## CALENDAR OF EVENTS

<table>
<thead>
<tr>
<th></th>
<th>Event</th>
<th>Date</th>
<th>Organizer</th>
<th>Location</th>
<th>Contact Information</th>
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<td>1</td>
<td>FATF Europe/Eurasia Regional Review Group Meeting</td>
<td>16 – 17 May 2013</td>
<td>FATF</td>
<td>Paris, France</td>
<td><a href="mailto:Secretariat@fatf-gafi.org">Secretariat@fatf-gafi.org</a></td>
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<td>2</td>
<td>Joint EAG/Egmont Group workshop to exchange experience on new IT technologies for financial monitoring in the AML/CFT sphere</td>
<td>20 May 2013</td>
<td>EAG</td>
<td>Minsk, Belarus</td>
<td><a href="mailto:info@eurasiangroup.org">info@eurasiangroup.org</a></td>
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<td>3</td>
<td>18th EAG Plenary and Working Group Meetings</td>
<td>21 - 24 May 2013</td>
<td>EAG</td>
<td>Minsk, Belarus</td>
<td><a href="mailto:info@eurasiangroup.org">info@eurasiangroup.org</a></td>
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<td>4</td>
<td>The Final NRA Workshop</td>
<td>28 - 30 May 2013</td>
<td>World Bank/OSCE/Kyrgyz FIU</td>
<td>Bishkek, Kyrgyzstan</td>
<td><a href="mailto:jasanbaeva@worldbank.org">jasanbaeva@worldbank.org</a></td>
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<tr>
<td>5</td>
<td>The FATF Plenary and Working Group Meetings</td>
<td>17 - 21 June 2013</td>
<td>FATF</td>
<td>Oslo, Norway</td>
<td><a href="mailto:Secretariat@fatf-gafi.org">Secretariat@fatf-gafi.org</a></td>
</tr>
<tr>
<td>6</td>
<td>21st Egmont Group Plenary Meeting</td>
<td>1 - 5 July 2013</td>
<td>The Egmont Group</td>
<td>South Africa</td>
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<tr>
<td>7</td>
<td>The 42nd MONEYVAL Plenary Meeting</td>
<td>16 – 20 September 2013</td>
<td>Moneyval</td>
<td>Strasbourg, France</td>
<td><a href="mailto:dghl@moneval.coe.int">dghl@moneval.coe.int</a></td>
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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 on 1 January 2007. The Mutual Evaluation Report on 20 October 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 and FATF, and co-chairs the EAG Evaluation Working Group. 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 will report back to the FATF Plenary on any further improvements to its AML/CFT regime on a biennial basis.

TAJKISTAN

On 25 March 2011 the AML/CFT Law was adopted by the Parliament and signed by the President. A decision to establish the Financial Monitoring Department (FIU) under the National Bank of Tajikistan was taken by the President in 2008. 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 2012 Tajikistan presented its 4th follow-up report to the EAG Plenary and the EAG decided to keep Tajikistan on the enhanced follow up procedure, thus requiring reporting to the EAG during the next plenary meeting. In July 2012 during the 29th Egmont Plenary meeting in Saint Petersburg the Tajik FIU became a member of the Egmont Group.

KYRGYZSTAN

Kyrgyz State Financial Intelligence Service - SFIS (FIU) became a member of the Egmont Group in May 2009. Kyrgyzstan is a member of EAG. The EAG 1st round Mutual Evaluation Report of Kyrgyzstan was adopted in June 2007. In October 2011 Kyrgyzstan was included in the FATF public document “Improving Global AML/CFT Compliance: On-going Process”. FATF has determined certain strategic AML/CFT deficiencies and encouraged Kyrgyzstan to work on implementing its action plan to address these deficiencies. In its recent statement from February 2013 the FATF encouraged Kyrgyzstan to swiftly enact the adequate amendments related to countering terrorist financing. In November 2012 the 7th Mutual Evaluation Follow-up Report was adopted by the EAG Plenary. EAG decided to place Kyrgyzstan under the enhanced monitoring procedure, thus requiring reporting to the EAG during the next plenary meeting.

RUSSIAN FEDERATION

A Joint AML/CFT Mutual Evaluation of Russian Federation was conducted by FATF/Moneyval/EAG in 2007. The Mutual Evaluation Report was adopted by FATF/Moneyval/EAG in June and July 2006. In December 2010 the Russian Federation submitted its second follow-up report to the EAG Plenary. The second 3rd round progress report of the Russian Federation was adopted by Moneyval in September 2011. The Russian Federation is a member of FATF, Moneyval and EAG; it chairs the EAG Technical Assistance, Typologies, Evaluation / Legal, and Supervision Working Groups.

TURKMENISTAN

The AML/CFT law was adopted by the Parliament and signed by the President in 2009. The Russian Federation is a member of EAG, and co-chairs the EAG Evaluation Working Group. In December 2010 the Russian Federation presented its 4th follow-up report to the EAG Plenary and the EAG decided to keep Turkmenistan on the enhanced follow up procedure. In November 2012 Turkmenistan presented its 5th follow-up report to the EAG Plenary and the EAG decided to keep Turkmenistan on the enhanced follow up procedure, thus requiring reporting to the EAG during the next plenary meeting.

UZBEKISTAN

Uzbekistan is a member of EAG. The Mutual Evaluation Report of Uzbekistan was adopted during the EAG Plenary meeting in Almaty in June 2010. The 2nd Mutual Evaluation Follow-up Report was adopted by EAG in November 2012. The amendments to the Uzbek AML/CFT Law came into force on 22 April 2009. Amendments to other 16 laws were adopted by the Parliament 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 set by the Government of India in November 2004 and is a member of Egmont Group. FIU-IND is an independent body reporting directly to the Economic Intelligence Council headed by the Finance Minister. 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. The Unlawful Activities (Prevention) Act was amended in 2004 to criminalize, inter alia, terrorist financing, and it was further amended in December 2008 to broaden its scope and to bring the legislation more in line with the requirements of the International Convention for the Suppression of the Financing of Terrorism. India is a member of FATF and APG and in December 2010 became also a member of EAG. India holds a position of a Vice-Chair of EAG. The Mutual Evaluation Report of India was adopted by FATF in June 2010.

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### EUROASIAN GROUP (EAG) update

#### 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>
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<tr>
<td>KAZAKHSTAN</td>
<td>EAG</td>
<td>October 2 -10, 2010</td>
<td>Adopted: EAG (June 2011)</td>
<td>MER in English: <a href="http://www.eurasiangroup.org/ru/restricted/MER_2011_1_KAZ_rev1_eng.doc">EAG website</a> MER in Russian: [EAG website](<a href="http://www.eurasiangroup.org/ru/restricted/MER_2011_1_KAZ_rev1">http://www.eurasiangroup.org/ru/restricted/MER_2011_1_KAZ_rev1</a> rus.doc) Two Follow up Reports are on EAG website.</td>
</tr>
<tr>
<td>KYRGYZSTAN</td>
<td>EAG</td>
<td>Feb 2007</td>
<td>Adopted: EAG (June 2007)</td>
<td>MER with Summary in English: <a href="http://eurasiangroup.org/ru/news/eagkyrgyz.pdf">EAG website</a> MER and Summary in Russian: <a href="http://eurasiangroup.org/ru/news/eagkyrgyz.pdf">EAG website</a> Six Follow up Reports are on EAG website.</td>
</tr>
<tr>
<td>UZBEKISTAN</td>
<td>EAG</td>
<td>November 8-14, 2009</td>
<td>Adopted: EAG (June 2010)</td>
<td>MER in English: [EAG website](<a href="http://eurasiangroup.org/ru/restricted/EAG_ME_2010_1">http://eurasiangroup.org/ru/restricted/EAG_ME_2010_1</a> eng am.d.doc) MER in Russian [EAG website](<a href="http://eurasiangroup.org/ru/restricted/EAG_ME_2010_1">http://eurasiangroup.org/ru/restricted/EAG_ME_2010_1</a> amended_final.doc) First Follow up Report is on EAG website.</td>
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TECHNICAL ASSISTANCE update

Regional Workshop on FIU Strategic Analysis was held from 1 to 3 April 2013 in Borovoe, Kazakhstan.

The workshop was organized by the World Bank, the Kazakh FIU (CFM), the Egmont Group, the EAG, the American Embassy in Kazakhstan and the ITMCFM (Russian Training Center). All together 30 FIU analysts from Kazakhstan, Russian Federation, Tajikistan, Uzbekistan, Kyrgyzstan, Turkmenistan, Belarus, China, Ukraine, Montenegro, Armenia, Azerbaijan, and Slovenia participated in this event.

The main objective of this workshop was to enhance skills of the Kazakh FIU and other participating FIUs analysts to undertake strategic analysis. World Bank experts presented and delivered the Egmont Group's training course on FIU Strategic analysis (SAC). The training course was a combination of theory and practice and consisted of 10 sessions. Most sessions were interactive and the participants split in 5 groups, each representing a fictitious country and worked together in preparation of a case study - Global exercise. During the last day each group presented their findings and analysis related to the case study.

The Egmont training modules were well received by all participants. In their comments, participants noted that materials and suggestions related to analytical thinking will be useful for their work and they also praised the opportunity to cooperate with colleagues from other FIUs.

National Workshop on Revised FATF Recommendations was held from 4 to 5 April 2013 in Borovoe, Kazakhstan.

The workshop was organized by the World Bank, the Kazakh FIU (CFM), the OSCE, and the American Embassy in Kazakhstan. The main objective of the workshop was to raise awareness of all competent Kazakh AML/CFT authorities and representatives of the private sector regarding the revised Financial Action Task Force (FATF) Standards.

All together 40 representatives of all relevant Kazakh AML/CFT stakeholders and representatives of financial institutions, DNFBPs and their associations participated in the workshop. A team of international and World Bank experts delivered the training by using the FATF training material on the revised FATF Recommendations. Each presentation was followed by Questions & Answers sessions, during which the participants asked questions, related to the implementation of the revised standards and discussed the revised standards with speakers and participants from different AML/CFT bodies.

The Sixth Regional FIU to FIU Meeting among the West and Central Asian Countries was held from 9 to 10 April 2013 in Almaty, Kazakhstan.

The FIU to FIU Meeting under the CASH Initiative under Sub-Programme 2 (International/Regional Cooperation in Legal Matters) of the Regional Programme for Afghanistan and Neighbouring Countries was organized in close cooperation with Central Asian Regional Information and Coordination Centre (CARICC) and with the participation of Regional Programme countries (except Afghanistan and Turkmenistan), representatives of CARICC member countries, including the United States, the United Kingdom, the Russian Federation, Turkey, France, Norway and Germany.

The main objective of this meeting was to: (i) discuss the Regional/Bilateral AML/CFT MoUs; (ii) facilitate the establishment of an AML Group of Experts among the countries in the region; (iii) agree on an AML Road Map for future cooperation among the countries in West and Central Asia; and (iv) facilitate better exchange of information and best practices among the FIUs of the countries in the region.

The "FIU to FIU" meeting was organized within the framework of the UNODC “Regional Programme for Afghanistan and Neighboring Countries (2011-2014)” – Sub-programme 2 on “International/Regional Cooperation in Legal Matters”. These meetings are intended to promote international/regional cooperation on AML/CFT matters. In particular, they are designed to foster dialogue, build reciprocal trust, and promote operational cooperation and exchange of information amongst the regional FIUs and their foreign counterparts.

MONEYVAL update

The 41st MONEYVAL Plenary meeting was held from 9 to 12 April 2012 in Strasbourg, France. During the meeting the following decisions were taken:

- The 4th round Mutual Evaluation Report on Poland was adopted;
- The 4th round follow-up reports on Slovenia, Hungary and Albania were adopted. The plenary decided to remove Slovenia from the regular follow-up procedure due to the progress made;
- Due to the progress made, Albania was moved from the Moneyval Compliance Enhancing Procedure to the regular follow-up reporting procedure;
- Bosnia and Herzegovina will remain under the Compliance Enhancing Procedure and has to report back in September 2013;
- Countries with identified important deficiencies in the 3rd round MERs: Moldova has to report back to the plenary in December 2013; FYR of Macedonia has to report back in September 2013; the Croatian progress report will be discussed in September 2013, at which time the MER on Croatia will also be discussed;
- The FATF Secretariat delivered a presentation on the recently adopted Methodology for assessing countries' compliance with the FATF Recommendations;
- The Moneyval project team presented the draft Report on “Postponement of financial transactions and the monitoring of bank accounts”, which was adopted by the plenary;
- Moneyval adopted the typologies projects on “The use of internet gambling for ML and TF purposes”;
- Mr. Anton Bartolo from Malta was elected as the new Moneyval Chairmen and Mr. Daniel Thelesklaf from Liechtenstein was elected as Vice-Chairmen;
- Moneyval will conclude its 4rd round of evaluations in 2014 and will start the new round (based on the new methodology) in 2015;
- Moneyval will prepare and discuss its new rules of procedure in September and December 2013.

For more information please visit MONEYVAL website: http://www.coe.int/moneyval

Egmont Group update

“Egmont” Group Case study: Use of false identities, documents or straw men

Steven, a citizen of an Asian country, made a living by smuggling heroin from his home country to his clients in a pacific nation. His customers paid for the heroin by transferring money to the accounts of Steven’s accomplices, who include his wife Suzy, his sister Annabella and several other acquaintances. Steven used this money to fund new shipments of the heroin as well as to support a luxurious lifestyle. The profits of the deals were shared amongst Steven and his co-conspirators.

In order to conceal the stream of money from the Pacific country to the Asian country, the customers split US$ 6,000,000 into two different currencies spread between personal accounts of Steven and his nine accomplices. Initially the Pacific customers remitted the money frequently, and for amounts just under the mandatory reporting threshold in place in the Pacific nation of approximately US $ 6,000.

To any experienced financial analyst, the ‘smurfing’ activity would have been obvious in the first twenty remittances to Steven’s accounts. On receipt of a remittance, Steven usually withdrew all of the funds in cash or transferred them to another account with the same institution. After transferring the funds to another account, the account holder, usually Steven himself dispersed the funds immediately by cash, cheque or cashier order. Following each transaction there was usually a period of inactivity on the account. Other than the remittances from the pacific country, there was no other activity on the accounts concerned. In order to receive the remittances, Steven and his accomplices had opened a wide range of accounts. Individuals who were not residents of the Asian country opened a number of the accounts. They tended to use false identity documents to further confuse the laundering activity. Other individuals were given control of the accounts opened in this way. The amounts of money received on these accounts were far greater than seen in other accounts held by these individuals. Steven, for instance, claimed to be a mechanic and Suzy said she was a housewife. The other accomplices claimed to have jobs such as drivers, casual workers, interior decorators and account clerks. The amount of money moving through the accounts was clearly not commensurate with their declared employments.

Finally, because the bank officials thought that the amount of money going through the accounts of Steven, Suzy and Annabella were extraordinarily high in comparison to their known employment, they reported three disclosures to the national FIU. Based upon the reports, law enforcement units undertook investigations and managed to gather a great deal of evidence against the three family members. Steven was convicted of conspiracy to traffic in dangerous drugs and money laundering. Steven’s wife, Suzy, and his sister, Annabella, were both convicted of assisting Steven to launder the proceeds of the drug trafficking. Furthermore, in the pacific country, the police arrested the receivers of the heroin shipments following intelligence generated by the arrests in the Asian nation. At time of writing the receivers had pleaded guilty to charges of drug trafficking and were awaiting sentence.

Indicators:
- Atypical or uneconomical fund transfer to/or from foreign jurisdiction
- Change of account behavior without explanation
- Unrealistic wealth compared to client profile

“Egmont” group 100 Sanitized cases are available at: http://www egmontgroup.org/files/library_sanitized_cases/100casesgb.pdf

Publications and Websites of Interest

- http://www.unodc.org
- http://www.amlctf.org
- Official website of the UNODC. (In English, Russian, Spanish)
- World Bank’s AML/CFT website. (In English)
- World Bank and UNODC’s Stolen Assets Recovery Initiative (StAR) website
- World Bank’s AML/CFT website. (In English)

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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.

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.

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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.

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