estate sector is being misused for laundering the proceeds of crime. It also highlights the techniques and tools used to launder proceeds generated by the misuse of real estate at the regional level. Egypt and KSA have jointly led the Typologies Project on Money Laundering through the Real Estate Sector, together with a working group formed of experts who represent several member countries, including the Republic of Sudan, the Hashemite Kingdom of Jordan, and the Sultanate of Oman. Nine member countries contributed to this project by answering the questionnaire and providing relevant case studies, in addition to the results of the questionnaire and case studies analysis. It is worth noting that the project has a particular characteristic represented in the involvement of the private sector and many other authorities. The project benefited from the outputs of the session, for the purpose of informing the project with information and case studies, on the margin of the joint typologies workshop between the MENAFATF and FSRBs in Africa, which was held in Rabat, the Kingdom of Morocco, from 22 to 25 January 2018, and which constituted an important source of information. The representative of Egypt made a presentation on the project which included an overview of the project and the major steps it went through since its launching back in May 2017.

Typologies Project on “Terrorist Financing and Social Media”

The MENAFATF/APG joint typologies project on Terrorist Financing and Social Media was carried out. It addressed the main challenges facing supervisors, investigators and prosecutors in TF cases resulted by the misuse of social media services, and included measures to help competent authorities overcome them. It also shed light on the ways and methods of cooperation with social media companies to prevent their misuse for TF. The Typologies Project on Terrorist Financing and Social Media was executed under the co-leadership of Egypt which represented the MENAFATF, and Malaysia which represented the APG, with the support of the APG and MENAFATF Secretariats. 27 countries participated in the project by answering the questionnaire on the request of information and submitting case studies on terrorist financing through the misuse of the social media services. The representative of Egypt made a presentation on the final report of the MENAFATF/APG joint project. He addressed many points in his presentation, which included a general idea on the project and its launching, the participation in the response to the questionnaire on the collection of information and case studies in each of the member countries of both Groups and the main results reached by the project. It is worth noting that the current draft of the project report was adopted at the APG Plenary Meeting in July 2018.

Training Workshops and Programs Organized and Co-Organized by the MENAFATF during 2018

Joint Typologies and Capacity Building Workshop in Cooperation with the Moroccan FIU 22–25 January 2018, Rabat, Kingdom of Morocco

The 1st joint typologies and capacity building workshop in the Middle East and Africa region on combating money laundering and terrorist financing was held. It was organized by four FATF-style regional bodies (FSRBs), being the Middle East and North Africa Financial Action Task Force (MENAFATF), the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), the Task Force on Money Laundering in Central Africa (GABAC) and the Inter-Governmental Action Group against Money Laundering in West Africa (GIABA), in Rabat, the Kingdom of Morocco, from 22 to 25 January 2018, under the auspices of HH King Mohammad VI, the King of Morocco, in cooperation with the Financial Information Processing Unit. This workshop aims at discussing the risks, techniques and trends of ML/TF operations, including ML/TF smuggling; money laundering through the real estate sector; terrorist financing risks; cash flows from human trafficking; and professional money laundering networks. It also aims at exchanging expertise and best practices between the participating experts, representatives of all the countries, and international organizations and at promoting the capacities of participants in the AML/CFT field. Considering the importance of the workshop, "Rabat Recommendations" on combating money laundering and terrorist financing in the Middle East and Africa were approved in view of preserving and maintaining this initiative. This workshop was attended by member countries of MENAFATF, ESAAMLG, GABAC, GIABA, and Moroccan Financial Information Processing Unit (UTRF).

Workshop for Judges and Public Prosecutors on the Exchange of Expertise, Challenges and Best Practices in the AML/CFT Field, in Cooperation with the Tunisian Financial Analysis Committee, in Participation with Financial Action Task Forces In Africa, 27-28 February 2018, Tunis, Republic of Tunisia

MENAFATF, ESAAMLG, GABAC and GIABA participated in the preparation of a workshop for judges and public prosecutors on the exchange of expertise and best practices in the AML/CFT field, which was hosted by the Tunisian Financial Analysis Committee, in Tunis, the Republic of Tunisia, from 27 to 28 February 2018. The workshop focused on the major challenges and best practices in AML/TF investigation and confiscation of criminal proceeds.

Workshop on the Preparation of Countries Placed under Mutual Evaluation Within the Mutual Evaluation for the Hashemite Kingdom of Jordan, 6-7 May 2018, Amman, Hashemite Kingdom of Jordan

The AML/CFT Unit held a training workshop on the evaluation of the Hashemite Kingdom of Jordan, in Amman, the Hashemite Kingdom of Jordan, from 6 to 7 May 2018, aimed at preparing Jordan for the mutual evaluation and the on-site visit and introducing the importance of mutual evaluation, the time line of the process and presenting what is required from the country before, during and after the on-site visit. Several topics were also discussed, such as: The objective of the evaluation process and its stages, the technical compliance and its stages, the technical compliance ratings, the key issues of the assessed countries (the political commitment and the national coordination) and the presentation of the core issues of the Immediate Outcomes. The workshop presented the most important results reached, including the awareness of the evaluation process among Jordanian local authorities, provision of the necessary information and statistics by Jordanian local entities before the on-site visit, and the faith Jordanian local entities have in the importance of national cooperation as a building block for the success of the evaluation process. The delivery of this workshop shortly before the evaluation process is important and it is recommended to deliver it to all the countries which will be placed under evaluation and not to just consider it optional, in view of the effect it has on the preparation of the country for the mutual evaluation. The training workshop was attended by the

Jordanian local authorities concerned with combating money laundering and terrorist financing, including supervisors, security agencies, law enforcement authorities, the FIU and the private sector.

**Workshop on the Disruption of Terrorist Networks through the Implementation of Sanctions Pursuant to UNSCRs No.1267/1988
In Cooperation with the United Nations Office on Drugs and Crime,
7-10 May 2018, Doha, State of Qatar**

The MENAFATF held a training working on the disruption of terrorist networks through the implementation of sanctions pursuant to UNSCRs No.1267/1988 in cooperation with the UNODC, in Doha, the State of Qatar, from 7 to 10 May 2018. This workshop falls under the MENAFATF training plan for 2017-2019. Member countries considered the implementation of UNSCRs and targeted financial sanctions among their priority training needs. This workshop aims at acquiring an in-depth knowledge of the Security Council system and mechanisms, namely the listing and delisting processes. This training was prepared by UNODC, UN 1267 Monitoring Team and the Interpol.

**Workshop on Demonstrating and Assessing AML/CFT Effectiveness
In Cooperation with the International Monetary Fund,
23-27 September 2018, Kuwait, State of Kuwait**

Given the importance of promoting and fostering the abilities of officials concerned with the implementation of the amended international AML/CFT standards and the methodology for the assessment of technical compliance with the FATF Recommendations and effectiveness of the AML/CFT regimes, the MENAFATF organized a joint training course, in cooperation with the IMF on demonstrating and assessing AML/CFT effectiveness, at the International Monetary Fund Middle East Center for Economics and Finance, from 23 to 27 September 2018, in Kuwait, the State of Kuwait. The workshop targeted the draft law makers, policy makers, officials at the supervisory and regulatory authorities in the financial and DNFBP sectors, officials at the Financial Information Units, officials at the criminal justice bodies and other governmental officials concerned with the initiation of the national ML/TF risk assessments, the preparation of mutual evaluations and the implementation of AML/CFT laws in their countries.

This workshop aimed at promoting and fostering the abilities of officials concerned with the implementation of the FATF international standards on combating money laundering and the financing of terrorism and proliferation (the forty Recommendations, the methodology for the assessment of technical compliance with the FATF Recommendations and effectiveness of the AML/CFT regimes and their subsequent amendments). It also aimed at informing the participants understanding of the conditions set out in these standards. In addition, it aimed at laying down the general highlights for the implementation, outline and analysis of the FATF forty Recommendations and at drawing up a medium term action plan to promote the national AML/CFT framework. The workshop discussed important issues related to its object, along with practical exercises in which the participants were actively engaged. It comprised an overview of the mutual evaluation process at the FATF and the MENAFATF, respectively, and the method of conducting the assessment of effectiveness in detail (the eleven Immediate Outcomes). This training workshop was attended by experts from MENAFATF, IMF, Canada Revenue Agency and the Policy Council of Guernsey.

**Workshop on the Disruption of Terrorist Networks through the Implementation of Sanctions Pursuant to UNSCRs No.1267/1988
In Cooperation with the United Nations Office on Drugs and Crime,
1-4 October 2018, Cairo, Arab Republic Of Egypt**

The Egyptian AML/CFT Unit held a workshop on the disruption of terrorist networks through the implementation of sanctions pursuant to UNSCRs No.1267/1988, in cooperation with the UNODC and the UN 1267 Monitoring Team, in Cairo, Egypt, from 1 to 4 October 2018. This workshop aims at acquiring an in-depth knowledge of the Security Council system and mechanisms, namely the listing and delisting processes, and developing the skills required for identifying the extent to which it is useful to designate individuals or entities, and assessing the impact of the measures applied. The

most important issues relevant to the workshop object were discussed, including the implementation of the UNSCRs sanctions against Daesh, Al-Qaeda and Taliban and associated individuals and entities. The workshop addressed the experience of the MENAFATF in the preparation of MERs in which it took part, as follows: Tunisia, Mauritania, Bahrain, Saudi Arabia and more particularly in Immediate Outcome 10. Some of the most important outcomes reached during the workshop are the importance of cooperation and exchange of information.

**Workshop on the Preparation of the Country for the Mutual Evaluation Process,
10-12 December 2018, Abu Dhabi, United Arab Emirates**

MENAFATF held a training workshop on the evaluation of the United Arab Emirates, in Abu Dhabi, UAE, from 10 to 12 December 2018. It is aimed at preparing the UAE for the mutual evaluation and the on-site visit and introducing the importance of mutual evaluation, the time line of the process and presenting what is required from the country before, during and after the on-site visit. The most important topics were discussed, noting that they cover the objective of the evaluation process and its stages, the technical compliance and its stages, the technical compliance ratings, the key issues of the assessed countries (the political commitment and the national coordination) and the presentation of the core issues of the Immediate Outcomes. The most important results reached included awareness raising among Emirati local authorities of the assessment process, and how to fulfill the technical compliance component and the effectiveness component relevant to the Immediate outcomes. These results also included the support of the central authority concerned with the coordination of the mutual evaluation, and the importance of coordinating with it and observing the deadlines, and the provision of the necessary information and statistics by Emirati local entities before the on-site visit.

**Section Four: Financial statements and final accounts for the year ending
on 31 December 2018**

**Statement of the Financial Position as at 31 December 2018
(Amounts in US \$)**

STATEMENT	2018	2017
Assets		
Non-Current Assets		
Equipment and Vehicles	<u>6,727</u>	<u>2,787</u>
Current Assets		
Member Countries Accrued Contributions	-	127,654
Prepayments and Other Receivables	16,217	11,580
Cash and Bank Balance	<u>741,353</u>	<u>603,923</u>
	<u>757,570</u>	<u>743,157</u>
Total Assets	<u>764,297</u>	<u>745,944</u>
Accumulated Funds and Liabilities		
Accumulated Funds		
Strategic Reserve	112,800	112,800
Accumulated Funds	<u>158,910</u>	<u>140,965</u>
Total Accumulated Funds	<u>271,710</u>	<u>253,765</u>
Non-Current Liabilities		
Employees' Terminal Benefits	62,373	58,892
Deferred Grants	<u>44,783</u>	<u>44,783</u>
	<u>107,156</u>	<u>103,675</u>
Current Liabilities		
Trade and Other Payables	41,883	43,913
Deferred Income - Members	<u>343,548</u>	<u>344,591</u>
	<u>385,431</u>	<u>388,504</u>
Total Accumulated Funds and Liabilities	<u>764,297</u>	<u>745,944</u>

Statement of Revenues and Expenses for the year ending on 31 December 2018
(Amounts in US \$)

STATEMENT	2018	2017
Income		
Contributions from Members'	594,459	553,477
Liabilities No Longer Payable Written Back	16,794	-
Gain on Sale of Equipment and Vehicles	<u>163</u>	<u>6,000</u>
Total Income	<u>611,416</u>	<u>559,477</u>
Expenses		
Direct Costs	547,825	413,064
General and Administrative Expenses	42,753	76,061
Depreciation	<u>2,893</u>	<u>1,415</u>
Total Expenses	<u>593,471</u>	<u>490,540</u>
Surplus for the Year	<u>17,945</u>	<u>68,937</u>