# CALENDAR

<table>
<thead>
<tr>
<th></th>
<th>Event Description</th>
<th>Date</th>
<th>Organizer</th>
<th>Location</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Expert Seminar on investigation and prosecution of corruption</td>
<td>20 – 22 October 2010</td>
<td>OECD ACN</td>
<td>Bucharest, Romania</td>
<td><a href="mailto:inese.gaika@oecd.org">inese.gaika@oecd.org</a></td>
</tr>
<tr>
<td>2</td>
<td>Moneyval/EAG Typologies seminar</td>
<td>9 – 10 November 2010</td>
<td>Moneyval/EAG</td>
<td>Moscow, Russia</td>
<td><a href="mailto:info@eaurasiangroup.org">info@eaurasiangroup.org</a></td>
</tr>
<tr>
<td>3</td>
<td>World Bank/UNODC/IMF Workshop for FIU, Law Enforcement and Prosecutorial authorities</td>
<td>9 – 11 November 2010</td>
<td>WB/IMF/UNODC</td>
<td>Baku, Azerbaijan</td>
<td><a href="mailto:jyldyz.asanbaeva@unodc.org">jyldyz.asanbaeva@unodc.org</a></td>
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<tr>
<td>4</td>
<td>Detection and Investigation of Money Laundering of Drug Related Crimes</td>
<td>15-19 November, 2010</td>
<td>US Embassy/DEA</td>
<td>Almaty, Kazakhstan</td>
<td><a href="mailto:TuleussarinovaS@state.gov">TuleussarinovaS@state.gov</a></td>
</tr>
<tr>
<td>5</td>
<td>Joint FATF/Egmont Group Expert’s Meeting on Typologies</td>
<td>16 – 19 November 2010</td>
<td>FATF/Egmont Group</td>
<td>Cape Town, South Africa</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>World Bank Mission to Kazakhstan related to a Study on Alternative Remittance Systems</td>
<td>8 – 17 November 2010</td>
<td>World Bank</td>
<td>Almaty/Astana, Kazakhstan</td>
<td><a href="mailto:Etodoroki@worldbank.org">Etodoroki@worldbank.org</a></td>
</tr>
</tbody>
</table>

**7** 34th MONEYVAL Plenary Meeting

<table>
<thead>
<tr>
<th>Date</th>
<th>Organizer</th>
<th>Location</th>
<th>Contact Information</th>
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</thead>
<tbody>
<tr>
<td>7 – 10 December 2010</td>
<td>MONEYVAL</td>
<td>Strasbourg, France</td>
<td><a href="mailto:dghl@monevval.coe.int">dghl@monevval.coe.int</a></td>
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</tbody>
</table>

**8** The OECD Anti-Corruption Network for Eastern Europe (OECD ACN) and Central Asia’s 9th Plenary Meeting of the Istanbul Anti-Corruption Action Plan

<table>
<thead>
<tr>
<th>Date</th>
<th>Organizer</th>
<th>Location</th>
<th>Contact Information</th>
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<tbody>
<tr>
<td>6 – 8 December 2010</td>
<td>OECD ACN</td>
<td>Paris, France</td>
<td><a href="mailto:inese.gaika@oecd.org">inese.gaika@oecd.org</a></td>
</tr>
</tbody>
</table>

**9** 13th EAG Plenary and Working Group meetings

<table>
<thead>
<tr>
<th>Date</th>
<th>Organizer</th>
<th>Location</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week of 13 December 2010</td>
<td>EAG</td>
<td>Moscow, Russia</td>
<td><a href="mailto:info@eaurasiangroup.org">info@eaurasiangroup.org</a></td>
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Available online at [http://www.imolin.org](http://www.imolin.org)
## AML/CFT Developments in Central Asia

### AFGHANISTAN

Afghanistan enacted an AML/CFT law in 2004. The FIU was established in 2005. Afghanistan was scheduled to undergo an APG-IMF Mutual Evaluation in January 2010, but was postponed until first notice. Afghanistan is a member of the Asia Pacific Group (APG) and observer to EAG. Afghan FIU became an Egmont Group member during the last Egmont plenary meeting in Colombia (June 2010).

### BELARUS

Belarus became a member of the Egmont Group in 2007. The Mutual Evaluation Report of Belarus was adopted by EAG in December 2008 and a Mutual Evaluation Follow-up Report was adopted by the EAG in December 2009. Belarus failed to provide its Follow-up Report to the EAG on time during its plenary meeting in June 2010, therefore the EAG decided to postpone a discussion of this report until its next meeting. Belarus is a member of EAG, and co-chairs the EAG Typologies Working Group. It also holds position of the Deputy Chair of EAG.

### CHINA

The AML/CFT law was in October 2006 and came into force on 1 January 2007. The Mutual Evaluation Report of China was adopted by FATF in June 2007 and by EAG in December 2007. China Progress report was adopted by FATF and EAG in July 2008. The second Mutual Evaluation Follow-up Report was adopted by EAG in December 2009. China is a member of EAG and FATF, and serves as co-chair of the EAG Evaluation/Legal Working Group.

### KAZAKHSTAN

The AML/CFT law was adopted in June 2009 and it came into force on 9 March 2010. The Financial Monitoring Committee (FIU) was established within the Ministry of Finance on 24 April 2008. In October 2010 Kazakhstan underwent an EAG AML/CFT Mutual Evaluation. Kazakhstan is a member of EAG, and co-chairs the EAG Technical Assistance Working Group. The FIU participated for the first time as an observer in the Egmont Group plenary meeting in Colombia in June 2010 and it is expected to become an Egmont Group member in 2011.

### KYRGYZSTAN

Kyrkyz Financial Intelligence Service - FIS (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. A fourth Mutual Evaluation Follow-up Report was adopted by the EAG in December 2009. After the adoption of the Mutual Evaluation Report all together 28 AML/CFT related laws were adopted by the Kyrgyz Parliament and signed by the President in 2009.

### RUSSIAN FEDERATION

Joint AML/CFT Mutual Evaluation of Russian Federation was conducted by FATF/Moneyval/EAG in 2007. Joint Mutual Evaluation Report was adopted by FATF/Moneyval/EAG in June and July 2008. The first progress report of the Russian Federation was adopted by Moneyval in September 2009 and by EAG in December 2009. In June 2010 the Russian Federation submitted its second follow up report to the FATF during its plenary meeting in Amsterdam. The Russian Federation is a member of FATF, Moneyval and EAG; it chairs the EAG Technical Assistance, Typologies and Evaluation/ Legal Working Groups.

### TAJIKISTAN

The first AML/CFT law was drafted in the Office of the President in 2007, but is has not been adopted. A new draft AML/CFT law was prepared by the National Bank of Tajikistan and Inter – ministerial working group in November 2010. A decision to establish the Financial Monitoring Department (FIU) under the National Bank of Tajikistan was taken by the President on 20 October 2009. Tajikistan is a member of EAG. The World Bank mutual evaluation report was adopted by EAG in December 2008. In December 2008 EAG decided to place Tajikistan under the enhanced follow up procedure. In June and December 2009 during the EAG plenary meetings in Russia and China Tajikistan presented its first and second Mutual Evaluation Follow-up Reports. In June 2010 Tajikistan failed to provide its written Follow-up Report to the EAG during its plenary meeting in Almaty. The EAG decided to keep Tajikistan under the enhanced follow-up procedure and recommended Tajikistan to urgently implement all the necessary regulations and adopt a comprehensive AML/CFT law in accordance with the FATF recommendations by September 2010.

### TURKMENISTAN

Turkmenistan became a member of EAG in June 2010. Turkmenistan is scheduled to undergo the EAG mutual evaluation in November 2010. The AML/CFT law was adopted by the Parliament and signed by the President in May 2009. A Financial Intelligence Unit (FIU) was created under the Ministry of Finance in 2009. Based on high-level written commitments of Turkmenistan to implement an action plan to address specific AML/CFT deficiencies and on progress made, the FATF during its June 2010 plenary meeting decided to move Turkmenistan from its February 2010 Public Statement to the public document. "Improving Global AML/CFT Compliance. On-going Process": During its October 2010 plenary meeting FATF decided to keep Turkmenistan on this list and encouraged Turkmenistan to address its remaining deficiencies and continue the process of implementing its action plan.

### UZBEKISTAN

Uzbekistan is a member of EAG, and recently underwent an EAG AML/CFT Mutual Evaluation. The Mutual Evaluation Report of Uzbekistan was discussed and adopted during the EAG Plenary meeting in Almaty in June 2010. Due to the identified deficiencies in relation to the key FATF Recommendations the EAG decided that Uzbekistan should present its progress report to the next EAG plenary meeting in December 2010. The amendments to the Uzbek AML/CFT Law came into force on April 22, 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.

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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>
</tr>
</thead>
<tbody>
<tr>
<td>KAZAKHSTAN</td>
<td>EAG</td>
<td>October 2 -10, 2010</td>
<td>Expected: EAG (June 2011)</td>
<td>-</td>
</tr>
<tr>
<td>KYRGYZSTAN</td>
<td>EAG</td>
<td>Feb 2007</td>
<td>Adopted: EAG (June 2007)</td>
<td>MER with Summary and Progress report in English: <a href="http://www.eurasiangroup.org/kyrgyz.htm">http://www.eurasiangroup.org/kyrgyz.htm</a> MER with Summary and Progress report in Russian: <a href="http://www.eurasiangroup.org/rus/kyrgyz.htm">http://www.eurasiangroup.org/rus/kyrgyz.htm</a> Four Follow up Reports are on EAG website</td>
</tr>
<tr>
<td>TURKMENISTAN</td>
<td>EAG</td>
<td>November 7 -14, 2010</td>
<td>Expected: EAG (June 2011)</td>
<td>-</td>
</tr>
</tbody>
</table>

### Technical Assistance update

- International Training and Methodology Center for Financial Monitoring (ITMCFM) with support of National Bank of Tajikistan held a workshop on the basics of AML/CFT in Dushanbe on 29-30 September 2010. The event was carried out in the framework of international cooperation between the Eurasian group on combating money laundering and financing of terrorism (EAG) member states. Among the workshop participants were the specialists of Department for Financial Monitoring, Department of Bank Supervision of Tajik National Bank, Agency on Combating Corruption, Prosecutor General’s Office, Ministry of Internal Affairs, Committee on National Security and President’s Office of Republic of Tajikistan. The participants had an opportunity to discuss the most up-to-date trends and good practices on the implementation of AML/CFT principles, as well the international standards and activity of multilateral organizations in this field. In two days the participants of the workshop had eight lectures on various AML/CFT related themes – from general description of current trends in risk-

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A workshop on “Co-operation between Financial Intelligence Units and Law Enforcement Agencies in fighting against money laundering and recovering illicit assets”, organised by the IMF Legal Department in collaboration with the Basel Institute of Governance (BIG) and the Istituto Superiore Internazionale di Scienze Criminali (ISISC), was held in Siracusa, Italy, from 4 to 8 October 2010. The main objective of the workshop was to enhance the capacities of FIUs and key law enforcement agencies in investigating and prosecuting international money laundering and corruption cases. It assisted in recovering the proceeds of crime and enhancing the co-operation of FIUs and law enforcement agencies. Gathering intelligence and securing evidence abroad also often provides the key to success in a complex investigation, bringing those involved in financial crime to book, hence the need for countries to co-operate with one another. This workshop brought together representatives from the following countries: Afghanistan, Albania, Armenia, Azerbaijan, Belarus, Georgia, Kosovo, Macedonia, Moldova, Montenegro, Serbia, Turkmenistan, Ukraine and Uzbekistan. The centerpiece of the training programme was an extensive interactive practical exercise that simulated an actual corruption and money laundering investigation and emphasised the collection and presentation of evidence for prosecution as well as the tracing and recovery of assets. All formal lectures given during the training served as a basis for the practical exercise, e.g. the participants learned how to create and maintain an inventory to keep track of and easily retrieve the documents they receive during the investigation.

The third national Mock Money-Laundering Trial for judges and prosecutors was held in Astana, Kazakhstan from 18 to 21 October 2010. The event was jointly organized by the UNODC/Global Programme against Money Laundering, Proceeds of Crime and Financing of Terrorism (GPML) and the Institute of the General Prosecutor’s Office of Kazakhstan. The four-day Mock Trial Training Course was successfully delivered to the trainees drawn from the Kazakh FIU, judges, prosecutors and financial police. The objective of this Mock Trial was to provide the necessary knowledge and techniques to allow the participants to be better prepared to deal with money-laundering cases. A team of four international experts, including a specialist from the GPML, WB/UNODC Mentor for Central Asia and WB/UNODC Mentor for Mekong region delivered the training via classroom presentations and work on the case file. The training enabled participants to gain practical experience in prosecuting an offence of money-laundering, with corruption as a predicate offence, by analysing all pieces of evidence submitted by the trainers. This event provided an opportunity for participants to develop the necessary understanding, skills, and abilities, which will assist them to undertake prosecution, in relation to money-laundering, but also any other serious crime.

The FATF presents two public documents as part of its ongoing work to identify jurisdictions that may pose a risk to the international financial system:

- The FATF has identified the new jurisdictions in the public document “Improving Global AML/CFT Compliance: On-going Process”.
- The FATF has prepared the current list of jurisdictions that may pose a risk to the international financial system from the ongoing and substantial ML/FT risks. Also, FATF reported that the Democratic People’s Republic of Korea has not committed to the AML/CFT international standards, nor has it responded to the FATF’s numerous requests for engagement on these issues.

For further information please see MONEYVAL website: http://www.coe.int/moneyval

The FATF Plenary Meeting was held from 20 to 22 October 2010 in Paris, France. During the meeting the following decisions were taken by the FATF:

- The FATF published detailed examinations of money laundering through the use of New Payment Methods and Trust & Company Service Providers.
- The FATF produced two public documents as part of its ongoing work to identify jurisdictions that may pose a risk to the international financial system:
  - In the Public statement FATF decided to keep Iran on its list of jurisdictions that are subject to a FATF counter-measures to protect the international financial system from the ongoing and substantial ML/FT risks. Also, FATF reported that the Democratic People’s Republic of Korea has not committed to the AML/CFT international standards, nor has it responded to the FATF’s numerous requests for engagement on these issues.
  - The FATF has identified the new jurisdictions in the public document “Improving Global AML/CFT Compliance: On-going Process”. These are: Bangladesh, Ghana, Honduras, Philippines, Tanzania, Venezuela, and Vietnam. The FATF has additionally begun initial reviews of a number of other jurisdictions as part of this process and will present its findings next year. The FATF and the FSRBs will continue to work with the jurisdictions and to report on the progress made in addressing the identified deficiencies.
- The FATF provided an update on AML/CFT Improvements in Qatar and Azerbaijan and welcomed significant progress of these countries in improving their AML/CFT regime. Both jurisdictions were removed from the FATF monitoring process.
- The FATF published new results for Armenia was adopted as a member of the FATF.
- The Follow-Up reports of the Kingdom of Denmark, Spain and Sweden were approved and published.
- The FATF published detailed examinations of money laundering through the use of New Payment Methods and Trust & Company Service Providers.
- The FATF provided an update on the Preparation for the FATF’s fourth round of mutual evaluations.

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Egmont Group update

“Egmont” Group Case study: Concealment within business structures

A customer named Jack opened a checking account in the name of a foreign company at an American bank. Jack, who claimed to be the manager, and Jane, Jack’s daughter who was also a manager at the company, were designated as signatories. Over a couple of years Jack used the account for a number of deposits and transfers, totaling more than US$100,000. The activity of the account was in line with other business accounts and the bank had no concerns. The American bank then received an official request from the Prosecutor for Drug-related Crimes, in which it was asked to certify whether a number of individuals and legal entities had maintained or were maintaining bank accounts or safety deposit boxes. These individuals were under indictment in another country for involvement in drug trafficking activities as well as money laundering. Included on the list of individuals were Jack and Jane. The bank notified the national FIU immediately. At the time of disclosure, the account had been dormant for some time and was slightly overdrawn.

A couple of months later, US$100,000 was credited to the account. The funds had originated from the liquidation of a fixed-term investment instrument. Earlier instructions prepared by Jack had ordered the creation of ten bank-draft transfers each for US$10,000, payable to his daughter Jane. The bank complied with the instructions and also reported these additional transactions to the FIU. The account was left with a nil balance once the transfers had completed.

The FIU, which had already initiated an investigation following the earlier disclosure, had discovered a significant amount of background information on Jack. He was part of a group of thirty-nine individuals and companies, which were strongly suspected of being involved in a global drug trafficking network linked to a South American cartel, which was being investigated by police and judicial authorities in both America and Europe. Apart from that the FIU discovered that the customs authorities in another country had seized some years ago a vessel owned by Jack’s company after five tons of cocaine had been discovered on board. The FIU composed an analysis report of the findings and handed it over to the Prosecutor for action.

Indicators:

- Possible client relationship to previous crimes

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

Publications and Websites of Interest

- 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
- International Money Laundering Information Network administered by UNODC Global Program against Money Laundering (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
- 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.
- Guidance on Capacity Building for Mutual Evaluations and Implementation of the FATF Standards Within Low Capacity Countries; it is primarily intended to support low capacity countries (LCCs) in implementing the FATF standards in a manner reflecting their national

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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.

Russian version of 40 FATF Recommendations [AML]

FATF's first in-depth study, which examines its vulnerabilities to misuse for money laundering and terrorist financing in real estate sector.

The World Drug Report 2008 provides in depth trend analysis of the four main drug markets in its first section. It also contains an in-depth look at the development of the international drug control system and a small statistical annex which provides a detailed look at production, prices and consumption.

Asset Recovery Knowledge Center of the International Centre for Asset Recovery (ICAR)

The Egmont Group of Financial Intelligence Groups

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, Turkmennis, the Republic of Uzbekistan and UN Office on Drugs and Crime (UNODC).

Anti-Corruption Network for Eastern Europe and Central Asia

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