



June 2007

## Editorial

Over 220 participants attended the 2007 Plenary Meeting held in Hamilton, Bermuda representing 80 Financial Intelligence Units (FIUs), the FATF and FATF Style Regional Bodies (FSRBs), and international organisations.

We welcomed six new Egmont member FIUs taking the total number of Egmont members to 106.

The Heads meeting in Bermuda created a watershed in the Egmont Group's evolution. A number of very significant decisions were taken which has provided the future direction of the Egmont Group.

With the establishment of the Egmont Secretariat and agreement on administrative procedures, the way is now open for greater focus on important operational matters.

Neil Jensen  
Chair, Training Working Group

## LEGAL WORKING GROUP

Most of the Legal Working Group (LWG) discussion focused on the review of candidate applications. There are a small number of jurisdictions whose FIUs could not be recommended in Cyprus because of an insufficient legal basis for terrorism financing. Some of these FIUs are now demonstrating signs of progress which will be monitored by the LWG.

The LWG also reviewed the discussion paper developed by the Operational Working Group (OpWG) on best practices for information exchange. The OpWG and LWG held a joint session during the Bermuda meeting to further review the paper.

## IT WORKING GROUP

The UNODC provided a further presentation of their **goAML**® system to IT Working Group (ITWG) members who were once again very impressed with both the system and their support model. The ITWG has initiated discussions with the UNODC team on developing a strategic partnership between the two groups.

Past cooperation between the ITWG and the IMF has resulted in two very successful conferences for IT and analysis staff from FIUs in Eastern Europe. In the upcoming year, this partnership will again be working on a third conference in Eastern Europe on advanced IT topics.

The ITWG continues to assist FIUs through presentations at the plenary meetings to raise awareness of the many security exposures they encounter through their use of Information Technology and the internet.

## EGMONT COMMITTEE

The Egmont Committee held three substantive meetings to discuss a range of issues during the course of the week in Bermuda. Issues included the recommendations from the Implementation Committee and the policy for compliance with Egmont practices and procedures.

The World Bank presented on their questionnaire and report on FIU governance and Interpol presented on Interpol's Money Laundering Automated Search Service.

Other issues discussed included venues for future Plenary and Working Group meetings over the next three years, the role of observers in the Egmont Plenary and the inclusion of GIABA as an Egmont observer.

The Committee also welcomed the new Oceanic Regional Representative as well as the continuing membership of the other regional representatives following their re-appointment.

## IMPLEMENTATION COMMITTEE SUB GROUPS

The Implementation Committee held its final meeting in Bermuda.

The Secretariat Subgroup discussed issues related to the Secretariat including the finalization of agreements between Canada and the Egmont Group, sourcing of appropriate offices, plans for hiring Secretariat staff and work on various administrative policies and procedures.

The Charter Subgroup received comments from a number of FIUs on the wording in the Egmont Charter. Following consideration, it was decided to recommend to the Egmont Committee that no further changes be made to the text of the Charter Document.

## OPERATIONAL WORKING GROUP

The Operational Working Group (OpWG) continues their work on a variety of projects. The draft paper on corruption and politically exposed persons (PEPs) was discussed at length with members contributing on the laws and actions taken in their respective countries. This paper will be presented at the Kiev meeting.

The OpWG received an in-depth presentation on methods of laundering the proceeds of crime through internet based payment systems as well as associated types of predicate offenses and indicators.

The OpWG were also provided with a couple of very interesting case presentations.

# TRAINING WORKING GROUP

## Training and Breakout Sessions Plenary meeting

The training sessions conducted at the Bermuda Plenary meeting were attended by over 130 participants.

On the first day of the meeting representatives from the Bermuda Monetary Authority and the Forensic Accounting LLP provided presentations on the Offshore Financial Sector. Mr Kenneth Rijock from World Check discussed his life as a former money launderer as well as current money laundering techniques.

The training session conducted on the third day of the meeting discussed different issues related to Alternative Remittance Systems (ARS) including the benefits of ARS and the importance of adequate ARS compliance.

This year's break out sessions comprised of presentations by FATF and each of the FATF Style Regional Bodies (FSRBs). The presentations discussed current and future typologies projects.

An additional break out session discussed aspects of security exposure that FIUs may encounter through their use of information technology and the internet.



*Luis Lupian Foeller from the Honduras FIU presenting on IT hacking.*

# OUTREACH WORKING GROUP

The Outreach Working Group (OWG) reviewed the status of many FIUs which are seeking membership to the Egmont Group. Updated information on potential candidates is being collated. FIUs are encouraged to view candidate situations and the OWG will provide information where requested.

The OWG met with representatives of the IMF and the World Bank to discuss the proposal that is being developed to enhance outreach cooperation in the future.

## Plenary Presentations

### International Monetary Fund

During the Plenary session the IMF presented the findings from the review that was conducted on 50 FIUs.

The objective of this study was to evaluate FIU issues that were highlighted in FATF and IMF reports. The focus was on core functions, domestic cooperation, the role of FIUs in relation to financing of terrorism and the training needs of FIUs.

The Egmont Group's contribution of a summary of the training needs analysis (TNA) was acknowledged and it was noted that the IMF findings complemented the findings of the Egmont TNA.

## TNA Workshop

The TWG continues to develop training material on the subjects of Tactical Analysis and Offshore Financial Products.

The material is being developed to be interactive with many opportunities for practical application of theory. Given the varying types and level of operational status of many FIUs, the training material will also be developed to be customised to meet individual FIU needs.

The TWG will share the training material with the World Bank and the IMF when it is fully developed. This will ensure a consistency in training initiatives that are delivered by both the Egmont Group and other international organisations.

### International Monetary Fund (IMF)

The IMF stated that they would like to further develop the partnership between the different Egmont Working Groups and the IMF. The aim is to set up "joint ventures" for training from regional perspectives.

### World Bank

The World Bank provided an update on current training initiatives including capacity building training on compliance with the FATF recommendations as well as requirements for Egmont membership. This training is targeted at non Egmont members and as a result, the World Bank will work closely with the Outreach Working Group to identify appropriate target audiences.

### Sanitised Cases

The number of case studies submitted to the Egmont Group continues to increase. Eighty nine cases have been received in total, 63 of which have been sanitised and published on the ESW.

A sub-group has been formed with members of the TWG, OPWG and ITWG to develop a specification to ensure all of Egmont members' needs are met in a single database and workflow process.

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### FATF

The FATF President discussed the important relationship between the Egmont Group and FATF. He highlighted the role of the Egmont Group in AML/CFT initiatives and the importance of the close relationship that also exists between the Egmont Group and the FSRBs.

He also discussed the importance of continuing to cooperate, as FIUs are central to the work on threat analysis and must work together for visible results.

The significant role that FIUs play in the typologies exercises coordinated by the FATF and FSRBs was also highlighted.