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<th>Event Number</th>
<th>Event Title</th>
<th>Date</th>
<th>Organizer</th>
<th>Location</th>
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<tr>
<td>1</td>
<td>Inter-regional workshop on &quot;Establishing/Reinforcing the Network of Prosecutors and Central Authorities from source, transit and destination countries located along the northern Afghan drug trafficking routes&quot;</td>
<td>13 – 14 May 2014</td>
<td>UNODC ROCA</td>
<td>Astana, Kazakhstan</td>
<td><a href="mailto:kamola.ibragimova@unodc.org">kamola.ibragimova@unodc.org</a></td>
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<tr>
<td>2</td>
<td>World Bank/UNODC Cash Couriers Training</td>
<td>13 – 15 May 2014</td>
<td>World Bank/Kazakh FIU/UNODC</td>
<td>Astana, Kazakhstan</td>
<td><a href="mailto:jasanbaeva@worldbank.org">jasanbaeva@worldbank.org</a></td>
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<tr>
<td>3</td>
<td>The Egmont Group Plenary Meeting</td>
<td>1 – 6 June 2014</td>
<td>The Egmont Group</td>
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<td>4</td>
<td>Consultations with the private sector &quot;Risk Based Approach in the New Payment Methods&quot;</td>
<td>16 June 2014</td>
<td>EAG</td>
<td>Moscow, Russia</td>
<td><a href="mailto:info@eurasiangroup.org">info@eurasiangroup.org</a></td>
</tr>
<tr>
<td>5</td>
<td>The 20th EAG Plenary and Working Group Meetings</td>
<td>17 – 20 June 2014</td>
<td>EAG</td>
<td>Moscow, Russia</td>
<td><a href="mailto:info@eurasiangroup.org">info@eurasiangroup.org</a></td>
</tr>
<tr>
<td>6</td>
<td>Regional Workshop on &quot;Illicit use of Money or Value Transfer Services (MVTS) – Part 2&quot;</td>
<td>First week of July 2014</td>
<td>UNODC Regional Programme for Afghanistan and Neighbouring Countries and GPML</td>
<td>Bishkek, Kyrgyzstan</td>
<td><a href="mailto:sanam.mirmotahari@unodc.org">sanam.mirmotahari@unodc.org</a></td>
</tr>
<tr>
<td>7</td>
<td>45th MONEYVAL Plenary Meeting</td>
<td>15 – 19 September 2014</td>
<td>MONEYVAL</td>
<td>Strasbourg, France</td>
<td><a href="mailto:dghl@moneval.coe.int">dghl@moneval.coe.int</a></td>
</tr>
</tbody>
</table>
AFGHANISTAN

Afghanistan enacted an AML/CFT law in 2004. The FIU was established in 2005. The on-site visit of Afghanistan’s mutual APG-IMF evaluation took place in January 2011. Afghanistan is a member of the Asia Pacific Group (APG) and an observer to the EAG. Afghan FIU became an Egmont Group member in June 2010.

BELARUS


CHINA

The AML/CFT law came into force in January 2007. The Mutual Evaluation Report of China was adopted by FATF in June 2007 and by EAG in December 2007. The fifth Mutual Evaluation Follow-up Report was adopted by EAG in December 2010. China is a member of EAG, FATF and APG, and co-chairs the EAG Evaluation/Legal Working Group. In 2012 a representative of China was appointed as a rotating APG. In February 2012 the FATF adopted the follow up report of China and decided to take off China from its regular follow-up process. China shall report back to the FATF Plenary on any further improvements to its AML/CFT regime on a biennial basis.

KAZAKHSTAN

The AML/CFT law came into force in March 2010. The Financial Monitoring Committee (FIU) was established within the Ministry of Finance in April 2008. In July 2011 the FIU became a member of the Egmont Group. Kazakhstan is a member of EAG and since November 2013 it holds a position of a Vice-Chair of EAG, and co-chairs the EAG Technical Assistance Working Group. The Mutual Evaluation Report of Kazakhstan was adopted by EAG in December 2008. In December 2008 the EAG placed Tajikistan under the enhanced follow up procedure. In November 2013 the EAG adopted the 10th follow-up report of Tajikistan and requested Tajikistan to present its next follow-up report at the next EAG Plenary meeting, when a possible removal of Tajikistan from the follow-up procedure will be discussed. In 2011 Tajikistan was included in the FATF public document “Improving Global AML/CFT Compliance: On-going Process”. In its recent statement from February 2014 the FATF noted that Kyrgyzstan has substantially addressed the Action Plan and made a significant progress in improving its AML/CFT regime. The FATF will conduct an on-site visit to Kyrgyzstan in spring 2014 to confirm that the process of implementing the required reforms is underway.

TAJIKISTAN

The AML/CFT Law was adopted in March 2011. In October 2011 the Financial Monitoring Department (FIU) was established under the National Bank of Tajikistan. In July 2012 the Tajik FIU became a member of the Egmont Group. Tajikistan is a member of EAG. The World Bank mutual evaluation report was adopted by EAG in December 2008. In December 2008 the EAG placed Tajikistan under the enhanced follow up procedure. In November 2013 the EAG adopted the 10th follow-up report of Tajikistan and requested Tajikistan to present its next follow-up report at the next EAG Plenary meeting, when a possible removal of Tajikistan from the follow-up procedure will be discussed. In 2011 Tajikistan was included in the FATF public document “Improving Global AML/CFT Compliance: On-going Process”. In its recent statement from February 2014 the FATF encouraged Tajikistan to address the remaining deficiencies: (1) ensuring adequate procedures for freezing terrorist assets; and (2) implementing adequate procedures for the confiscation of funds related to the full range of ML predicate offences.

KYRGYZSTAN

Kyrgyz State Financial Intelligence Service - SFIS (FIU) became a member of the Egmont Group in May 2009. Kyrgyzstan is a member of EAG and co-chairs the EAG Working Group on Counteraction of Financing Drug Business, Crime and Terrorism. The Mutual Evaluation Report of Kyrgyzstan was adopted by EAG in June 2007. In November 2013 the EAG adopted the 9th Mutual Evaluation Follow-up of Kyrgyzstan and requested Kyrgyzstan to present its next follow-up report at the next EAG plenary meeting, when a possible removal of Kyrgyzstan from the follow-up procedure will be discussed. In October 2011 Kyrgyzstan was included in the FATF public document “Improving Global AML/CFT Compliance: On-going Process”. In its recent statement from February 2014 the FATF noted that Kyrgyzstan has substantially addressed the Action Plan and made a significant progress in improving its AML/CFT regime. The FATF will conduct an on-site visit to Kyrgyzstan in spring 2014 to confirm that the process of implementing the required reforms is underway.

TURKMENISTAN

The AML/CFT law was adopted in May 2009. A Financial Intelligence Unit (FIU) was established under the Ministry of Finance in 2009 and in July 2012 it became an observer to the Egmont Group. Turkmenistan became a member of EAG in June 2010. The Mutual Evaluation Report and the first Follow-up Report of Turkmenistan were adopted by the EAG in June 2011. The FATF during its June 2012 plenary meeting decided to remove Turkmenistan from its monitoring process under its on-going global AML/CFT compliance process. The FATF welcomed Turkmenistan’s significant progress in improving its AML/CFT regime and noted that Turkmenistan has largely met its commitments in its Action Plan regarding the strategic deficiencies identified by FATF. In November 2012 Turkmenistan presented its 4th follow-up report to the EAG and EAG removed Turkmenistan from its follow-up procedure.

UZBEKISTAN

Uzbekistan is a member of EAG and co-chairs the EAG Working Group on Supervision. The Mutual Evaluation Report of Uzbekistan was adopted by EAG in June 2010 and by November 2012 the EAG adopted two follow-up reports of Uzbekistan. The amendments to the Uzbek AML/CFT Law came into force on 22 April 2009 and amendments to additional 16 laws were adopted in September 2009. In its February 2010 statement the FATF welcomed Uzbekistan’s significant progress in improving its AML/CFT regime and noted that Uzbekistan addressed the AML/CFT deficiencies that the FATF had identified in February 2008. Uzbekistan is no longer subject to the FATF’s enhanced monitoring process. Uzbek FIU became an Egmont Group member in July 2011.

INDIA

A Financial Intelligence Unit (FIU - IND) was established in November 2004 as independent body reporting directly to the Economic Intelligence Council headed by the Finance Minister. FIU-IND is a member of Egmont Group. India has criminalised money laundering under the Prevention of Money Laundering Act and the Narcotic Drugs and Psychotropic Substances Act. These laws came into force in 2005 and were amended in 2009. India is a member of FATF, APG and EAG. In November 2013 India became the Chair of the EAG. The Mutual Evaluation Report of India was adopted by FATF in June 2010. In June 2013 the FATF adopted the follow up report of India and decided to take off India from its regular follow-up process.

We welcome contributed articles of up to one page in length!
To submit information for inclusion to the newsletter or to be added to or removed from the distribution list, please contact Mr. Klaudijo Stroligo at kstro@worldbank.org
## Schedule of EAG member-states’ AML/CFT Mutual Evaluations

<table>
<thead>
<tr>
<th>Country</th>
<th>Evaluators</th>
<th>On-Site Evaluation</th>
<th>Plenary Discussion</th>
<th>Mutual Evaluation Reports [MER]</th>
</tr>
</thead>
</table>
EAG First MER, Progress report in English: http://eurasiangroup.org/ru/restricted/chinareport.pdf |
| BELARUS         | EAG        | July 27 – Aug 3, 2008 | Adopted: EAG (December 2008) | Five Follow up Reports are on EAG website |
| KAZAKHSTAN      | EAG        | October 2 -10, 2010 | Adopted: EAG (June 2011) | MER in English: http://www.eurasiangroup.org/ru/restricted/MER_2011_1_KAZ_rev1_eng.doc  
MER in Russian: http://www.eurasiangroup.org/ru/restricted/MER_2011_1_KAZ_rev1_rus.doc |
MER and Summary in Russian: http://eurasiangroup.org/ru/restricted/eagkyrgyz.pdf |
| TAJIKISTAN      | EAG, World Bank | June 2007           | Adopted: EAG (December 2008) | Two Follow up Reports are on EAG website |
| UZBEKISTAN      | EAG        | November 8-14, 2009 | Adopted: EAG (June 2010) | MER in English: http://eurasiangroup.org/ru/restricted/EAG_ME_2010_1_eng_amended.doc  
MER in Russian: http://eurasiangroup.org/ru/restricted/EAG_ME_2010_1_amended_final.doc  
Two Follow up Report is on EAG website |

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The UNODC Global Programme Against Money-Laundering, Proceeds of Crime and the Financing of Terrorism (GPML), within its segment for Turkmenistan, conducted the workshop entitled “Sharing practices in strengthening national inter-agency cooperation in detection, investigation and adjudication of money-laundering” in Ashgabat on 2-3 April 2014. The workshop was organized in direct response to the expressed needs of the national authorities of Turkmenistan (FIU) and supported by the Government of Turkmenistan.

The workshop aimed at improving the knowledge and skills of senior staff of various institutions/agencies of Turkmenistan to cooperate at the national level for the purpose of investigating/prosecuting/adjudicating of laundering crime proceeds by sharing practices and national AML cooperation mechanisms of various countries. The officials from FIU and law enforcement agencies, as well as prosecutors and/or judges from Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Poland, Russian Federation, UK, USA, as well as UNODC, EAG, OSCE experts shared their experiences with their Turkmen counterparts.

The workshop brought together overall 38 participants, including 16 officials representing the FIU, General Prosecutor Office, State Service on Security of Healthy Society, Central State Tax Service, State Customs Service, Ministry of Interior and the judiciary of Turkmenistan.

The lively discussions revealed the need for facilitation of prosecution for money laundering offenses, known for their technical complexity, through incorporating into the national legislations of, among others, provisions on the reversal of burden of proof, illicit enrichment, confiscation of the property and instrumentalities of crime regardless of ownership, statute of limitations. At the same time, the participants stressed the importance of the principle of proportionality, presumption of innocence and protection of the rights of bona fide parties.

The CDs including the AML international standards, national legislations, relevant publications and presentations were disseminated among all the participants. All the participants acknowledged a high quality and practical value of the workshop. Among the strengths of the workshop the participants highlighted the high level of the workshop organization and moderation, significant number of the overseas jurisdictions and experts, comprehensive and clear/easy to understand presentations and discussions. A judge of the Supreme Court of the Russian Federation mentioned that the best practices learned at the workshop will be considered to be further incorporated into the new editions of the Criminal and Criminal Procedure Codes of the Russian Federation.

An OSCE-supported training seminar on preventing money laundering and countering the financing of terrorism in the banking sector was held in Almaty, Kazakhstan from 23 to 25 April 2014.

The three-day event was co-organized by the OSCE Centre in Astana in co-operation with the National Bank of Kazakhstan and the US Embassy with the support of the OSCE Office of Economic and Environmental Activities and the Committee for Financial Monitoring.

Around 80 representatives of all national stakeholders, most notably the Kazakhstan National Bank and 38 second-level banks, reviewed and discussed the best practices and techniques related to preventing money laundering and countering the financing of terrorism. Leading international experts from the OSCE Secretariat, the National Bank of Slovenia, US financial authorities as well as the European Union Counter-terrorism Co-ordinator were among the speakers at the event.

“Money laundering and terrorism-financing crimes are transnational in nature,” said Ambassador Natalia Zarudna, Head of the OSCE Centre in Astana. “Therefore, international co-operation plays a crucial role in combating these threats for the sake of sustainable development, favourable business and investment climate and the rule of law. At the same time, success in this struggle depends, in the first place, on effectiveness of the national policies, practices and the ability to flexibly respond to new challenges in each country.”

Kerimkul Yesbulatov, Deputy Chairman of the Committee for Control and Supervision of the Financial Market and Financial Organizations at the Kazakhstan National Bank, said: “Globalization and financial relations contribute to the emergence of new technologies for faster and easier access to banking services and products but also make the economy more vulnerable to criminal activity. Development of the financial sector is not possible without a strong system to counter money laundering and terrorist financing in the banking sector”.

http://www.osce.org/astana/117946

MONEYVAL update

- The 44th MONEYVAL Plenary meeting was held from 31 March to 4 April 2014 in Strasbourg, France. During the meeting the following decisions were taken:
  - The 4th round Mutual Evaluation Reports on Liechtenstein, Romania and “the former Yugoslav Republic of Macedonia” were adopted;
  - The Plenary examined the situation in Bosnia and Herzegovina (BiH) after the Council of Europe – MONEYVAL’s high level mission under its compliance enhancing procedures and took a following decision: “The BiH authorities should adopt the amendments to the AML/CFT Law and to the Criminal Code by 31 May 2014. If they don’t, a public
statement will be issued on 1 June 2014 to call on all states and territories evaluated by MONEYVAL and other countries to advise their financial institutions to pay special attention by applying enhanced due diligence measures to transactions with persons and financial institutions from or in BiH in order to address the money laundering and financing of terrorism risk:*

- The Plenary discussed and adopted the Interim Report by Cyprus on actions taken in response to the MONEYVAL special assessment of the Effectiveness of Customer Due Diligence Measures in the Banking sector;
- Heard and adopted the report on Lithuania under step (ii) of the Compliance Enhancing Procedures;
- The Plenary took note of the expedited follow-up report of the Czech Republic, the regular follow-up report on Andorra and the interim follow-up reports on Malta, Slovakia and Albania;
- Examined measures taken by Republic of Moldova on identified important deficiencies and decided to terminate the NC/PC process given the legislative progress achieved by the Republic of Moldova;
- Discussed various aspects involving Voluntary Tax Compliance Schemes in Albania, Hungary and Malta;
- Discussed the templates for the questionnaires to be used for the commencement of its 5th round of evaluations;

*For more information please visit MONEYVAL website: [http://www.coe.int/moneyval](http://www.coe.int/moneyval)*

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**Egmont Group update**

**“Egmont” Group Case study: Misuse of Legitimate Businesses**

The credit manager undertook some checks against historical records and discovered that Ray had had several loans over the previous six years; all for the same amount of money and all with a large proportion of cash as a deposit. More significantly, in a number of the cases the loans had been repaid early in cash. The credit manager decided to report his concern to the senior management of the loan company. After assessing the facts, the management decided to disclose the case to the national FIU.

The FIU searched the disclosure against their databases, and very quickly linked Ray to a long-established criminal organisation. The FIU forwarded the disclosure to an operational team in the police force, which was already targeting the organization. The team obtained a court order to examine all relevant records at the loan company. It became clear that Ray was selling the newly bought cars on to private buyers and small garages, and obtaining cheques from these new owners. Further investigation revealed a single bank account into which all cheques gained from the sale of the car were paid.

It appeared that Ray was working at the criminal organisation’s laundering division. Ray was entering cash from the sale of drugs into the banking system by means of the initial cash deposit to the car loan firm, as well as clearing the loan with a second cash sum.

The cheques from customers and small businesses, to who Ray sold the cars, would appear to any bank employee examining the account to be legitimate sources of income. The loss made on both the loan and the drop in resale value the criminal organisations imply saw as a cost to be borne in exchange for cleaned funds that would attract no law enforcement attention. Because of the identification of the bank account, an accurate assessment of the criminally laundered funds could be made. The financial information collected allowed the financial investigators on the operational team to produce a more accurate benefit of crime statement. An additional US $300,000 was confiscated as a result of the information generated by the initial disclosure.

**Indicators:**
- Early repayment of loans
- Unusual client activity (multiple loans in short period)
- Large-scale cash transactions

«Egmont» group 100 Sanitized cases are available at: [http://www.egmontgroup.org/files/library_sanitized_cases/100casesgb.pdf](http://www.egmontgroup.org/files/library_sanitized_cases/100casesgb.pdf)

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**Publications and Websites of Interest**

- [http://www.unodc.org](http://www.unodc.org)
- [http://www.worldbank.org/StAR](http://www.worldbank.org/StAR)
- [http://www.imolin.org](http://www.imolin.org)
- [http://www.eurasiangroup.org](http://www.eurasiangroup.org)
- [http://www.amlctf.org](http://www.amlctf.org)

Official website of the UNODC. (In English, Russian, Spanish)

World Bank and UNODC’s Stolen Assets Recovery Initiative (StAR) website

International Money Laundering Information Network administered by UNODC Global Program against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML) on behalf of a partnership of eleven international organizations and offering model laws, legal library, calendar of key events and other AML/CFT related information. (In English, with some Russian)

The EurAsian Group is the FATF-Style Regional Body serving Central Asia. (In English and Russian)

UNODC Model Law in Russian

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<tr>
<td><a href="http://www.fatf-gafi.org/dataoecd/43/46/38960576.pdf">http://www.fatf-gafi.org/dataoecd/43/46/38960576.pdf</a></td>
<td>The Guidance on the Risk-Based Approach to combating Money Laundering and Terrorist Financing adopted by the FATF. It outlines the high-level principles involved in applying the risk-based approach, and indicates good public and private sector practice in the design and implementation of an effective risk-based approach.</td>
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<tr>
<td><a href="http://www.fatf-gafi.org/dataoecd/61/28/40248726.pdf">http://www.fatf-gafi.org/dataoecd/61/28/40248726.pdf</a></td>
<td>Guidance on Capacity Building for Mutual Evaluations and Implementation of the FATF Standards Within Low Capacity Countries - is primarily intended to support low capacity countries (LCCs) in implementing the FATF standards in a manner reflecting their national institutional systems, is consistent with the ML/FT risks they face, and takes account of their limited resources.</td>
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<tr>
<td><a href="http://www.fatf-gafi.org/dataoecd/28/43/40285899.pdf">http://www.fatf-gafi.org/dataoecd/28/43/40285899.pdf</a></td>
<td>The study identifies four strategies which could help in further strengthening counter-terrorist financing efforts: (a) Action to address jurisdictional issues, including safe havens and failed states; (b) Outreach to the private sector to ensure access to the information necessary to detect terrorist financing; (c) Building a better understanding of terrorist financing across the public and private sectors; and (d) Using financial investigation, enhanced by financial intelligence.</td>
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<td><a href="http://www.eurasiangroup.org/rus/index-5.htm">http://www.eurasiangroup.org/rus/index-5.htm</a></td>
<td>Russian version of 40 FATF Recommendations [AML]</td>
</tr>
<tr>
<td><a href="http://www.fatf-gafi.org/dataoecd/45/31/40705101.pdf">http://www.fatf-gafi.org/dataoecd/45/31/40705101.pdf</a></td>
<td>FATF’s first in-depth study, which examines its vulnerabilities to misuse for money laundering and terrorist financing in real estate sector.</td>
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<tr>
<td><a href="http://www.assetrecovery.org">http://www.assetrecovery.org</a></td>
<td>Asset Recovery Knowledge Center of the International Centre for Asset Recovery (ICAR)</td>
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<tr>
<td><a href="http://www.egmontgroup.org">www.egmontgroup.org</a></td>
<td>The Egmont Group of Financial Intelligence Groups</td>
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<tr>
<td><a href="http://www.caricc.org">http://www.caricc.org</a></td>
<td>CARICC - Central Asian Regional Information and Coordination Centre for combating the illicit trafficking of narcotic drugs, psychotropic substances and their precursors, established within the Memorandum of Understanding on sub-regional drug control cooperation dated May 4 1996 (Tashkent, Uzbekistan) between the Republic of Azerbaijan, the Republic of Kazakhstan, the Kyrgyz Republic, the Russian Federation, the Republic of Tajikistan, Turkmenistan, the Republic of Uzbekistan and UN Office on Drugs and Crime (UNODC).</td>
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<td><a href="http://www.oecd.org/corruption/acn">http://www.oecd.org/corruption/acn</a></td>
<td>Anti-Corruption Network for Eastern Europe and Central Asia</td>
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