



MENAFATF

Accession Criteria

November 2019

The MENAFATF Accession Criteria and the annexed Memorandum of Accession were adopted by the 4th MENAFATF Plenary Meeting in November 2006. They were amended by the 26th MENAFATF Plenary Meeting on 7 December 2017 in Manama, Kingdom of Bahrain and also amended by the 29th MENAFATF Plenary Meeting on 26 November 2019 in Cairo, Arab republic of Egypt.

First: Criteria of accession to the MENAFATF membership

The following criteria should be taken into account when any new country applies for the MENAFATF membership:

- 1- The applicant country should be an Arab country in the MENA region.
- 2- The applicant country should have laws promulgated to combat money laundering and financing of terrorism, or at least laws are underway to take efficient steps and arrangement to promulgate them.
- 3- The applicant country should apply or be taking steps and measures to commit to the implementation of UN conventions and Security Council Resolutions relevant to AML/CFT.
- 4- The applicant country should adopt the FATF Recommendations and the International Standards on Combating Money Laundering and Financing of Terrorism and Proliferation, and any amendments thereto.
- 5- The accession of this country should not affect the MENAFATF competent and efficient work.

Second: Criteria for holding an observer status with the MENAFATF

The following criteria should be observed when applying for an observer status with the MENAFATF, whether by countries from the region that applied for the MENAFATF membership, but the applications have not been decided on yet, or countries outside the region or international and regional organizations, taking into consideration the relative balance between the number of member countries and observers at the MENAFATF:

- 1) The country should be from the region, where it applied for the MENAFATF membership which has not been decided upon yet.
- 2) The country should be outside the region and compliant with the International Standards on AML/CFT, not subjected to any international AML/CFT sanctions or to the FATF International Cooperation Review Process.
- 3) The applicant country or organization should be experienced in AML/CFT and should determine the objectives sought behind holding an observer status at the MENAFATF, the results that would benefit it, the fields in which it could ensure support and assistance to the MENAFATF in its work, as well as the expected benefits for the MENAFATF if it held the observer status.

- 4) The organization should be intergovernmental and international or regional in nature and it should not represent the private sector or work according to its mechanisms.
- 5) The applicant organization should have a prominent role in the field of its work.
- 6) Holding the post of an observer at MENAFATF by a country/organization should not affect the MENAFATF continuous competent and efficient work.
- 7) If any counterpart regional body applied for the observer status, it should be one of the counterparts FATF Style Regional Bodies that has been granted the status of "Associate Member" in FATF, and it should approve of the reciprocity principle through offering MENAFATF the observer status.
- 8) The country/organization undertakes to continuously attend the MENAFATF Plenary and working group meetings, to participate in discussions in order to inform them and to raise the level of information.
- 9) The country/organization should be willing to participate in most of the following fields, with a view to contributing to the MENAFATF work and activities:
 - The Mutual Evaluation of member countries (preparing Assessed countries, reviewing and improving the quality of the Mutual evaluation Reports, participating in the discussion of the report and Participating by providing assessors if required).
 - Providing technical or technological assistance to the MENAFATF or member countries, if necessary.
 - Providing training and support to the MENAFATF or member countries, if necessary.

Third: Criteria for assessing the performance of observers

The purpose of establishing additional criteria to assess the performance of observers at the MENAFATF is to support the MENAFATF objectives, by activating and furthering the role of the observer, benefiting from its wide experience, seeking the assistance it can provide, sharing benefits with it, and ensuring the achievement of interests which are expected to turn to the MENAFATF advantage from becoming an observer. The following criteria should be taken into consideration in assessing the performance of observers, in order to help the Plenary Meeting evaluate the benefit achieved behind granting the observer status:

1- Active participation in the MENAFATF Plenary Meetings by undertaking the following:

- Continuously attending the MENAFATF Plenary and working group meetings.
- Expressing the views they deem necessary during discussions in order to inform such discussions and raise the level of information, as well as making any proposals to improve the MENAFATF performance, according to the expertise and experiences of each of them.

2- Contribution to the MENAFATF activities by undertaking the following:

- Organizing joint projects and events with the MENAFATF or member countries, for the exchange of experiences and expertise, hosting events in the region and inviting the MENAFATF and member countries to participate and attend.
- Providing the necessary training to the MENAFATF and member countries, for example: Contributing to the preparation of training materials and programs, as needed.
- Providing technical and technological assistance and financial resources to member countries, if necessary.
- Providing experts according to the work nature (application of studies, preparation of documents, workshops, and events), if necessary.

3- Contribution to the MENAFATF works by undertaking the following:

- Expressing opinions and making interventions and observations on the papers and projects that the MENAFATF works on.
- Supporting the MENAFATF Secretariat.
- Participating in the Mutual Evaluation processes by preparing the assessed country, reviewing and enhancing the quality of the Mutual Evaluation Reports, as well as participating in the discussion of these reports during the Plenary Meeting, in addition to the participation by providing assessors in case the MENAFATF requires so.

Based on the afore-mentioned criteria, observers should fill out a questionnaire prepared by the MENAFATF Secretariat periodically, each year (the first meeting of each year). It would outline all the efforts and contributions they are making in the AML/CFT field, in the region and for the MENAFATF member countries. The performance of the observer is then assessed by the MENAFATF Secretariat, to verify the benefit behind its accession or

its presence as an observing member, provided that the results will be presented to the Plenary Meeting.

The Plenary Meeting is entitled to send a warning, to suspend or to withdraw the membership of any observer, in the following cases:

- Failing to attend two meetings on a recurrent basis without excuse.
- Failing to properly contribute to the MENAFATF activities and works, and this is left for the discretion of the Plenary Meeting.

Forth: mechanism of withdrawing or suspending the membership:

1. Based on the secretariat presentation, a censure letter is sent by the MENAFATF President - through the Secretariat - to the observing member, stating the weaknesses.
2. In case no appropriate efforts were made to address the afore-mentioned weaknesses, a warning letter shall be sent by the MENAFATF President to the observing member to suspend the membership.
3. In case no response is received, the membership shall be suspended.
4. In case of repeated non-compliance, a warning letter shall be sent by the MENAFATF President to the observing member to withdraw the membership.
5. In case no response is received, the membership shall be withdrawn by the decision of the Plenary.

Fifth: Implementation steps for joining the MENAFATF (Members and Observers):

The following implementation steps should be adopted in terms of joining the MENAFATF membership or holding an observer status at it:

- 1- A letter should be addressed to the MENAFATF president- via the Secretariat- and signed by an official party entitled to represent the country's government or by the president of the organization, provided that the letter explicitly includes the following:
 - The government's/organization's desire to join MENAFATF/hold an observer status.

- Pledge to commit to the MOU and any future amendment, and support MENAFATF objectives listed in Clause 1.
 - Contribute to the financing of the MENAFATF budget according to the value of contributions set by the Plenary of the MENAFATF in this regard (with respect to accession applications to the MENAFATF membership).
 - Take part in mutual evaluations in terms of being subject to evaluation, ensuring experts to participate in the evaluation of other countries, as well as commit to efficient participation in all the other MENAFATF activities and works.
 - Take part in the MENAFATF activities, especially in the field of technical assistance & training, and typologies (with respect to the post of an observer).
 - Define the objectives of the country/organization behind its application for the post of an observer, as well as the benefits of the MENAFATF behind that, and the services and assistance the country/organization could provide to support the efforts of the MENAFATF.
- 2- The MENAFATF president forwards the request to all member countries.
 - 3- He also acknowledges the receipt of the application to the country/organization in writing. He states that the necessary measures will be adopted and includes in his letter the date of the plenary meeting during which a decision would be made.
 - 4- Applications would be examined during the next Plenary in case they were submitted 90 days at least before the date of the meeting. However, if they were submitted within 90 days before the meeting, they will be examined during following the plenary meeting.
 - 5- Present the applications before the plenary session which will be discussed by the member countries. All decisions on Membership and Observers will be unanimous.
 - 6- Discuss the forwarded applications in the next meeting in case they were not decided on.
 - 7- In case of approval of the application, the president of the MENAFATF- via the Secretariat- writes to the country/organization, as well as the remaining members about the plenary meeting's approval.
 - 8- The share of each country in financing the budget will be recalculated in light of the approval of the new country's membership, as of the following budget.
 - 9- The government's representative's signature of the memorandum of accession of a government to the MOU between the governments of member countries in MENAFATF for AML/CFT (enclosed).

(Annex)

MEMORANDUM OF ACCESSION BY
THE GOVERNMENT OF []
TO THE
MEMORANDUM OF UNDERSTANDING BETWEEN
THE GOVERNMENTS OF THE ARAB MEMBER STATES OF
THE MIDDLE EAST AND NORTH AFRICA FINANCIAL ACTION TASK
FORCE
AGAINST MONEY LAUNDERING AND TERRORIST FINANCING

PREAMBLE

The Government of the [] (hereinafter referred to as []

recognizing the threat posed by money laundering and terrorist financing to countries in the Middle East and North Africa Region ("MENA Region");

Whereas this threat can only be effectively tackled by co-operation between countries within the MENA Region;

Recalling measures taken by the United Nations with regard to countering money laundering and the financing of terrorism;

Recognizing the Financial Action Task Force ("FATF") Recommendations on Combating Money Laundering and Financing of Terrorism and Proliferation, the related UN Conventions, and UN Security Council Resolutions, as the worldwide-accepted international standards in this regard, in addition to any standards that are adopted by the Arab States to enhance the fight against money laundering and the financing of terrorism and proliferation in the region;

Whereas the countries in the MENA Region should work jointly to comply with these standards; in order to establish an effective system which countries need to implement in a

way that does not contradict with their cultural values, constitutional framework and legal systems; and

Recognizing and accepting the Memorandum of Understanding between the Governments of the Arab Member States of the Middle East and North Africa Financial Action Task Force against Money Laundering and Terrorist Financing signed in Manama on the 30th day of November 2004 and its amendments

NOW IT IS HEREBY AGREED BY THE GOVERNMENT OF [] THAT:

1. [] undertakes to recognize and adopt the Articles of the said Memorandum of Understanding which created the Middle East and North Africa Financial Action Task Force Against Money Laundering and Terrorist Financing (MENAFATF) ;
2. [] undertakes to be bound by the Articles of the said Memorandum of Understanding; and
3. [] undertakes to be bound by the past Plenary decisions of the MENAFATF.

Signed at on the day of in the Arabic.

For the Government of []

Name of signatory

Title

Signature