### 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>IMF workshop on Amendments to AML/CFT Law and Implementation of measures by commercial banks and security firms of Kyrgyzstan</td>
<td>March 1 - 4, 2010</td>
<td>WB/UNODC</td>
<td>Bishkek, Kyrgyzstan</td>
<td><a href="mailto:kristel.poh@basegovt.org">kristel.poh@basegovt.org</a></td>
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<tr>
<td>2</td>
<td>32nd MONEYVAL Plenary Meeting</td>
<td>March 15-18, 2010</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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<td>3</td>
<td>Supervision in AML/CFT area</td>
<td>March 16-19, 2010</td>
<td>EAG</td>
<td>Moscow, Russian Federation</td>
<td><a href="mailto:anocentre@mail.ru">anocentre@mail.ru</a></td>
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<tr>
<td>4</td>
<td>Octopus Interface: Conference on Cooperation against Cybercrime</td>
<td>March 23-25, 2010</td>
<td>Council of Europe</td>
<td>Strasbourg, France</td>
<td><a href="mailto:alexander.serger@coe.int">alexander.serger@coe.int</a></td>
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<td>5</td>
<td>EAG Inter-sessional Working Groups Meeting</td>
<td>March 30-31, 2010</td>
<td>EAG</td>
<td>Moscow, Russian Federation</td>
<td><a href="mailto:info@eaurasiangroup.org">info@eaurasiangroup.org</a></td>
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<td>6</td>
<td>WB/UNODC/IMF/EAG Mutual Evaluation Workshop for Kazakhstan</td>
<td>April 7-8, 2010</td>
<td>WB/UNODC/IMF/EAG</td>
<td>Astana, Kazakhstan</td>
<td><a href="mailto:madina.sarieva@unodc.org">madina.sarieva@unodc.org</a></td>
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<tr>
<td>7</td>
<td>Ukrainian National Risk Assessment Workshop</td>
<td>April 22-23, 2010</td>
<td>WB in cooperation with Ukrainian authorities</td>
<td>Kiev, Ukraine</td>
<td><a href="mailto:etodoroki@worldbank.org">etodoroki@worldbank.org</a></td>
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<tr>
<td>8</td>
<td>FATF Plenary Meeting</td>
<td>May 3-5, 2010</td>
<td>FATF</td>
<td>Tunisia</td>
<td><a href="mailto:contact@fatf-gafi.org">contact@fatf-gafi.org</a></td>
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<tr>
<td>9</td>
<td>12th EAG Plenary Meeting</td>
<td>May 31-June 3, 2010</td>
<td>EAG</td>
<td>Astana, Kazakhstan</td>
<td><a href="mailto:info@eaurasiangroup.org">info@eaurasiangroup.org</a></td>
</tr>
<tr>
<td>10</td>
<td>33rd MONEYVAL Plenary Meeting</td>
<td>September 27-30, 2010</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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</tbody>
</table>
AFGHANISTAN

Afghanistan enacted an AML/CFT law in 2004. The Financial Intelligence Unit was established in 2005. Afghanistan has commenced application process for Egmont Group Membership in 2007; sponsors are the USA and Malaysia. 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.

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 during the EAG Plenary meeting in China in December 2009. 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 adopted on 31 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 during its plenary meeting in China 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 by the Kazakh Parliament in June 2009 and signed by the President in August 2009. The law came into force on 9th March 2010. A decision to establish the Financial Monitoring Committee (FIU) within the Ministry of Finance was taken by the Government on 24 April 2008. Thehead of the Financial Monitoring Committee (Kazakh FIU) was appointed in September 2008. Kazakhstan is scheduled to undergo the EAG mutual evaluation in July 2010. Kazakhstan is a member of EAG, and co-chairs the EAG Technical Assistance Working Group.

KYRGYZSTAN

Kyrgyz Financial Intelligence Service - FIS (Kyrgyz FIU) became a member of the Egmont Group during its plenary meeting in Doha 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 during the EAG Plenary meeting in China in December 2009. All together 28 AML/CFT related laws were adopted after the adoption of the MER 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 and EAG in 2007. Joint Evaluation Report was adopted by FATF/Moneyval/EAG in June and July 2008. The first progress report of the Russian Federation was adopted during the 30th Moneval Plenary Meeting in September 2009 and during the EAG Plenary meeting in China in December 2009. The Russian Federation is a member of FATF, Moneyval and EAG; it chairs the EAG and Moneyval and co-chairs the EAG Technical Assistance, Typologies and Evaluation/Legal Working Groups.

Tajikistan

The AML/CFT law was drafted in the Office of the President in 2007 and is still discussed in the AML/CFT working group. A decision to establish the Financial Monitoring Department under the National Bank of the Republic 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 during its plenary meeting in Moscow in December 2008. In December 2009 EAG decided to place Tajikistan under the enhanced follow up procedure and on June 2, 2009 EAG undertook a high-level mission to Tajikistan. In June 2009 during the EAG plenary meeting in St Petersburg Tajikistan presented its first progress report. The second Mutual Evaluation Follow-up Report was presented during the EAG plenary meeting in China in December 2009. The EAG decided to keep Tajikistan under the enhanced follow up procedure and recommended Tajikistan to adopt a comprehensive AML/CFT law, governing all aspects of the national AML/CFT regime in accordance with FATF recommendations before September 2010.

Uzbekistan

Uzbekistan is a member of EAG, and recently underwent an EAG AML/CFT Mutual Evaluation. The discussion of the Mutual Evaluation Report will take place in the next EAG Plenary meeting in June 2010. The amendments to the 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 notes that Uzbekistan has 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. The Eurasian Group will continue to work with Uzbekistan in strengthening its AML/CFT regime.

Turkmenistan

Turkmenistan became an observer member of EAG in December 2007. On April 28-29, 2009 EAG undertook a high-level mission to Turkmenistan. The AML/CFT law was adopted by the Parliament of Turkmenistan and signed by the President in May 2009. A Financial Intelligence Unit (FIU) was recently created under the Ministry of Finance. In its February 2010 statement the FATF welcomed Turkmenistan’s continued progress in addressing its AML/CFT deficiencies, including by taking steps towards establishing the FIU. Given that the FIU is not yet operational, the FATF reiterates its 25 February 2009 statement informing financial institutions that these deficiencies constitute the ML/FT vulnerability in the international financial system and that they should take appropriate measures to address this risk. Turkmenistan is urged to continue to take steps to implement and AML/CFT regime that meets international AML/CFT standards and to work closely with the Eurasian Group and the International Monetary Fund to achieve this.

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 Ms. Madina Sarieva at madina.sarieva@unodc.org
### 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>
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</table>
EAG First MER, Progress report in English: [http://www.eurasiangroup.org/china.htm](http://www.eurasiangroup.org/china.htm)  
Four Follow up Reports are on EAG website. |
EAG Executive summary on first MER in English: [http://www.eurasiangroup.org/belarus.htm](http://www.eurasiangroup.org/belarus.htm)  
EAG Executive summary on first MER in Russian: [http://www.eurasiangroup.org/rus/belarus.htm](http://www.eurasiangroup.org/rus/belarus.htm)  
First Progress Report is on EAG website. |
| KAZAKHSTAN       | EAG                          | July 2010          | EAG (December 2010)             | -                                                                                                 |
| KYRGYZSTAN       | EAG                          | Feb 2007           | Adopted: EAG (June 2007)        | MER with Summary and Progress report in English: [http://www.eurasiangroup.org/kyrgyz.htm](http://www.eurasiangroup.org/kyrgyz.htm)  
MER with Summary and Progress report in Russian: [http://www.eurasiangroup.org/rus/kyrgyz.htm](http://www.eurasiangroup.org/rus/kyrgyz.htm)  
Four Follow up Reports are on EAG website. |
| RUSSIAN FEDERATION | EAG, FATF, MONEYVAL          | Sept 24 – Oct 2, Nov 12-23, 2007 | Adopted:  
FATF (June 2008)  
MONEYVAL (July 2008)  
First Follow up Report is on EAG website. |
Two Follow up Reports are on EAG website. |
| UZBEKISTAN       | EAG                          | November 8-14, 2009 | EAG (June 2010)                 | -                                                                                                 |

### Meeting of the Russian Interagency Commission on Combating Money Laundering and Financing of Terrorism was held on 23 March, 2010 in Moscow, Russian Federation.

For the first time, the representatives of the Republic of Belarus participated in the Meeting of the Russian Interagency Commission on Combating Money Laundering and Financing of Terrorism (AML/CFT Commission). Based on an initiative of Yury Chikhanchin, the Head of Rosfinmonitoring, it was supported by Oleg Markov, the EAG Chairman.

The participants of the meeting included Vladimir Nechaev, Aide to the First Deputy Chairman of the Government of the Russian Federation, elected in 2009 as MONEYVAL Chairman, experts of Rosfinmonitoring, the Security Council of the Russian Federation, Russian Ministry of Foreign Affairs, law enforcement and supervisory agencies, Bank of Russia and other government authorities.

On behalf of the Republic of Belarus, the list of participants included Valery Yaroshovsky, EAG Deputy Chairman and Director of the Financial Monitoring Department of the State Control Committee of Belarus, as well as representatives of the FIU, National Bank, Ministry of Home Affairs, KGB, Ministry of Foreign Affairs, General Prosecutor’s Office and State Customs Committee of the Republic of Belarus.

Participation of Belarus in the meeting was organized remotely through a secure channel video conference system. The agenda of the meeting comprised an overview of the most relevant international AML/CFT initiatives, in particular, the FATF information on non-cooperative and high risk jurisdictions approved at the latest Plenary, as well as the results of the MONEYVAL Plenary, in the course of which, among other issues, a MONEYVAL/EAG joint typologies workshop was discussed.

The participants of the meeting drew attention to the problem of trans-border cash transfers and cash instrument regulation within the customs union comprising the EAG member states Belarus, Kazakhstan and Russia. The meeting resulted in a decision to implement SR IX in the legislative framework of the customs union. The EAG hopes to continue coordinating its member states through video conferences, enhancing their practical interaction and involving more counterparties.

At present, the video conference system implemented as part of the EAG Single Information Space connects the EAG Secretariat, Financial Monitoring Department of the State Control Committee of Belarus and International Training and Methodology Centre of Financial Monitoring of the Russian Federation. It is anticipated that all EAG member states will be connected to the video conference system in due time.
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Technical Assistance update

- IMF TA mission to Baku, Azerbaijan was held from 23rd to 25th February 2010. The scope of the mission was to provide technical assistance to the Financial Monitoring Service of Azerbaijan in building up its IT system. The IMF expert also discussed and agreed future TA activities with the Azerbaijani authorities.

- IMF mission for Kyrgyz financial regulators took place between 22nd February and 5th March 2010. It was the 5th mission of the 18-month IMF project (funded by SECO) for the Kyrgyz financial regulators and financial institutions. The mission continued to advance on work with the National Bank and the securities and insurance regulators on developing an inspection manual and enhancing their off-site and on-site supervision capability. The mission also included a workshop for 30 commercial banks and another workshop for 25 securities firms on new AML/CFT obligations arising from the Kyrgyz AML/CFT Amendment Law. These new obligations included measures relating to identification of beneficial owners, politically exposed persons and correspondent banking.

- The AML/CFT mission to Turkmenistan was organized from 9th to 11th of March 2010 by IMF. The mission conducted meetings with the Ministry of Finance of Turkmenistan and the Central Bank of Turkmenistan and held a two-day seminar on the AML/CFT systems and functions of the state authorized body for financial monitoring, where the international experience in the AML/CFT field was discussed. Over 70 representatives of the Turkmen banking and finance agencies attended the seminar. The seminar was part of a joint project between Turkmenistan and Switzerland. The mission discussed the further steps for a development of the financial monitoring and its integration into the international AML/CFT system. The mission confirmed IMF’S readiness to continue providing necessary assistance in this area.

- The OSCE Center in Tajikistan organized a briefing meeting on activities of OSCE Border Management Staff College (BMSC) on 25 March 2010 in Dushanbe, Tajikistan. The OSCE BMSC was launched in May 2009, the objective of which is to assist the OSCE participating States in strengthening their border security within the framework of the OSCE Border Security and Management Concept. The OSCE has broad access to the latest thinking, methodologies and techniques in the field of border management through its participating States and the National Focal Point Network, its structures, its institutions and its links with international border management and law enforcement related organizations. As a result, the OSCE with its recently established BMSC serves as a platform for dialogue and provides a tool for cooperation and exchange of views and information.

MONEYVAL update

- The 32nd MONEYVAL Plenary meeting was held from 15 to 18 March 2010 in Strasbourg, France. During the meeting the following decisions were taken by Moneyval:
  ✓ MONEYVAL revised its rules of procedure regarding the examination of mutual evaluation reports, follow up reports, the application of the compliance enhancing procedures and decision-making processes;
  ✓ the mutual evaluation report on the 4th assessment of Slovenia was adopted;
  ✓ the first progress reports submitted by Ukraine and Montenegro were adopted;
  ✓ the second progress reports submitted by Lithuania and Georgia were adopted;
  ✓ Moneyval adopted its 2009 Annual Report;
  ✓ Moneyval adopted a report on red flags and indicators in the context of the typologies project on Money laundering through private pension funds and the insurance sector.

The next Moneyval plenary meeting is scheduled to take place in Strasbourg, from 27 September to 1 October 2010.

- MONEYVAL participated in the 4th meeting of the informal platform of the EU Asset Recovery Offices, which took place in Brussels from 25 to 26 March 2010. This platform gathers representatives from Asset Recovery Offices established in EU member States, in order to ensure effective exchange of information, coordination and co-operation. The Secretariat of MONEYVAL presented at this meeting the results of the survey on the enforcement of non-conviction based confiscation orders in MONEYVAL member States and the state of play on the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism (CETS No. 198).

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

FATF update

- The Interim follow – up report to the Mutual Evaluation Greece. The FATF has released an interim follow-up report, setting out progress made since the report of the third mutual evaluation of Greece, which was published in June 2007. Since the publication of the mutual evaluation report, Greece has provided the FATF Plenary with progress reports on a regular basis. At the February 2010 Plenary meeting, Greece requested the publication of this progress report.

Greece remains in the follow-up process until the publication of the final follow-up report. Greece may apply to come out of the follow-up process when satisfactory progress has been made in remedying the deficiencies noted in the report, in particular regarding the core and key recommendations. This report provides an update showing the progress that Greece has made since the adoption of the third mutual evaluation report. The information used for this report, the seventh progress report to the FATF Plenary, is based on information provided by Greece in relation to the follow-up process, and also on material submitted by Greece in relation to the International Co-operation Review Group targeted review.

- The FATF published the Mutual Evaluation Report of Luxembourg. This report summarizes the anti-money laundering and counter-terrorism financing measures (AML/CFT) that were in place in Luxembourg at the time of the on-site visit (4-15 May 2009) and immediately thereafter. It describes and analyses these measures and offers recommendations on how to strengthen certain aspects of the system. It also assesses Germany’s level of compliance with the 40+9 Recommendations of the FATF. Although the regime in Germany presents some features that are not fully in line with FATF Recommendations, Germany has made a clear commitment to further strengthen the national system for the prevention, detection and suppression of money laundering and terrorist financing.

For further information please see FATF website: http://www.fatf-gafi.org
An Eastern European FIU initiated an investigation after having received a disclosure from a bank. A government backed company, Slava Ltd., received a donation from a sponsor amounting to US$ 400,000. Slava Ltd subsequently transferred the donation to a building company, Edifice Ltd., in order to construct a new public building for a local community. Steve, who was the president of companies Edifice, Pole, Brick, Spade and Hoist drew up a subcontract between Edifice, Brick and Spade to undertake the construction work. Edifice promised to pay US$ 170,000 to each of other companies. Each of the aforementioned companies held an account with the same local bank.

In January, Steve made an application to the bank with request to change the name of the accounts previously called “Pole” and “Hoist” to “Brick” and “Spade”. In February, the accounts were credited with US$ 340,000. In March, Steve cancelled his application for the account name change. This meant that Brick and Spade became Pole and Hoist again. In April, following Steve’s instructions, US$ 340,000 were disbursed in cash from the accounts of Pole and Hoist to a friend of Steve’s relatives – an unemployed man called Michael who was later found dead in suspicious circumstances.

By confusing the account names, Steve had managed to withdraw the money of Slava Ltd without attracting undue attention from either the bank or the government. Virtually, no construction work was done during the period January-April. Steve has since disappeared, and the authorities have been unable to trace him. The US$ 340,000 has not been found, because Michael forwarded the amount to unknown beneficiary and did not leave any trace. Given the fact that Michael is dead, it has been impossible for the FIU to trace the final destination of the money. Because the FIU sensed the Steve’s construction to be a money laundering operation, it disseminated their findings to the police. Currently the case is under police investigation.

Indicators:

- Rapid and contradictory changes to account names and / or beneficiary

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