



Editorial

The Working Group meeting held in Santiago from 11-13 March was the largest working group meeting since the formation of the Egmont Group in 1995. Delegates representing 52 countries and 3 international organisations attended the meeting.

The unprecedented number of delegates attending the meeting reflects the dedication and commitment of Egmont members to increase the capacity of FIUs and the ability of FIUs to more effectively share valuable financial intelligence.

The Egmont Committee, each of the Working Groups and the Secretariat worked feverishly to ensure that projects and issues were appropriately progressed or finalised in preparation for the Heads of FIU and Plenary meetings to be held in late May 2008.

We would like to express our most sincere thanks to Mr Victor Ossa and the staff of UAF for organising such a wonderful event, and following our long days of meetings and work, to provide us with the opportunity to experience the delights of Chile.

*Neil J Jensen
Chair, Training Working Group*

EGMONT COMMITTEE

The Egmont Committee met over two consecutive days and concluded discussions on a very full agenda. The Committee worked to finalize the program, agendas and required documents for the upcoming 2008 Plenary and Heads of Financial Intelligence Units (HoFIU) meetings.

The program for the Plenary meetings has been re-designed to take greater advantage of the joint availability of FIU and other experts to discuss some key Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) topics relevant to FIUs. The re-design is also intended to be more inclusive of the Egmont Working Groups in delivering aspects of the program during the week.

Proposed and current projects involving the Egmont Group and the International Monetary Fund (IMF) and the World Bank were discussed. A request will be made to the World Bank to provide a draft report on the findings of the joint Egmont-World Bank 'Project on Types of FIU Governance' for the Committee at the Plenary meeting in May 2008. The IMF Project on: 'Performance of FIUs' will be finalized as soon as possible.

Access to the Egmont Group Biennial Census material is limited to Egmont members, but the committee acknowledged that aggregated information, not identifying a specific FIU would assist in responding to questionnaires and surveys being circulated to FIUs by other entities such as the international organisations. This matter will be considered further.

It was confirmed that representation at the FATF meetings is to be continued as a priority and increased support is to be provided to African FIUs via Egmont representation at Groupe Inter-Gouvernemental d'Action Contre le Blanchiment de l'Argent en Afrique (GIABA) and Eastern and South African Anti Money Laundering Group (ESAAMLG) by the Regional Representative for Africa and by HoFIUs from the Africa region. Work with other FSRBs will also continue.

To assist with forward planning and associated resource allocation for member FIUs and to avoid clashes with other significant international meetings, the Secretariat provided a schedule of proposed dates of Egmont events to 2010 which was approved by the Committee.

The Committee confirmed that there will continue to be three meetings of the working groups each year, to enable the business to be effectively progressed, and one Egmont Plenary/HoFIU meeting. The Committee may have additional ad hoc meetings via conference call to progress individual matters from time to time. The benefits of continuing the regional rotation for meetings were confirmed.

In a discussion on the strategic direction of the Egmont Group, it was noted that the composition of the Committee and succession of key office-holders is an important factor for consideration.

LEGAL WORKING GROUP

The Terrorism Financing (TF) Subgroup provided an update on the progress made by FIUs that remained non-compliant after the Bermuda meetings. The Subgroup prepared a full report for the Committee and will prepare an update on the situation to present to the Heads of FIUs at the next plenary meeting.

The Legal Working Group (LWG) finalized an addendum to the Compliance Paper that is meant to address situations where changes occur to the FIU structure in a given jurisdiction. The process is meant to be timely and transparent, and to involve the Regional Representatives as well as the LWG and Egmont Committee (EC) Chairs. The paper will be tabled with the Committee and submitted to the Heads during the next plenary meeting.

IT WORKING GROUP

The IT Working Group (ITWG) prepared and delivered a presentation on how IT systems can be used to enhance the analysis and case functions within a Financial Intelligence Unit (FIU). It was a presentation on the tactical analysis process and the type of work that can be automated by IT systems.

Substantial progress has been made on the connection between the Egmont Secure Web (ESW) and FIU.net. A security solution that will allow this connection to be put in place has now been agreed upon.

A number of countries from the ITWG are currently reviewing GoAML, the United Nations Office on Drugs and Crime's (UNODC) financial data collection and analysis system. Each country will provide a software evaluation assessment to the ITWG.

The International Monetary Fund (IMF) provided feedback on a joint seminar at which ITWG members presented in Beirut in February 2008. This was the first IT-related conference organized by the IMF for FIUs in the Middle East and North African region and, like those previously provided for the Eastern European countries, it was considered to be a success.

International Organisations

International Monetary Fund

The International Monetary Fund (IMF) and World Bank are planning to update information in the IMF/World Bank publication *Financial Intelligence Units: An Overview* which was first published in 2004. Certain areas such as analysis will be elaborated upon in the new version, which needs to be completed by December 2008.

The IMF has requested assistance from the Egmont Group in providing information and feedback. It was suggested that this information could be incorporated into the Mutual Evaluator's training that is currently being developed by the Training Working Group (TWG).

While emphasizing the willingness of the IMF to cooperate with the Egmont Group, the IMF representative informed Egmont members that the IMF is working on a new policy that will focus on assessment activities and funding of other technical assistance.

OUTREACH WORKING GROUP

The current position of candidate FIUs that had been recommended to the Legal Working Group (LWG) was reviewed.

The valuable cooperation between the Outreach Working Group (OWG) and the International Financial Institutions was discussed. A meeting was held with a representative of the IMF to discuss ways of implementing this cooperation and to identify some tangible initiatives. The list of non-Egmont members for which little or no contact information existed within the Egmont Group, had been updated by the IMF and this information was exchanged.

TRAINING WORKING GROUP

Tactical Analysis Workshop

The Training Working Group (TWG) spent a significant amount of the TWG meeting reviewing the tactical analysis training material that is currently being developed. Remarks and suggestions put forward during the meeting will be incorporated into the training package, which will be finalised before the end of May and presented to the Egmont Committee for approval.

The TWG is also developing training material for evaluators of the mutual evaluation of FIUs. It is envisaged that this training will be conducted over 2-3 days and it is hoped that it may in the future form part of the Mutual Evaluators training currently offered by the Financial Action Task Force (FATF) and FATF Style Regional Bodies (FSRBs). This is subject to discussion with those bodies.

Plenary Meeting 2008 Training and breakout sessions

The Egmont Training Working Group is continuing to coordinate the training and breakout sessions which will be held during the Egmont plenary.

This year the sessions will focus on terrorist financing (TF).

Training Session I

- *Methods of funds transfer*
- *Vulnerabilities of the non regulated sectors.*
- *Case studies and the development of indicators*
- *Latest trends in cyber crime*
- *Tracking and freezing of transactions.*

Training Session II

- *Global standards and legal requirements*
- *Compliance with Special Recommendation VIII.*
- *Vulnerabilities of NPOs to TF and protecting the sector*
- *Links between ARS and NPOs*
- *The UK approach to identifying TF.*

Break out sessions

- *TF typologies*
- *Exchange of TF information between the private and public sectors.*

Database for Sanitised Cases

Over the last 18 months, 114 sanitised cases have been added to the current sanitised case database by the TWG.

TWG members attended a joint TWG–OpWG–ITWG meeting where a demonstration of the Trends and Indicators Database was provided.

The database has been further developed to include sanitised cases that can be used for training purposes. An additional function has also been incorporated so that a distinction can be made between 'restricted' and 'unrestricted' cases. 'Restricted' cases will only be accessible through ESW, whereas the 'unrestricted' cases will also be available through the public website.

All sanitised cases are available in English though cases will soon be available in both French and Spanish.

OPERATIONAL WORKING GROUP

The Operational Working Group (OpWG) discussed its E-Money Laundering Paper and Corruption Project. The paper on E-Money laundering was finalized and will be posted on the Egmont Secure Web (ESW) for the information and guidance of all members of the Egmont Group. The Guidance Paper on corruption, which focuses on threats to the financial markets posed by corrupt international politically exposed persons, will be finalized and presented at the Egmont Group Plenary Meeting in May 2008.

The OpWG will be organizing a joint presentation and discussion on corruption as part of the Plenary meeting and will be inviting representatives from the World Bank and the United Nations Office on Drugs and Crime (UNODC), the Financial Action Task Force (FATF) and Asia Pacific Group (APG) and the International Centre for Asset Recovery (ICAR) to make a presentation on its anti-

corruption projects, studies and initiatives.

The paper on information sharing was finalized by the OpWG. This project focuses on improving the exchange of information between FIUs. The project will be submitted to the Heads of FIUs for consideration at the Plenary meeting in May 2008.

The OpWG also discussed initiatives related to terrorist financing, cash economies and weapons of mass destruction. The members of the OpWG discussed the development of the papers on the role of FIUs in the context of these topics.

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